

**DAHOTRE & DAHOTRE**  
Chartered Accountants



Knowledge and Development Committee

# Newsletter

Period of Update: 24<sup>th</sup> March 2024 to 30<sup>th</sup> March 2024  
Period of Issue: 31<sup>st</sup> March 2024 to 6<sup>th</sup> April 2024

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## Editor-in-Chief's Message

Hello readers!

Welcome to the **13<sup>th</sup>** Newsletter Edition of 2024.

In this issue, we will discuss Standards AS 29: Provisions, Contingent Liabilities and Contingent Assets and Clarification Regarding Section 194R of Income Tax Act. Also, we will know methods to track cash flow.

**Trupti Narawade**  
Editor-in-chief

## Team's Message

"Success means doing the best we can with what we have. Success is the doing, not the getting; in the trying, not the triumph. Success is a personal standard, reaching for the highest that is in us, becoming all that we can be."

**Divjyot Kalra**  
Senior Associate(IDT)

## Short Updates:

### Direct Taxes

- CBDT clarifies provisions relating to donations made by a trust / institution to another trust / institution for the purposes of application of Income of any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in specified sub-clauses of section 10 (23C) of the Income-tax Act, 1961.
- Representations have been received by the Central Board of Direct Taxes (CBDT) raising concerns as to whether the balance 15% of donation to other trust / institution would be taxable or would be eligible for 15% accumulation, since the funds would not be available, having been already disbursed

### RERA

- MAHA RERA to start grading real estate projects from April 2024.
- All real estate projects registered since January 2023 in Maharashtra will be graded from April 2024.

### General

- For ICICI Bank lounge customers will have to spend a minimum of INR 35,000 in three months from April. Only after this, the airport lounge access will be unlocked for them for the next quarter.
- According to Yes bank, in the next 3 months, all customers will have to spend at least ten thousand rupees to get access to the lounge.

## 01 General

# AS 29: Provisions, Contingent Liabilities and Contingent Assets



Bharat Sharma

**AS 29** refers to Accounting Standard 29 issued by the Institute of Chartered Accountants of India (ICAI), which deals with provisions, contingent liabilities, and contingent assets. The standard provides guidelines for recognizing provisions, contingent liabilities, and contingent assets in financial statements and specifies the accounting treatment and disclosures required for these items. AS 29 aims to ensure that financial statements accurately reflect an entity's financial position by addressing uncertainties regarding future events and their impact on the entity's obligations and assets.

### Applicability

AS 29 is applicable to all enterprise except:

- Those dealing with agriculture activities (as defined in AS 2 such as Harvest of biological assets for sale, such as the cultivation of crops, raising of livestock, forestry, and extraction of minerals from deposits.)
- Insurance companies.
- Small enterprises.

### Definition:

#### • Provision:

A provision is a liability that is recognized in the financial statements of an entity when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be

required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. In simpler terms, a provision is a liability that is likely to occur and can be reasonably estimated.

#### • Contingent liabilities:

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These liabilities are not recognized in the financial statements but are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. In simpler terms, contingent liabilities are potential obligations that may or may not become actual liabilities depending on future events.

#### • Contingent assets:

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

### Accounting treatment of provision, contingent liabilities and contingent assets

- Provisions are recognized in the financial statements when all recognition criteria satisfied.

### Which is such criteria?

1. **Present Obligation:** There must be a present obligation (legal or constructive) as a result of past events. A present obligation arises when the entity has a duty or responsibility that has arisen from past events.
2. **Outflow of Resources:** It is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation. This means that there is a greater than 50% chance that the outflow of resources will occur.

3. **Reliable Estimate:** A reliable estimate of the amount of the obligation can be made. This includes estimating the amount of any future outflow of economic benefits required to settle the obligation.

### How to disclose the provision in financial statements?

1. Opening balance
2. Addition to and use of provision
3. Unused amount return back
4. Closing balance of provision

### Contingent liabilities

Enterprise should not recognised the contingent liabilities but it should be disclosed in financial statement. If the following condition should be fulfilled.

#### Condition:

- There should be present obligation arising out of past event, but not recognised as .
- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
- The possibility of an outflow of resources embodying economic benefits is not remote.
- The amount of the obligation cannot be measured with sufficient reliability to be recognised as provision.

### Contingent Assets

A contingent asset is not recognized in the financial statements since its existence is uncertain. However, when inflow of economic benefits is probable, the contingent asset is disclosed in the financial statements as a contingent.

### When there is an excess provision?

- **Excess Provision Adjustment:** Any excess provision should be reversed to the extent that it is no longer required.
- **Recognition in the Income Statement:** The reversal of the excess provision is recognized in the income

statement, typically under the relevant expense head.

**Shifting from contingent liability to provision:** Contingent liabilities are continuously assessed and if it becomes probable that an outflow of future economic benefits will be required to settle obligation, which is previously assessed as contingent liability, a provision is recognized.

