

# DAHOTRE & DAHOTRE

Chartered Accountants

Knowledge and Development Committee

# Newsletter

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## Editor-in-Chief's Message

Hello readers!

Welcome to the 25<sup>th</sup> Newsletter Edition of 2024.

In this issue, we will discuss liabilities of Auditor also we will know about Taxation on Hindu Undivided Family (HUF) & Section 45 of Income Tax Act

**Vinod Jangid**  
Editor-in-chief

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## Team's Message

"You need to be aware of what others are doing, applaud their efforts, acknowledge their successes, and encourage them in their pursuits. When we all help one another, everybody wins."

**Trupti Narawade**  
KND Chairperson

## Short Updates:

### Direct Tax

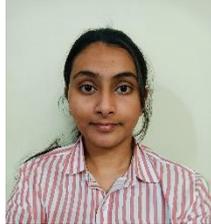
- India is reviewing the 'faceless' income tax (I-T) assessment mechanism to make it more taxpayer-friendly, following suggestions that the program can be more effective.
- A hybrid formula is being examined that could allow taxpayers to pick either the faceless scheme or in-person resolution, people familiar with the development told ET.
- It is being reviewed to assess effectiveness," said an official, adding that there is a line of thinking that it should be made optional for taxpayers. Another official said the idea is to address challenges in its implementation to ease compliance further taxpayer. A final call will be taken shortly, the official said.

- The scheme was introduced on April 1, 2021, to reduce the human interface in tax disputes and assessments. Under the system, the income tax department processes returns, issues refunds, conducts tax assessments and scrutiny and manages appeals. The assessing officer is assigned cases at random, without following geographical jurisdiction.

### ROC

- MCA has planned Legal Training Program-Scheme for the engagement of undergraduate law students/fresh law graduates on pro-bono basis for assisting litigation work at the Ministry headquarters and field offices. The Scheme shall remain in force with effect from 25th June 2023 till further directions or modifications.

## 01 General Liabilities of Auditor



Tanaya Yeske

The auditor shall be liable to compensate him for any loss or damages sustained by him by reason of any untrue statement included therein. The auditor may escape from liability if he proves that: The prospectus is issued without his knowledge or consent. As an auditor, your primary responsibility is to review and verify the financial statements of a company. This process ensures that the financial records are accurate and comply with the relevant accounting standards and regulations.

### Civil Liability:

#### 1) Liability for Negligence:

Negligence means breach of duty. An auditor is an agent of the shareholders. He has to perform his professional duties. He should take reasonable care and skill in the performance of his duties. If he fails to do so, liability for negligence arises. An auditor will be held liable if the client has suffered loss due to his negligence. It should be noted that an auditor will not be liable to compensate the loss or damage if his negligence is not proved.

#### 2) Liability for Misfeasance:

Misfeasance means breach of trust. If an auditor does something wrongfully in the performance of his duties resulting in a financial loss to the company, he is guilty of misfeasance. In such a case, the company can recover damages from the auditor or from any officer for breach of trust or misfeasance of the company. Misfeasance proceedings can be initiated against the auditor for any untrue statement in the prospectus or in the event of winding the company.

### Liabilities under Companies Act –

#### I. Liability for Misstatements in the Prospectus [Sec.35]:

An auditor shall be held liable to compensate every person who subscribes for any shares or debentures of a company on the faith of the prospectus containing an untrue statement made by him as an expert. The auditor shall be liable to compensate him for any loss or damages sustained by him by reason of any untrue statement included therein. The auditor may escape from liability if he proves that:

- The prospectus is issued without his knowledge or consent.
- He withdrew his consent, in writing before delivery of the prospectus for registration.
- He should have withdrawn his consent after issue of prospectus but before allotment of shares and reasonable public notice has given by him regarding this.

#### II. Criminal Liability of Auditor under Companies Act:

##### 1) Untrue statement in Prospectus [Sec.34]

The auditor is liable when he authorizes a false or untrue prospectus. When a prospectus includes any untrue statement, every person who authorizes the issue of prospectus shall be imprisoned for a period of six months to ten years or with a fine, which may be three times the amount involved in the fraud or with both.

##### 2) Non-compliance by auditor [Sec. 143 and 145]:

If the auditor does not comply regarding making his report or signing or authorization of any document and makes wilful neglect on his part he shall be punishable with imprisonment up to one year or with fine not less than INR 25,000 extendable to INR 5,00,000.

