

DAHOTRE & DAHOTRE

Chartered Accountants

Knowledge and Development Committee

Newsletter

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Editor-in-Chief's Message

Hello readers!

Welcome to the **22**nd Newsletter Edition of 2024.

In this issue, we will discuss Have you tested your capabilities before investing more in the business? Also we will Know about Customs Guide For Travellers and Telecom Industry: Industry Overview.

Vinod Jangid
Editor-in-chief

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Team's Message

"Great teamwork is the only way we create the breakthroughs that define our careers."

Akash Chavan
Senior Leader (DT)

Short Updates:

ROC

- LinkedIn is reviewing penalties totalling ₹27.1 lakh imposed by the Ministry of Corporate Affairs (MCA) for alleged violation of significant beneficial owner (SBO) norms under the Companies Act, 2013. The penalties target LinkedIn India, Microsoft CEO Satya Nadella, LinkedIn CEO Ryan Roslansky, and seven others.

Direct Tax

- CBIC issued important guidelines for early initiation of recovery proceedings from taxpayers in exceptional situations before the Standard time of three months.

- However, only in Exceptional cases and after reason to be recorded in writing, only "Principal Commissioner of Central Tax / Commissioner of Central Tax" can authorize Recovery Proceedings to be made before 3 months from date of order.
- This instruction will give relief/clarification in cases, where Taxpayer is been told that Recovery Proceedings will be initiated against him before 3 months from Order.
- The finance ministry reported the GST collection of May stood at INR 1.73 lakh crore. It was less compared to INR 2.10 lakh crore in April but is more than INR 1.57 lakh crore in May, of the previous year

01 Generals

Have you Tested your Capabilities Before Investing More in the Business?



Sonakshi Pathak

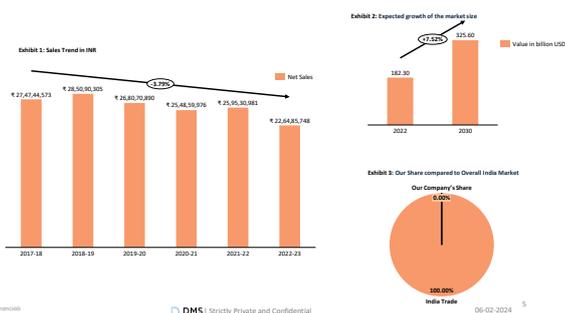
A well-diversified organization, operating in fields from Textile to Packaging to leading Infrastructure Development, Real Estate, and Agriculture—all located in central India—caters to manufacturers in the Food and Beverages, Pet Food, Printing and Packaging, Fintech, E-commerce, Chemical, and Pharma industries.

The Directors approached us to understand their current capabilities before introducing a new product to the market. They were unaware of the financial feasibility of the company and other process- and people-related challenges that might hinder their overall operations.

Our goal was to analyze the current capabilities of the company. For this, we focused on our objective functions:

- Is the company financially stable?
- Are the processes and people efficient, and are they contributing to profits?

Declining sales over the years at a CAGR of 3.79% indicated deteriorating growth

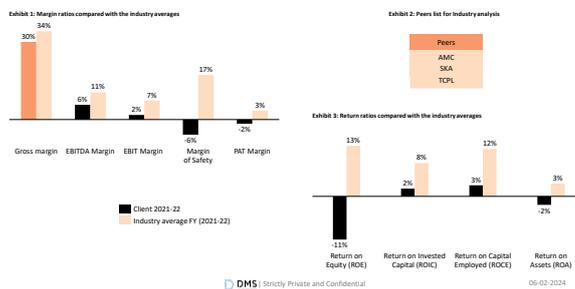


Source: Audited Financials

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The revenue trend of the client was declining despite the expected growth in the market size (potential business) of the industry. This created an alarming situation for the client, as they were more focused on growing their other businesses.

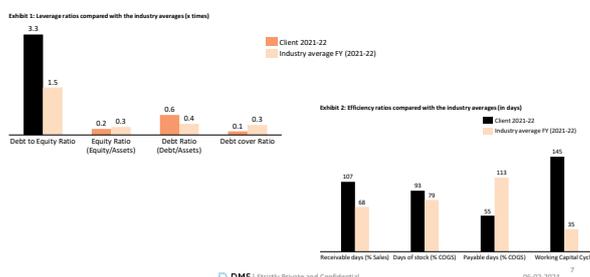
Negative Margin of Safety, PAT margins and negative Returns on investments were eroding equity and making investment in assets pointless.



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Declining revenue resulted in low margins as costs remained the same. This impacted the margin of safety and led to negative profit margins. This, in turn, is eroding the equity and investments made in assets.

Improvements were needed in the leverage ratios to attract investors and support from banks as there's a requirement for a working capital loan.



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performance in the market.