*Read next: Clarification Regarding Section 194 of Income Tax Act.*

## 02 Direct Tax

### Clarification Regarding Section 194R of Income Tax Act



Trupti Narawde

As per Section **28(iv)** of the Income Tax Act, the value of any benefit or perquisite, whether convertible into money or not, arising from business or exercise of profession is to be charged as business income in the hands of the recipient of such benefit or perquisite.

Therefore, in order to widen the tax base, under the Finance Bill 2022, it has been proposed to insert new Section 194R in the Act to provide that the person responsible for providing to a resident, any benefit or perquisite, whether convertible into money or not, arising from carrying out of a business or exercising of a profession by such resident, shall, ensure that deduction of tax at ten per cent of the value of such benefit or perquisite. Such tax is to be required to be deducted before providing such benefit or perquisite and is proposed to be applicable from 1st July 2022.

#### Guidelines:

**Question 1:** Is it necessary that the person providing benefit or perquisite needs to check if the amount is taxable under clause (iv) of Section 28 of the Act, before deducting tax under Section 194R of the Act?

**Answer:** No. The deductor is not required to check whether the amount of benefit or perquisite that he is providing would be taxable in the hands of the recipient under clause (iv) of Section 28 of the Act. The amount could be taxable under any other Section like Section 41(1) etc. Section 194R of the Act casts an obligation on the person responsible for providing any

benefit or perquisite to a resident, to deduct tax at source @10%. There is no further requirement to check whether the amount is taxable in the hands of the recipient or under which Section it is taxable.

**Question 2:** Is it necessary that the benefit or perquisite must be in kind for Section 194R of the Act to operate?

**Answer:** Tax under Section 194R of the Act is required to be deducted whether the benefit or perquisite is in cash or in kind. In this regard it is important to draw attention to the first proviso to sub-section (1) of Section 194R of the Act, which reads as under:

"Provided that in a case where the benefit or perquisite, as the case may be, is wholly in kind or partly in cash and partly in kind but such part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of such benefit or perquisite, the person responsible for providing such benefit or perquisite shall, before releasing the benefit or perquisite, ensure that tax required to be deducted has been paid in respect of the benefit or perquisite."

This proviso clearly indicates the intent of legislature that there could also be situations where benefit or perquisite is in cash or the benefit or perquisite is in kind or partly in cash and partly in kind. Thus, Section 194R of the Act clearly brings in its scope the situation where the benefit or perquisite is in cash or in kind or partly in cash or partly in kind.

**Question 3.** Is there any requirement to deduct tax under Section 194R of the Act, when the benefit or perquisite is in the form of capital asset?

**Answer:** As has been stated in response to question no 1, there is no requirement to check whether the perquisite or benefit is taxable in the hands of the recipient and the Section under which it is taxable. Thus, it can be seen that the asset given as benefit or perquisite may be capital asset in general sense of the term like car, land etc. but in the hands of the recipient it is benefit or perquisite and has accordingly been held to be taxable. In any case, as stated earlier, the deductor is not required to check if the benefit or perquisite is taxable in the hands of recipient. Thus,

the deductor is required to deduct tax under Section 194R of the Act in all cases where benefit or perquisite (of whatever nature) is provided.

**Question 4:** Whether sales discount, cash discount and rebates are benefit or perquisite?

**Answer:** Sales discounts, cash discount or rebates allowed to customers from the listed retail price represent lesser realization of the sale price itself is also reduced.

Logically these are also benefits though related to sales/purchase. Since TDS under Section 194R is applicable on all forms of benefit/perquisite, tax is required to be deducted. However, it is seen that subjecting these to tax deduction would put seller to difficulty. To remove such difficulty it is clarified that no tax is required to be deducted under Section 194R of the Act on sales discount, cash discount and rebates allowed to customers.

There could be another situation, where a seller is selling its items from its stock in trade to a buyer. The seller offers two items free with purchase of 10 items. In substance, the seller is actually selling 12 items at a price of 10 items. Let us assume that the price of each item is INR 12. In this case, the selling price for the seller would be INR 120 for 12 items. For buyer, he has purchased 12 items at a price of 10. Just like seller, the purchase price for the buyer is INR 120 for 12 items and he is expected to record so in his books.

In such a situation, again there could be difficulty in applying Section 194R provision. Hence, to remove difficulty it is clarified that on the above facts no tax is required to be deducted under Section 194R of the Act. It is clarified that situation is different when free samples are given and the above relaxation would not apply to a situation of free samples.

Similarly, this relaxation should not be extended to other benefits provided by the seller in connection with its sale. To illustrate, the following are some of the examples of benefits/perquisites on which tax is required to be deducted under Section 194R of the Act (the list is not exhaustive):

- When a person gives incentives (other than discount, rebate) in the form of cash or kind such as car, TV, computers, gold coin, mobile phone etc.
- When a person sponsors a trip for the recipient and his/her relatives upon achieving certain targets
- When a person provides free ticket for an event
- When a person gives medicine samples free to medical practitioners.