##### 3) Failure to assist investigation [Sec.217 (6)]:

When Central Government appoints an Inspector to investigate the affairs of the company, it is the duty of the auditor to produce all books, documents and to provide assistance to the inspectors. If the auditor fails to do so he shall be

punishable with imprisonment up to one year and with fine up to INR 1,00,000.

- 4) **Failure to assist prosecution of guilty officers [Sec.224]:** An auditor is required to assist prosecution when Central Government takes any action against the report submitted by the Inspector. If he fails to do so, he is found guilty and is punishable.
- 5) **Failure to return property, books or papers [Sec.299]:** When a company is wound up the auditor is supposed to be present and subject himself to a private examination by the court and is also liable to return to the court any property, books or papers relating to the company. If the auditor does not comply, he may be imprisoned.
- 6) **Penalty for falsification of books [Sec.336]:** An auditor who destroys, mutilates, alters or falsifies or secretes any books of account or document belonging to the company. He shall be punishable with imprisonment and also be liable to fine.
- 7) **Prosecution of auditor [Sec.342]:** In the course of winding up of a company by the Tribunal, if it appears to the Tribunal that an auditor of the company has been guilty of an offence, it shall be the duty of the auditor to give all assistance in connection with the prosecution. If he fails to give assistance he shall be liable to fine not less than INR 25,000 extendable up to INR 1,00,000.
- 8) **Penalty for deliberate act of commission or omission [Sec.448]:** If an auditor deliberately make a statement in any report, certificate, balance sheet, prospectus, etc. which is false or which contains omission of material facts, he shall be punishable with imprisonment for a period of six months to ten years and fine not less than amount involved in fraud extendable to three times of such amount.

### **Criminal Liability under Indian Penal Code –**

If any person issues or signs any certificate relating to any fact which such certificate is false, he is punishable as if he gave false evidence. According to Sec.197 of the Indian Penal Code, the auditor is similarly liable for falsification of any books, materials, papers that belongs to the company.

### **Liability under Income Tax Act [Sec.278]-**

- For tax evasion exceeds INR 1,00,000, rigorous

imprisonment of six months to seven years.

- A person who induces another person to make and deliver to the Income Tax authorities a false account, statement or declaration relating to any income chargeable to tax which he knows to be false, he shall be liable to fine and imprisonment of three months to three years. An auditor may also be charged in case of wrong certification of account.
- A Chartered Accountant can represent his clients before the Income Tax Authorities. However, if he is guilty of misconduct he can be disqualified from practicing.
- An auditor can face imprisonment up to two years for furnishing false information.

### **Liability for Professional Misconduct-**

The Chartered Accountant Act, 1949 mentions number of acts and omissions that comprise professional misconduct in relation to audit practice. The council of ICAI may remove the auditor's name for five years or more, if he finds guilty of professional misconduct.

### **Liability towards Third Parties-**

There are number of persons who rely upon the financial statements audited by the auditor and enter into transactions with the company without further enquiry viz. creditors, bankers, tax authorities, prospective shareholders, etc.

- **Liability for Negligence:** It has been held in the court that auditor is not liable to third parties, as there is no contract between auditor and third parties. He owes no duty towards them.
- **Liability for Frauds:** The third parties can hold the auditor liable, if there is fraud on the part of auditor even if there is no contractual relationship between auditor and third parties. In certain cases negligence of auditor may amount to fraud for which he may be held liable to third parties. But it must be proved that auditor did not act honestly and he knew about it.

### **Sources of Legal Liability for an Auditor-**

- **Client: Breach of Contract:** Auditors obtain an engagement letter and any breach of the stated terms

can be a valid reason for legal action by the company against the auditor.

- **Financial Statement Users: Negligence.** The auditor has failed to use due care and has failed to identify a material misstatement. By not identifying a material misstatement, financial statement users are harmed, as they may rely on the published financials when making an investment decision.
- **Government: Fraud,** also known as Gross Negligence. The auditor has knowingly issued an incorrect audit report. The government requires public company financial statements to accurately reflect the company's actual results. If an incorrect audit report is issued, then this undermines the government's duty to help protect investors.

