

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION No-3077
ANSWERED ON-23.03.2021

PROBLEMS IN FILING GST RETURNS BY MSME

3077. SHRI PRABHAKAR REDDY VEMIREDDY :

Will the Minister of FINANCE be pleased to state:-

- (a) whether it has come to the notice of Government that filing of quarterly GST returns is creating problems for MSME sector due to reconciliation mismatch;
- (b) if so, the details thereof and how Government is planning to address this problem; and
- (c) the contention of MSME sector with regard to Rule 36(4) of GST Rules?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (c) Small taxpayers, including MSMEs, who were liable to furnish **FORM GSTR-1** on a quarterly basis, were earlier not able to furnish the details of their outward supplies until the filing of **FORM GSTR-1**. This was causing difficulty in availment of input tax credit by their recipients in light of the limit prescribed in Rule 36(4) of the CGST Rules, 2017.

To address this problem, an Invoice Furnishing Facility (**IFF**) has been provided w.e.f. 01.01.2021 to taxpayers having aggregate turnover up to five crore rupees who opt for quarterly filing of their returns. Using this facility, they have option to furnish the details of outward supplies made to registered persons even during the first two months of a quarter. This allows continuous transmission of input tax credit to the concerned recipients and thus, addresses the contention of MSME sector with regard to input tax credit reconciliation as per rule 36(4).