**Question 5.** How is the valuation of benefit/perquisite required to be carried out?

**Answer:** The valuation would be based on fair market value of the benefit or perquisite except in following cases:-

- (i) The benefit/perquisite provider has purchased the benefit/perquisite before providing it to the recipient. In that case the purchase price shall be the value for such benefit/perquisite.
- (ii) The benefit/perquisite provider manufactures such items given as benefit/perquisite, then the price that it charges to its customers for such items shall be the value for such benefit/perquisite. It is further clarified that GST will not be included for the purposes of valuation of benefit/perquisite for TDS under Section 194R of the Act.

**Question 6:** Section 194R provides that if the benefit/perquisite is in kind or partly in kind (and cash is not sufficient to meet TDS) then the person responsible for providing such benefit or perquisite is required to ensure that tax required to be deducted has been paid in respect of the benefit or perquisite, before releasing the benefit or perquisite. How can such person be satisfied that tax has been deposited?

**Answer:** The requirement of law is that if a person is providing benefit in kind to a recipient and tax is required to be deducted under Section 194R of the Act, the person is required to ensure that tax required to be deducted has been paid by the recipient. Such recipient would pay tax in the form of advance tax. The tax deductor may rely on a declaration along with a copy of the advance tax payment challan provided by the recipient confirming that the tax required to be

deducted on the benefit/perquisite has been deposited.

This would be then required to be reported in TDS return along with challan number. This year Form 26Q has included provisions for reporting such transactions.

In the alternative, as an option to remove difficulty if any, the benefit provider may deduct the tax under Section 194R of the Act and pay to the Government. The tax should be deducted after taking into account the fact the tax paid by him as TDS is also a benefit under Section 194R of the Act. In the Form 26Q he will need to show it as tax deducted on benefit provided.

**Question 7.** Section 194R would come into effect from the 1<sup>st</sup> July 2022. Second proviso to Sub Section (I) of Section 194R of the Act provides that the provision of this Section does not apply where the value or aggregate of value of the benefit or perquisite provided or likely to be provided to a resident during the financial year does not exceed twenty thousand rupees. It is not clear how this limit of twenty thousand is to be computed for the Financial Year?

**Answer:** It is hereby clarified that,-

- I. Since the threshold of twenty thousand rupees is with respect to the financial year, calculation of value or aggregate of value of the benefit or perquisite triggering deduction under Section 194R of the Act shall be counted from 1<sup>st</sup> April, 2022. Hence, if the value or aggregate value of the benefit or perquisite provided or likely to be provided to a resident exceeds twenty thousand rupees during the financial year 2022-23 (including the period up to 30<sup>th</sup> June 2022), the provision of Section 194R shall apply on any benefit or perquisite provided on or after 1<sup>st</sup> July 2022.
- II. The benefit or perquisite which has been provided on or before 30<sup>th</sup> June 2022, would not be subjected to tax deduction under Section 194R of the Act.

*Read next: Some methods to track cash flow*

## 03 Business Consultancy

### Some methods to Track cash flow



Gayatri Limaye

**A** well-known printing and game manufacturing company approached our strategy consulting firm with tracking and monitoring challenges as they were unable to gain real-time insights to make decisions.

The focal point of the struggle lay in monitoring accounts payable, accounts receivable, and inventory. This disengaged the decision-makers from obtaining crucial insights based on data, to confirm their gut feelings. The absence of tracking systems led to a limited perspective on key operational aspects and restricted the company's ability to navigate its strategic path effectively using accurate statistics.

How to set up preventive measures for maintaining cash flow in operating activities by establishing monitoring systems and creating awareness about using data-based insights to get a better perspective for decision-making?

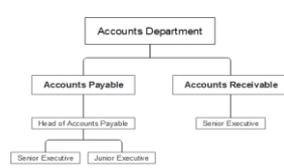
Our consulting team studied the current mechanism used to track outstanding receivables, outstanding payables, and inventory. A comprehensive study enabled us to outline a strategy. Some of the key points were the following:

**Restructuring of the accounts department and formulation of KRAs to clearly outline responsibilities and incorporate teamwork**

Exhibit 1 – Minimum expected KRAs – Accounts department



Exhibit 2 – Accounts department structure



Source: DMS research  
 DMS | Strictly Private and Confidential

Responsibilities were defined, but KRAs were not formulated with exact descriptions. Certain tasks from the accounts team’s ideal KRAs were assigned to other departments like Sales and CRM. Sales billing (invoicing and data entry in Tally ERP) was being done by the Sales and Support team. The Accounts department was not bifurcated into Accounts Payables and Accounts Receivables sections which led to having no system for cross-checking work done by each team. Segregation of the Accounts department into Payables and Receivables for proper segregation of work was required. A reassignment of personnel based on their work assignment was done. Ideal KRAs for the segregated accounts functions were prepared and work was redistributed among the accounts payable team as per their skills and experience