### Successful Lawsuits Against Auditors-

In order for a third party or a client to successfully sue an auditor for negligence, it is not sufficient to just come up with some evidence and file a court case. The plaintiff must prove the following four criteria:

- Auditor owed a duty of care (i.e., must fall in the known user or foreseeable user group)
- Auditor breached that duty of care (i.e., audit failure)
- The plaintiff suffered a loss, and the loss is a real loss (not an opportunity cost/loss)
- There was a causal connection between the auditor's negligence and the plaintiff's loss

*Read next: Taxation on Hindu Undivided Family (HUF)*

## 02 Direct Tax

### Taxation on Hindu Undivided Family (HUF)



Bharat Sharma

**H**UF is a unique legal entity under Hindu law, consisting of individuals who are lineal descendants of a common ancestor. The HUF includes all male members and unmarried female members by birth, as well as the wives of the male members

**Common Ancestor:** The family unit is based on a common male ancestor and continues with his descendants.

#### ● FEATURES OF HUF :

1. **Formation:** An HUF is automatically formed by the existence of a family, and no formal creation is required. However, it can be formally recognized by obtaining a PAN (Permanent Account Number) from the Income Tax Department.
2. **Karta:** The head of the HUF is known as the Karta, typically the eldest male member, who manages the affairs of the HUF. Female members can also become Karta following certain legal precedents.
3. **Coparceners:** These are the members who have the right to demand partition of the HUF. Traditionally, coparceners were only male members, but after the amendment in the Hindu Succession Act, 2005, daughters are also considered coparceners.
4. **Assets:** The HUF can own properties and assets, which are jointly held and managed by the Karta on behalf of the family members.
5. **Taxation:** The income earned by the HUF is taxed separately from the individual incomes of its members. This provides tax benefits as the HUF

enjoys certain exemptions and deductions under the Income Tax Act.

- **SOURCE OF INCOME FOR HUF –**

- HUF can earn income from various sources, including:
- House Property: Rental income from properties owned by the HUF.
- Business Income: Profits from a family business operated by the HUF.
- Capital Gains: Gains from the sale of HUF assets.
- Other Sources: Interest on investments, dividends, etc.

- **Income which not taxed as income of HUF**

1. If a member transfers his self-acquired property to the HUF without receiving proper sale consideration, income from such property is not taxable in the hands of the HUF. It will continue to be taxed in the hands of the member.
2. Personal income of the members cannot be treated as income of HUF. “Stridhan” is an absolute property of a woman, hence income from it is not taxable as income of HUF.
3. Income from an individual property of the daughter is not taxable in the hands of HUF even if such property is vested into HUF by the daughter.

- **TAXATION ON HUF –**

1. **Tax Slabs** - HUFs are taxed at the same rates as individual taxpayers. The income tax slabs and rates applicable to individual taxpayers also apply to HUFs.
2. **Gift tax** - Gifts received by the HUF from its members are not taxable. However, gifts received from non-members are taxable if the amount exceeds ₹50,000 in a financial year.
3. **Books of Accounts:** If the HUF is engaged in business or profession, it may need to maintain books of accounts as per the prescribed norms under the Income Tax Act

- **PARTITION AND TAX IMPLICATION –**

1. Partial Partition: Since 1989, partial partition of HUF is not recognized for tax purposes. Only total partition (complete division) is acknowledged.
2. Total Partition: On total partition, the assets are distributed among the members, and the HUF ceases to exist. The distributed assets are subject to capital gains tax in certain situations

- **What is process of taxation for HUF ?**

1. **Calculation of Income :**  
Calculate the total income of the HUF, which includes income from various sources such as business, property, investments, and any other sources
2. **Apply Basic Exemption Limit:**  
Similar to individual taxpayers, HUFs are eligible for the basic exemption limit, which is INR 2.5 lakh for the assessment year 2023-24. This means that HUF income up to INR 2.5 lakh is exempt from income tax
3. **Compute Taxable Income:**  
Deduct the basic exemption limit from the HUF's total income to arrive at the taxable income.
4. **Calculate Tax Liability:**  
Apply the applicable tax rates to the taxable income to calculate the HUF's tax liability.
5. **Claim Deductions and Exemptions:**  
HUFs can claim various deductions and exemptions allowed under the Income Tax Act,
6. **Calculate Total Tax Payable:**  
After applying deductions and exemptions, calculate the total tax payable by the HUF.