### Incorporation of Accounts Receivable (AR) ageing and flagging system to monitor outstanding receivables

Exhibit 1 – Extract of AR Ageing schedule - Example

Particulars	< 30 days	30 to 45 days	45 to 60 days	60 to 90 days	> 90 days	Grand Total
Customer 1					1400.00 Cr	1400.00 Cr
Customer 2			389827.00 Dr		346787.00 Dr	736614.00 Dr
Customer 3					7010.00 Cr	7010.00 Cr
Customer 4	415006.00 Dr	202489.00 Dr	32506.00 Dr			650001.00 Dr
Customer 5		6823.00 Cr				6823.00 Cr
Customer 6	164291.00 Dr					164291.00 Dr
Customer 7	822018.00 Dr	344986.00 Dr				1167004.00 Dr
Customer 8	1000.00 Dr	1100.00 Dr	2035308.00 Dr	1200.00 Dr	395618.00 Dr	2434226.00 Dr

Exhibit 2 – Proposed flagging system

Bracket	< 30 days	30 to 45 days	45 to 60 days	60 to 90 days	> 90 days
Person Involved	Accounts Receivable Executive	Accounts Receivable Executive	Accounts Receivable Executive, CRM	CRM, Director	Director
Action to be taken	Follow up calls	Follow up calls	Follow up calls	Call or visit as per requirement	Stop supply of products

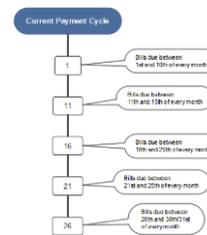
Source: DMS research  
 DMS | Strictly Private and Confidential

Accounts Receivable ageing schedule can be obtained from Tally customer-wise to keep track of the outstanding receivable amounts. A flagging system outlining the involvement of relevant stakeholders and actions to be taken was defined. The frequency of Accounts Receivable monitoring was redefined to a

minimum of two times a month.

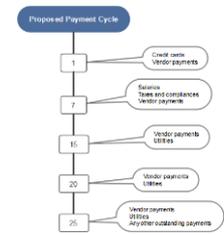
### Defining payment cycle to save time and maintain consistency

Exhibit 1 – Current Payment Cycle – Only Vendor Payments considered



Source: DMS research

Exhibit 2 – Proposed payable cycle



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There was a cycle for vendor payments, but the utility bills were paid as and when they were received. There were at least three days in the week on average when payments were being made. A payment cycle by categories was defined and the number of days spent in processing payments was limited to incorporate a discipline and standardization for payments.

### Provisions to ensure sufficient availability of funds before the payment cycle

Exhibit 1 – Priority of Provisions



Source: DMS research

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There was no defined system for tracking the costs or provisions for different categories of expenses. Making provisions to ensure sufficient availability of funds before the payment cycle dates is essential. Prioritization of categories was done for payments to be made which enabled adherence to the payment cycle.

## Accounts Payable (AP) Ageing and flagging system to keep track of upcoming payables

Exhibit 1 – AP ageing - example

Vendor	Pending Bills		(< 30 days)		30 to 45 days		45 to 60 days		60 to 90 days		(> 90 days)		
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	
Vendor 1	36876.00								36876.00				
Vendor 2	49940.00			40308.00					9632.00				
Vendor 3	52920.00								52920.00				
Vendor 4	58000.00						58000.00						
Vendor 5	1190.00						1190.00						
Vendor 6	10630.97	156432.73	1592.46	122434.96			8217.95	246.53	16206.46	7692.50	6855.26	999.48	628.14
Vendor 7		11614.50											
Vendor 8	43396057.00			15553416.00			12625558.00		11069223.00		4147860.00		
Vendor 9	3124.00								3124.00				
Vendor 10	11981.00			11981.00									

Source: DMS research

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Accounts Payable ageing and flagging system was defined to check invoices for only those that fall in the categories above 45 days (or as per credit days). By extracting the ledger for specific vendors as per requirement, it was ensured that an efficient FIFO method was adopted to pay bills within the credit period.

## Centralization of physical inventory and assignment of a dedicated person to manage inventory

Exhibit 1 – Current Person Responsible for Inventory tracking

Category of Inventory	Person Responsible for tracking	
	Incoming	Issuing/ Outgoing
Raw Material	Purchase executive	Production head
Consumables	Purchase executive	Purchase executive
Finished Goods	Production head	Director

Exhibit 2 – Minimum expected KRAs of inventory manager



The inventory tracking was carried out by the purchase executive, production head and the director. Reassigning or hiring one single person, inventory, or store manager, to track the incoming and outgoing of all inventory was necessary with clearly defined responsibilities.

## Incorporation of inventory management and inventory ageing to identify patterns – fast-moving, slow-moving, or dead stock

Exhibit 1 – Data collected to generate inventory ageing

Sr No	Item	Type (RM, Consumables, FG)	Closing month	Closing stock (Amount in INR)	Purchases (Cumulative)	Unit of measurement	Number of units (Closing stock)	Purchase price per unit	Inventory days	Price per unit in inventory	Category
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Exhibit 2 – Inventory ageing schedule – example of finished goods

SKU	0 – 15 days	15 – 30 days	30 – 45 days	45 – 60 days	60 days and above
SKU 1			₹ 2,73,66,498		
SKU 2			₹ 87,30,018		
SKU 3			₹ 54,85,251		
SKU 4				₹ 53,32,829	
SKU 5				₹ 35,01,630	
SKU 6			₹ 27,23,760		
SKU 7					₹ 25,90,812
SKU 8			₹ 24,70,306		
SKU 9		₹ 21,93,750			
SKU 10	₹ 20,08,436				

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Calculating the inventory ageing was provided. The closing stock figures at month's end from the Inventory Management System were used in the inventory ageing segment of the MIS report. This system showed the categories of fast-moving (0 – 15 days, 15 – 30 days), slow-moving (30 – 45 days, 45 – 60 days), or dead inventory (60 days and above) of raw materials, consumables as well as finished goods. It highlighted which items were space-consuming, which items could be stocked less due to smaller lead time, etc.

## Impact

The primary objective for the decision makers to have accurate data was achieved. The incorporation of our strategy helped to streamline the roles and responsibilities, clarify the priorities, and digitally maintain inventory data. The use of MIS Report consisting of the Accounts Receivable ageing, Accounts Payable ageing and inventory ageing helped the decision maker's track the outstanding amounts and the daily closing stock to make informed decisions.

## Conclusion

Incorporation of some new software or technology does not need to be the only way to digitization. It is very difficult to switch from a manual data recording system to a trendy software overnight. The objective for digitization, the capabilities of the people involved and the ease of usability are some of the essential factors to be studied. It is always better to go step by step, gaining control over every aspect of the digitization journey.

Read next: Wall of Wisdom

## WALL OF WISDOM (WOW):

- "All our dreams can come true, if we have the courage to pursue them."
- "It is never too late to be what you might have been."

Read next: Do you know?

## DO YOU KNOW?

1. Did you know there's a planet mostly made from diamond. Called 55 Cancri e, it's around twice the size of Earth and some 40 light-years away from us within the Cancer constellation.
2. Did you know your nails grow faster in hot summer? This is probably due to increased blood supply to the fingertips. It could also be because you're less stressed while on holiday so less likely to grow away.

## What else do You Know? Let us know.

Read next: Motivational Quote

## MOTIVATIONAL QUOTE:

**"DISCOVER YOURSELF OTHERWISE YOU HAVE TO DEPEND ON OTHER PEOPLE'S OPINION, WHO DON'T KNOW THEMSELVES."**

—OSHO

### Sources-

- Company Law Notifications and Circulars
- CBDT Notifications and Circulars
- CBIC Notifications and circulars
- Other Allied Law Notifications and circulars
- MCA21 Website.
- Income Tax Website.
- GST Website.
- Other Statutory Government Websites.
- Extracts from Tax guru- Extracts from Clear Tax.- Extracts from CA club India.

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Read next: Statutory Due Date

## Statutory Due Dates Calendar

### INCOME TAX

Due Dates in the Month of	Particulars	For the Period	Due Date
April-2024	1 TDS/TCS Payment	March 2024	TDS 30/04/2024 and TCS 07/04/2024
May-2024	1 TDS/TCS Payment	April 2024	07/05/2024
	2 TDS Statement for Form 24Q, 26Q and 27Q	Q4 FY 2023-24	31/05/2024
	3 TCS Statement– for Form 26QB, 26QC, 26QD	Q4 FY 2023-24	15/05/2024
	4 Statement of Financial Transactions (SFT) Compliance	FY 2023-24	31/05/2024
June-2024	1 TDS/TCS Payment	May 2024	07/06/2024
	2 Advance Tax	1 <sup>st</sup> Installment of FY 2024-25	15/06/2024
	3 Form 16/ 16A	Q4 FY 2023-24	15/06/2024
July-2024	1 TDS/TCS Payment	June 2024	07/07/2024
	2 TDS Statement for Form 24Q	Q1 FY 2024-25	31/07/2024
	3 TCS Statement– for Form 26QB, 26QC, 26QD	Q1 FY 2024-25	15/07/2024
	4 Income tax Return for A.Y. 2024-25 for all assessee other than (a) Assessee whose accounts are required to be audited (b) Partner of a firm whose accounts are required to be audited (c) An assessee who is required to furnish a report under Section 92E.	FY 2023-24	31/07/2024
August-2024	1 TDS/TCS Payment	July 2024	07/08/2024
September-2024	1 TDS/TCS Payment	August 2024	07/09/2024
	2 Advance Tax	2 <sup>nd</sup> Instalment FY 2024-25	15/09/2024
	3 Due date for filing of audit report under Section 44AB for AY 2024-25 in the case of a corporate- assessee or non-corporate assessee (who is required to submit his/its return of income on	FY 2023-24	30/09/2024