- **Deduction for HUF –**

**HUF is eligible for deductions under various sections of the Income Tax Act**

1. **80C:** Investments in life insurance, PPF, NSC, ELSS, etc., up to a limit of ₹1.5 lakh.
2. **Section 80D:** Premiums paid for health insurance for family members up to a certain limit.
3. **Section 24(b):** Deduction for interest on housing loan, up to ₹2 lakh for self-occupied property etc.

### There are some deduction which HUF cannot claim -

1. **Section 80DD:** Deduction for Medical Treatment of a Dependent with Disability:

This deduction is available to individual taxpayers for expenses incurred on the medical treatment (including nursing), training, and rehabilitation of a dependent with disability. HUFs cannot claim this deduction.

2. **Section 80DDB:** Deduction for Medical Treatment of Specified Diseases:

This deduction is available to individual taxpayers for expenses incurred on the medical treatment of specified diseases for themselves or their dependents. HUFs are not eligible to claim this deduction.

3. **Section 80U:** Deduction for Individuals with Disability:

This deduction is available to individual taxpayers who have a disability. HUFs cannot claim this deduction as it is meant for individuals with a disability.

### Standard Deduction under Section 16:

Standard Deduction for Salaried Individuals: This is a flat deduction available to salaried employees to cover expenses related to their employment. Since HUFs cannot earn salary income, they cannot claim this deduction.

### House Rent Allowance (HRA):

HUFs cannot claim HRA exemption since this is a benefit specific to salaried individuals who receive HRA as part of their salary.

### Education Loan Interest under Section 80E:

While HUFs can claim the deduction for interest paid on education loans, the loan must be taken for the education of a member of the HUF, and typically, this benefit is more straightforward for individual taxpayers.

### Deductions under Section 80EE and Section 80EEA:

These sections provide additional deductions on interest paid on home loans for first-time homebuyers, with specific conditions. These deductions are generally more applicable to individual taxpayers rather than HUFs.

### • ITR Filing for HUF -

HUFs must file a separate income tax return using Form ITR-2 or ITR-3, depending on their sources of income

*Read next: Section 45 of Income Tax Act*

## 03 Direct Tax

### Section 45 of Income Tax Act



Arpit Kale

Section 45 of Income Tax Act, 1961 provides that any profits or gains arising from the transfer of a capital asset effected in the previous year will be chargeable to income tax under the head 'Capital Gains'. Such capital gains will be deemed the income of the previous year in which the transfer took place.

#### A. Insurance Receipts [Section 45(1A)]:

Where any person receives any money or other assets under any insurance from an insurer on account of damage to or destruction of any capital asset, as a result of flood, typhoon, hurricane, cyclone, earthquake or other convulsion of nature,

- riot or civil disturbance,
- accidental fire or explosion or
- because of action by an enemy or action taken in combating an enemy (whether with or without declaration of war), then any profits or gains arising from receipt of such money or other assets shall be chargeable to income-tax under the head "Capital gains" and shall be deemed to be the income of the such person for the previous year in which such money or other asset was received.

Full value of consideration:

In order to compute capital gains, the value of any money or the fair market value of other assets on the date of such receipt shall be deemed the full value of the consideration received or accruing because of the transfer of such capital assets.

#### B. Conversion or treatment of a capital asset as stock-in-trade [Section 45(2)]

A person who is the owner of a capital asset may convert the same or treat it as stock-in-trade of the business carried on by him. As noted above, the above transaction is a transfer. As per Section 45(2), notwithstanding anything contained in Section 45(1), being the charging Section, the profits or gains arising from the above conversion or treatment will be chargeable to income tax as his income of the previous year in which such stock-in-trade is sold or otherwise transferred by him.

#### Full value of consideration:

In order to compute the capital gains, the fair market value of the asset on the date of such conversion or treatment shall be deemed the full value of the consideration received because of the transfer of the capital asset.

#### C. Transfer of Capital asset by person to a firm or other association of persons or body of individuals [Section 45(3)]

The profits or gains arising from the transfer of a capital asset by a person to a firm or other association of persons or body of individuals (not being a company or a co-operative society). In which he is or becomes a partner or member, by way of capital contribution or otherwise, shall be chargeable to tax as his income of the previous year in which such transfer takes place and, for the purposes of Section 48. the amount recorded in the books of account of the firm, association or body as the value of the capital asset shall be deemed to be the full value of the consideration received or accruing as a result of the transfer of the capital asset.