		October 31, 2024)		
		<b>TDS Statement for Form 26Q and 27Q</b>	Q1 FY 2024-25	30/09/2024
<b>October-2024</b>	1	TDS/TCS Payment	September 2024	07/10/2024
	2	Due date for filing of return of income for AY 2024-25 if assessee is  (a) Corporate-assessee (b) Non-corporate assessee (whose books of account are required to be audited) (c) Partner of a firm whose accounts are required to be audited (d) An assessee who is required to furnish a Report u/s 92 E	FY 2023-24	31/10/2024
	3	TDS Statement for Form 24Q, 26Q and 27Q	Q2 FY 2024-25	31/10/2024
	4	TCS Statement– for Form 26QB, 26QC, 26QD	Q2 FY 2024-25	15/10/2024
<b>November-2024</b>	1	TDS/TCS Payment	October 2024	07/11/2024
<b>December-2024</b>	1	TDS/TCS Payment	November 2024	07/12/2024
	2	Advance Tax	3 <sup>rd</sup> Installment FY 2024-25	15/12/2024
	3	<b>Filing of belated/revised return of income for the assessment year 2024-25 for all assessee.</b>	<b>FY 2023-24</b>	<b>31/12/2024</b>
<b>January-2025</b>	1	TDS/TCS Payment	December 2024	07/01/2025
	2	TDS Statement for Form 24Q, 26Q and 27Q	Q3 FY 2024-25	31/01/2025
	3	TCS Statement– for Form 26QB, 26QC, 26QD	Q3 FY 2024-25	15/01/2025
<b>February-2025</b>	1	TDS/TCS Payment	January 2025	07/02/2025
<b>March-2025</b>	1	Advance Tax	4 <sup>th</sup> Installment of FY 2024-25	15/03/2025
	2	TDS/TCS Payment	February 2025	07/03/2025

## GOODS AND SERVICES TAX ACT

Due Dates in the Month of	Particulars	For the Period	Due Date	
April-2024	1	GSTR 1 (Regular Taxpayers)	March 2024	11/04/2024
	2	GSTR 1 (Quarterly Taxpayers)	March 2024	13/04/2024
	3	GSTR 3B (Monthly Return)	March 2024	20/04/2024
	3	GSTR 3B (Quarterly Return)	Jan to Mar 2024	22/04/2024
	4	CMP 08	Jan to Mar 2024	18/04/2024
	5	GSTR 4(Annual Return under Composition scheme)	Apr 2023 to Mar 2024	30/04/2024
May-2024	1	GSTR 1 (Regular Taxpayers)	April 2024	11/05/2024
	2	GSTR 3B (Monthly Return)	April 2024	20/05/2024
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	April 2024	25/05/2024
June-2024	1	GSTR 1 (Regular Taxpayers)	May 2024	11/06/2024
	2	GSTR 3B (Monthly Return)	May 2024	20/06/2024
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	May 2024	25/06/2024
July-2024	1	GSTR 1 (Regular Taxpayers)	June 2024	11/07/2024
	2	GSTR 1 (Quarterly Taxpayers)	Apr to June 2024	13/07/2024
	3	GSTR 3B (Monthly Return)	June 2024	20/07/2024
	4	GSTR 3B Quarterly Return)	June 2024	22/07/2024
	5	CMP-08	Apr to June 2024	18/07/2024
	1	GSTR 1 (Regular Taxpayers)	July 2024	11/08/2024
	2	GSTR 3B (Monthly Return)	July 2024	20/08/2024

August-2024	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	July 2024	25/08/2024
	1	GSTR 1 (Regular Taxpayers)	August 2024	11/09/2024
September-2024	2	GSTR 3B (Monthly Return)	August 2024	20/09/2024
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	August 2024	25/09/2024
	1	GSTR 1 (Regular Taxpayers)	September 2024	11/10/2024
October-2024	2	GSTR 1 (Quarterly Taxpayers)	July to Sept 2024	13/10/2024
	3	GSTR 3B (Monthly Return)	September 2024	20/10/2024
	4	GSTR 3B (Quarterly Return)	July to Sept 2024	22/10/2024
	5	CMP-08	July to Sept 2024	18/10/2024
	1	GSTR 1 (Regular Taxpayers)	October 2024	11/11/2024
November-2024	2	GSTR 3B (Monthly Return)	October 2024	20/11/2024
	3	Monthly Tax Payment under ORMP Scheme(PMT 06)	October 2024	25/11/2024
	1	GSTR 1 (Regular Taxpayers)	November 2024	11/12/2024
December-2024	2	GSTR 3B (Monthly Return)	November 2024	20/12/2024
	3	Monthly Tax Payment under ORMP Scheme(PMT 06)	November 2024	25/12/2024
	4	GSTR-9( Annual Return)	FY 2023-24	31/12/2024
	1	GSTR 1 (Regular Taxpayers)	December 2024	11/01/2025
January-2025	2	GSTR 1 (Quarterly Return)	Oct to Dec 2024	13/01/2025
	3	GSTR 3B (Monthly Return)	December 2024	20/01/2025
	4	GSTR 3B Quarterly Return)	Oct to Dec 2024	22/01/2025
	5	CMP-08	Oct to Dec 2024	18/01/2025
	February-2025	1	GSTR 1 (Regular Taxpayers)	January 2025
2		GSTR 3B (Monthly Return)	January 2025	20/02/2025
3		Monthly Tax Payment under QRMP	January 2025	25/02/2025