#### D. Compensation on compulsory acquisition [Section 45(5)]:

Sometimes, a building or some other capital asset belonging to a person is taken over by the Central Government by way of compulsory acquisition. In that case, the Central Government body of RBI determines the consideration for the transfer. When the Central

Government pays the above compensation, capital gains may arise. Such capital gains are chargeable as income of the previous year in which such compensation is received.

### **Enhanced Compensation:**

Many times, persons whose capital assets have been taken over by the Central Government and who get compensation from the Government go to the Court of law for enhancement of compensation. If the court awards a compensation, which is higher than the original compensation, the difference thereof will be chargeable to capital gains in the year in which the same is received from the government.

### **Cost of acquisition in case of enhanced compensation**

For this purpose, the cost of acquisition and cost of improvement shall be taken to be nil.

### **Consideration reduced by any court, Tribunal or other authority:**

Where in the assessment for any year, the capital gain arising from the transfer of a capital asset is computed by taking the compensation or consideration referred to in clause (a) or. As the case may be, enhanced compensation or consideration referred to in clause (b), and subsequently such compensation or consideration is reduced by any court. Tribunal or other authority, such assessed capital gain of that year shall be recomputed by taking the compensation or consideration as so reduced by such court, Tribunal or other authority to be the full value of the consideration.

### **Test Your Knowledge:**

- 1) The capital asset purchased in year 2015-16 was converted into stock in trade in year 2020-21. It is sold in year 2021-22 at profit. In which year capital gain will arise?
- 2) The capital asset purchased in year 2015-16 was destroyed due to fire in year 2020-21. Insurance claim for the same was received in the year 2021-22 from insurance company. Which year's indexation is to be

taken while calculating cost of acquisition in given case?

3) Why the cost of acquisition is to be taken

Nil in case of enhanced compensation?

*Read next: Wall of Wisdom*

## WALL OF WISDOM (WOW):

- "You must be the change you wish to see in the world"
- "Do one thing every day that scares you."

*Read next: Do you know?*

## DO YOU KNOW?

1. The Mona Lisa has no eyebrows.
2. Ants take rest for around 8 Minutes in 12-hour period.

## What else do You Know Let us know.

*Read next: Motivational Quote*

## MOTIVATIONAL QUOTE:

**"Learn from the Others mistakes, You really don't have to touch fire to see how hot it is."**

**- Chanakya**

### 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-2023	1 TDS/TCS Payment	March 2023	07/04/2023
May-2023	1 TDS/TCS Payment	April 2023	07/05/2023
	2 TDS Statement for Form 24Q, 26Q and 27Q	Q4 FY 2022-23	31/05/2023
	3 TCS Statement– for Form 26QB, 26QC, 26QD	Q4 FY 2022-23	15/05/2023
June-2023	1 TDS/TCS Payment	May 2023	07/06/2023
	2 Advance Tax	1 <sup>st</sup> Installment of FY 2023-24	15/06/2023
	3 Form 16/ 16A	Q4 FY 2022-23	15/06/2023
	4 Statement of Financial Transactions (SFT) Compliance	FY 2022-23	31/05/2023
July-2023	1 TDS/TCS Payment	June 2023	07/07/2023
	2 TDS Statement for Form 24Q	Q1 FY 2023-24	31/07/2023
	3 TCS Statement– for Form 26QB, 26QC, 26QD	Q1 FY 2023-24	15/07/2023
	4 Income tax Return for A.Y. 2023-24 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 2022-23	31/07/2023
August-2023	1 TDS/TCS Payment	July 2023	07/08/2023
September-2023	1 TDS/TCS Payment	August 2023	07/09/2023
	2 Advance Tax	2 <sup>nd</sup> Instalment FY 2023-24	15/09/2023
	3 Due date for filing of audit report under Section 44AB for AY 2023-24 in the case of a corporate- assessee or non-corporate assessee (who is required to submit his/its return of income on October 31, 2023)	FY 2022-23	30/09/2023

		<b>TDS Statement for Form 26Q and 27Q</b>	Q1 FY 2023-24	30/09/2023
<b>October-2023</b>	1	TDS/TCS Payment	September 2023	07/10/2023
	2	Due date for filing of return of income for AY 2023-24 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 2022-23	30/09/2023
	3	TDS Statement for Form 24Q, 26Q and 27Q	Q2 FY 2023-24	31/10/2023
	4	TCS Statement– for Form 26QB, 26QC, 26QD	Q2 FY 2023-24	15/10/2023
<b>November-2023</b>	1	TDS/TCS Payment	October 2023	07/11/2023
<b>December-2023</b>	1	TDS/TCS Payment	November 2023	07/12/2023
	2	Advance Tax	3 <sup>rd</sup> Installment FY 2023-24	15/12/2023
	3	<b>Filing of belated/revised return of income for the assessment year 2023-24 for all assessee.</b>	<b>FY 2022-23</b>	<b>31/12/2023</b>
<b>January-2024</b>	1	TDS/TCS Payment	December 2023	07/01/2024
	2	TDS Statement for Form 24Q, 26Q and 27Q	Q3 FY 2023-24	31/01/2024
	3	TCS Statement– for Form 26QB, 26QC, 26QD	Q3 FY 2023-24	15/01/2024
<b>February-2024</b>	1	TDS/TCS Payment	January 2024	07/02/2024
<b>March-2024</b>	1	Advance Tax	4 <sup>th</sup> Installment of FY 2022-23	15/03/2024
	2	TDS/TCS Payment	February 2024	07/03/2024

**GOODS AND SERVICES TAX ACT**

Due Dates in the Month of	Particulars	For the Period	Due Date
<b>April-2023</b>	1 GSTR 1 (Regular Taxpayers)	March 2023	11/04/2023
	2 GSTR 1 (Quarterly Taxpayers)	March 2023	13/04/2023
	3 GSTR 3B (Monthly Return)	March 2023	20/04/2023
	3 GSTR 3B (Quarterly Return)	Jan to Mar 2023	22/04/2023
	4 CMP 08	Jan to Mar 2023	18/04/2023
5 GSTR 4(Annual Return under Composition scheme)	Apr 2022 to Mar 2023	30/04/2023	
<b>May-2023</b>	1 GSTR 1 (Regular Taxpayers)	April 2023	11/05/2023
	2 GSTR 3B (Monthly Return)	April 2023	20/05/2023
	3 Monthly Tax Payment under QRMP Scheme(PMT 06)	April 2023	25/05/2023
<b>June-2023</b>	1 GSTR 1 (Regular Taxpayers)	May 2023	11/06/2023
	2 GSTR 3B (Monthly Return)	May 2023	20/06/2023
	3 Monthly Tax Payment under QRMP Scheme(PMT 06)	May 2023	25/06/2023
<b>July-2023</b>	1 GSTR 1 (Regular Taxpayers)	June 2023	11/07/2023
	2 GSTR 1 (Quarterly Taxpayers)	Apr to June 2023	13/07/2023
	3 GSTR 3B (Monthly Return)	June 2023	20/07/2023
	4 GSTR 3B Quarterly Return)	June 2023	22/07/2023
	5 CMP-08	Apr to June 2023	18/07/2023

<b>August-2023</b>	1	GSTR 1 (Regular Taxpayers)	July 2023	11/08/2023
	2	GSTR 3B (Monthly Return)	July 2023	20/08/2023
	3	Monthly Tax Payment under ORMP Scheme(PMT 06)	July 2023	25/08/2023
<b>September-2023</b>	1	GSTR 1 (Regular Taxpayers)	August 2023	11/09/2023
	2	GSTR 3B (Monthly Return)	August 2023	20/09/2023
	3	Monthly Tax Payment under ORMP Scheme(PMT 06)	August 2023	25/09/2021
<b>October-2023</b>	1	GSTR 1 (Regular Taxpayers)	September 2023	11/10/2023
	2	GSTR 1 (Quarterly Taxpayers)	July to Sept 2023	13/10/2023
	3	GSTR 3B (Monthly Return)	September 2023	20/10/2023
	4	GSTR 3B (Quarterly Return)	July to Sept 2023	22/10/2023
	5	CMP-08	July to Sept 2023	18/10/2023
<b>November-2023</b>	1	GSTR 1 (Regular Taxpayers)	October 2023	11/11/2023
	2	GSTR 3B (Monthly Return)	October 2023	20/11/2023
	3	Monthly Tax Payment under ORMP Scheme(PMT 06)	October 2023	25/11/2023
<b>December-2023</b>	1	GSTR 1 (Regular Taxpayers)	November 2023	11/12/2023
	2	GSTR 3B (Monthly Return)	November 2023	20/12/2023
	3	Monthly Tax Payment under ORMP Scheme(PMT 06)	November 2023	25/12/2023
	4	GSTR-9( Annual Return)	FY 2022-23	31/12/2023
<b>January-2024</b>	1	GSTR 1 (Regular Taxpayers)	December 2023	11/01/2024
	2	GSTR 1 (Quarterly Return)	Oct to Dec 2023	13/01/2024
	3	GSTR 3B (Monthly Return)	December 2023	20/01/2024
	4	GSTR 3B Quarterly Return)	Oct to Dec 2023	22/01/2024
	5	CMP-08	Oct to Dec 2023	18/01/2024