	Scheme(PMT 06)		
March-2025	1	GSTR 1 (Regular Taxpayers)	February 2025 11/03/2025
	2	GSTR 3B (Monthly Return)	February 2025 20/03/2025
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	February 2025 25/03/2025
April-2025	1	GSTR 1 (Regular Taxpayers)	March 2025 11/04/2025
	2	GSTR 1 (Quarterly Return)	Jan to Mar 2025 13/04/2025
	3	GSTR 3B (Monthly Return)	March 2025 20/04/2025
	4	GSTR 3B Quarterly Return)	Jan to Mar 2025 22/04/2025
	5	CMP-08	Jan to Mar 2025 18/04/2025
	6	GSTR 4(Annual Return under Composition scheme)	Apr 2024 to Mar 2025 30-04-2025

## COMPANIES ACT

Due Dates in the Month of	Particulars	Description	Due Date
April-2024	Form MSME (outstanding payments to MSME's)	The return is to be filed by any company, who get supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty-five days from the date of acceptance or the date of deemed acceptance of the goods or services.	30 <sup>th</sup> April 2024 (For the period of October'23 – March'24)
May-2024	LLP FORM-11	Annual Return (to be filed by all LLP's irrespective of turnover)	30 <sup>th</sup> May 2024
June-2024	DPT-3	<b>To be filed in case company has deposit or exempted deposit.</b>	<b>30<sup>th</sup> June 2024</b>
September-2024	DIR-3 KYC	Form for Director KYC. Need to be filed mandatorily for every director on Board	30 <sup>th</sup> September 2024
October-2024	ADT-1	Form for Auditor Appointment	15 <sup>th</sup> October 2024
	AOC-4	Form for filing Financials, Auditors Report, Directors Report, etc.	30 <sup>th</sup> October 2024
	Form MSME (outstanding payments to MSME's)	The return is to be filed by any company, who get supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty-five days from the date of acceptance or the date of deemed acceptance of the goods or services.	31 <sup>st</sup> October 2024 (For the period of April'24 – September'24)
November-2024	MGT-7	ROC Annual Return (Details of Shareholding etc.)	29 <sup>th</sup> November 2024
Event Based	CHG FORMS	Form for charge creation, modification, satisfaction	Within 30 days of any charge occurring
	DIR-12	Form for Director Changes (Appointment/Resignation/Death)	Within 30 days of any charge occurring

## PTRC and PTEC Compliance

Due Dates in the Month of	Particulars	Description	Due Date
June-2024	PTEC	Person who stands enrolled before the commencement of a year or is enrolled on or before 31st May of a year (F.Y. 2023-24)	30/06/2024
		Person who is enrolled after the 31st May of a year	Within one month of the date of enrolment
		Person who is enrolled and the rate of tax at which he is liable to pay tax is revised	Within one month of the date of such revision
March-2025	PTRC	<b>Yearly</b> - Tax Liability is less than INR 1,00,000/-	31/03/2024
		<b>Monthly</b> - Tax Liability is equal to or more than INR 1,00,000/-	The last date of the month to which the return relates

## VAT

Due Dates in the Month of	Particulars	For the Period	Due Date
April 2024	1 Monthly Return (VAT payment)	March 2024	21/04/2024
	2 Quarterly Return (VAT payment)	January 2024 to March 2024	21/04/2024
May 2024	1 Monthly Return (VAT payment)	April 2024	21/05/2024
June 2024	1 Monthly Return (VAT payment)	May 2024	21/06/2024
July 2024	1 Monthly Return (VAT payment)	June 2024	21/07/2024
	2 Quarterly Return (VAT payment)	April 2024 to June 2024	21/07/2024
August 2024	1 Monthly Return (VAT payment)	July 2024	21/08/2024
September 2024	1 Monthly Return (VAT payment)	August 2024	21/09/2024
	1 Monthly Return (VAT payment)	September 2024	21/10/2024
October 2024	2 Quarterly Return (VAT payment)	July 2024 to September 2024	21/10/2024
	1 Monthly Return (VAT payment)	October 2024	21/11/2024
November 2024	1 Monthly Return (VAT payment)	November 2024	21/12/2024
	1 Monthly Return (VAT payment)	December 2024	21/01/2025
January 2025	2 VAT Audit (Form 704)	F.Y. 2023-2024	15/01/2025
	3 Quarterly Return (VAT payment)	October 2024 to December 2024	21/01/2025
February 2025	1 Monthly Return (VAT payment)	January 2025	21/02/2025
March 2025	1 Monthly Return (VAT payment)	February 2025	21/03/2025

## Summary of Penalties of Income Tax

Particulars	Description	Amount/ Interest rate
1. Default in making payment of tax.	The amount of penalty leviable will be as determined by the Assessing Officer. However, the amount will not exceed the amount of tax in arrears 2023	Penalty determined by the assessing officer
2. Under-reporting of income.	1. If the income assessed/ re-assessed exceeds the income declared by the assessee, or in cases where return has not been filed and income exceeds the basic exemption limit, penalty at 50% of tax payable on such under reported income shall be levied.	50% of tax payable Under reported Income OR 200% of tax payable from misreporting of income
	2. 200% of the tax is payable if under-reporting results from misreporting of income	
3. Failure to maintain books of accounts and other documents	1. Normally, the amount of penalty leviable is INR25,000	INR 25000 OR 2% of value of International transaction
	2. In case, the assessee is a person who has entered into international transaction, the penalty will be 2% of the value of such international transactions or specified domestic transactions	
4. Penalty for false entry such as fake invoices	1. The assessee might have to pay a penalty of the amount equal to sum of such false or omitted entries.	Amount equal to such false or omitted entries
5. Undisclosed income	1. If undisclosed income is admitted during the course of Search and assessee pays tax and interest and files return, a penalty @ 30% of such undisclosed income is payable.	30% OR 60%
	2. In all other cases, penalty is leviable @ 60%	
6. Audit and Audit Report	1. If the assessee fails to get his accounts audited, obtain audit report, or furnish report of such auditor, a penalty will be leviable at the INR 1,50,000 or 0.5% of the total sale/ Turnover/ gross receipts whichever is lesser.	INR 150000/- OR 0.5% of total sale, turnover/gross receipt
	2. Failure of assessee to furnish Audit report related to foreign transaction, a penalty @ INR 1,00,000 will be payable	

7. TDS/TCS	1. Where a person fails to deduct tax at source, he will be liable to pay a penalty equal to the amount of tax which he has failed to deduct/ pay.	Penalty equal to amount of Tax,
	2. Where a person fails to collect tax at source, he will be liable to pay a penalty equal to the amount of tax which he has failed to collect.	
	3. Failure to furnish TDS/TCS statement or furnishing incorrect statements, shall attract a penalty ranging from 10,000 to 1,00,000	INR 10000/-to INR 100000/-
	4. Non-Deduction of TDS, either in whole or part	1% Per month
	5. Non-payment of TDS (after deduction), either in whole or part	1.5% per month
	6. Failure to furnish information/ furnishing inaccurate information related to TDS deduction related regarding Non-residents shall attract a penalty of 100,000	INR 100000/-
8. Penalty for using modes other than Account payee cheque/ draft/ ECS	1. If a person takes/ accepts loan/ deposit except by way of Account payee cheque/ account payee draft/ ECS, and if the aggregate amount exceeds INR20,000, he shall be liable to pay a penalty of an amount equal to such loan/ deposit.	Penalty amount equals to such loan / deposit
	2. If, an amount of INR2,00,000 or more is received in aggregate from a person in a day/ single transaction/ relating to one event, a penalty equal to such amount will be payable.	
	3. If a person repays loan/ deposit and such amount so repaid exceeds INR20,000 and such amount has been repaid except by way of Account payee cheque/ account payee draft/ ECS, an amount equal to such loan/ deposit shall be payable.	
9. Others	1. Failure to apply/quote/ intimate PAN/ quoting false PAN shall attract a penalty of INR10,000	INR 10000/-
	2. Failure to apply/quote TAN/ quoting false TAN shall attract a penalty of INR10,000	
	In case of the following defaults, INR10,000 will be the penalty leviable,	
	1. Refusal to answer questions put by the department	

	2. Refusal to sign statements made in income tax proceedings	
	3. Noncompliance with summons to give evidence/ produce books of accounts	
	4. Failure to comply with a notice	
10. late Filing ITR	1. If the ITR is filed after the due date but by 31st December of the succeeding year.	INR 5000/-
	2. If the ITR is filed after 31st December of the succeeding year.	INR 10000/-
	3. for small taxpayers having total income of up to INR 5 lakh.	INR 1000/-

*Read next: Amendment Summary*

## Amendment Summary

DEC-2022						
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
			1 Central Excise	2	3	4
5	6	7 Direct Tax	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Sr. No.	Date	Area of Knowledge (AOK)	Notification/ Circular/ Press Release	Short Description
1	1/12/2022	Central excise	<a href="#">Notification No 40.2022</a>	To reduce the Special Additional Excise Duty on Diesel, Seeks to further amend No. 04/2022-Central Excise, dated the 30th June, 2022
2	1/12/2022	Central excise	<a href="#">Notification No 41.2022</a>	To reduce the Special Additional Excise Duty on production of Petroleum Crude, Seeks to amend No. 18/2022-Central Excise, dated the 19th July, 2022
3	7/12/2022	Direct Tax	<a href="#">Circular No 24.2022</a>	Deduction Of Tax At Source income-Tax Deduction From Salaries Under Section 192 Of The Income-Tax Act, 1961 During The Financial Year 2022-23

### **Rectifications in the previous Newsletter:**

No Rectifications pertaining to the previous Newsletter(s).

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