February-2024	1	GSTR 1 (Regular Taxpayers)	January 2024	11/02/2024
	2	GSTR 3B (Monthly Return)	January 2024	20/02/2024
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	January 2024	25/02/2024
March-2024	1	GSTR 1 (Regular Taxpayers)	February 2024	11/03/2024
	2	GSTR 3B (Monthly Return)	February 2024	20/03/2024
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	February 2024	25/03/2024
April-2024	1	GSTR 1 (Regular Taxpayers)	March 2024	11/04/2024
	2	GSTR 1 (Quarterly Return)	Jan to Mar 2024	13/04/2024
	3	GSTR 3B (Monthly Return)	March 2024	20/04/2024
	4	GSTR 3B Quarterly Return)	Jan to Mar 2024	22/04/2024
	5	CMP-08	Jan to Mar 2024	18/04/2024
	6	GSTR 4(Annual Return under Composition scheme)	Apr 2023 to Mar 2024	30-04-2024

## COMPANIES ACT

Due Dates in the Month of	Particulars	Description	Due Date
April-2023	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 2023 (For the period of October'22 – March'23)
			31 <sup>st</sup> October 2023 (For the period of April'23 – September'23)
May-2023	LLP FORM-11	Annual Return (to be filed by all LLP's irrespective of turnover)	15 <sup>th</sup> July 2023
June-2023	DPT-3	<b>To be filed in case company has deposit or exempted deposit.</b>	<b>31<sup>th</sup> July 2023</b>
September-2023	DIR-3 KYC	Form for Director KYC. Need to be filed mandatorily for every director on Board	30 <sup>th</sup> September 2023
October-2023	ADT-1	Form for Auditor Appointment	15 <sup>th</sup> October 2023
	AOC-4	Form for filing Financials, Auditors Report, Directors Report, etc.	30 <sup>th</sup> October 2023
November-2023	MGT-7	ROC Annual Return (Details of Shareholding etc.)	29 <sup>st</sup> November 2023
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-2023	PTEC	Person who stands enrolled before the commencement of a year or is enrolled on or before 31st May of a year (F.Y. 2022-23)	30/06/2023
		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-2023	PTRC	<b>Yearly</b> - Tax Liability is less than INR 1,00,000/-	31/03/2023
		<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	1 Monthly Return (VAT payment)	March 2023	21/04/2023
	2 Quarterly Return (VAT payment)	January 2023 to March 2023	21/04/2023
May	1 Monthly Return (VAT payment)	April 2023	21/05/2023
June	1 Monthly Return (VAT payment)	May 2023	21/06/2023
July	1 Monthly Return (VAT payment)	June 2023	21/07/2023
	2 Quarterly Return (VAT payment)	April 2023 to June 2023	21/07/2023
August	1 Monthly Return (VAT payment)	July 2023	21/08/2023
September	1 Monthly Return (VAT payment)	August 2023	21/09/2023
October	1 Monthly Return (VAT payment)	September 2023	21/10/2023
	2 Quarterly Return (VAT payment)	July 2023 to September 2023	21/10/2023
November	1 Monthly Return (VAT payment)	October 2023	21/11/2023
December	1 Monthly Return (VAT payment)	November 2023	21/12/2023
	1 Monthly Return (VAT payment)	December 2023	21/01/2024
January	2 VAT Audit (Form 704)	F.Y. 2022-2023	15/01/2024
	3 Quarterly Return (VAT payment)	October 2023 to December 2023	21/01/2024
February	1 Monthly Return (VAT payment)	January 2024	21/02/2024
March	1 Monthly Return (VAT payment)	February 2024	21/03/2024

## 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	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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