Vendor quality issues highlighted by customers were some aspects the company needed to work on to improve its services

Exhibit 1 - Vendor Needs Analysis

| Vendor | Expectations | Current |
|-----------------------------|----------------------------|-------------------|
| Pricing | Bargains on early payments | Have |
| Payment terms | Promptness Matters | Have |
| Minimum order Quantity | Negotiable | Have |
| Recurring Sizeable Orders | Very frequent | Have |
| Customer Quality Complaints | Very Rare | Need improvements |
| Delivery Deadlines Missed | Moderate delays | Rare |

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All of the vendor needs were fulfilled, including pricing, flexible payment terms, affordable MOQs, and on-time deliveries. The only constraint was the customer quality complaints received for the material used.

Improvements to salary amounts as per industry, HR policies and formal appraisal system fulfilled major manpower needs

Exhibit 1 - Manpower Need Analysis

| EMPLOYEE NEEDS | EXPECTATION | Current |
|-------------------------|--------------|-------------------|
| Money (vs Industry) | Must have | Little difference |
| Timely Payment | Must have | On time |
| Job Security | Must have | Present |
| Investment in training | Like to have | Present |
| Clear Role | Given | Present |
| HR Policies (eg Leave) | Given | Need improvements |
| Freedom to decide | Given | Present |
| Merit over Loyalty | Like to have | Present |
| Formal Appraisal | Given | Need improvement |
| Help in difficult times | Given | Present |
| Work life balance | Given | Present |
| Tracking and Reporting | Must have | Need improvements |

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We analyzed the basic needs provided to the people in the organization to understand the gaps created in the satisfaction level of the team members. The salary compensation given to the team had a slight difference compared to industry standard salaries. Inadequate tracking and reporting, improvements needed in HR policies, and formal appraisals were some major gaps identified.

Developments and modifications to the business model were feasible as the micro-environment and macro-environment were both favourable

Exhibit 1 - Competition or industry rivalry

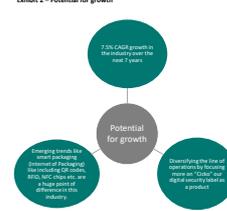


Source: Secondary research

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Exhibit 2 - Potential for growth



High capital expenditure, high switching costs for customers, and a low threat of new entrants ensured that the micro-environment was favorable for the company to grow in the market. Emerging trends such as smart packaging through RFID, NFC chips, etc., would have increased security levels, an area in which the client was already involved.

Client would achieve 10x revenue and profits in 18 years starting from FY 2023-24 at a CAGR of 11%

Exhibit 1 - Sales Projections for the next 18 years (In Crores INR)

| Particulars | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | 2036-37 | 2037-38 | 2038-39 | 2039-40 | 2040-41 |
|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Revenue | 60.00 | 69.90 | 81.09 | 93.63 | 108.63 | 126.63 | 148.34 | 175.41 | 209.22 | 251.55 | 295.68 | 354.86 | 430.50 | 525.34 | 644.61 | 794.54 | 974.54 | 1205.24 |
| Cost | 31.12 | 37.85 | 45.31 | 53.59 | 63.79 | 76.09 | 91.52 | 110.90 | 135.35 | 167.55 | 201.64 | 244.87 | 303.30 | 382.46 | 490.65 | 638.65 | 844.61 | 1095.24 |
| Profit | 28.88 | 32.05 | 35.78 | 40.04 | 44.84 | 50.54 | 56.82 | 64.51 | 73.87 | 84.00 | 96.04 | 109.69 | 124.14 | 140.47 | 158.17 | 177.89 | 199.93 | 245.00 |
| Profit % | 48.14 | 45.85 | 44.14 | 42.77 | 41.33 | 40.00 | 38.76 | 37.57 | 36.46 | 35.46 | 34.52 | 33.69 | 32.93 | 32.24 | 31.61 | 31.03 | 30.50 | 29.92 |
| ROI | 10.64 | 12.36 | 14.31 | 16.52 | 19.03 | 21.86 | 25.07 | 28.70 | 32.79 | 37.41 | 42.62 | 48.49 | 55.10 | 62.54 | 70.91 | 80.31 | 90.88 | 102.76 |
| ROI % | 17.86 | 17.86 | 17.86 | 17.86 | 17.86 | 17.86 | 17.86 | 17.86 | 17.86 | 17.86 | 17.86 | 17.86 | 17.86 | 17.86 | 17.86 | 17.86 | 17.86 | 17.86 |
| PAT | 9.98 | 9.37 | 10.73 | 12.39 | 14.27 | 16.40 | 18.80 | 21.52 | 24.59 | 28.06 | 31.97 | 36.37 | 41.33 | 46.90 | 53.18 | 60.24 | 68.16 | 77.07 |

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Based on current revenue and costs, we projected achieving a profit 10 times the current amount within 18 years, by the year 2040-41.

Expanded in the market promoting their brand "Digital Security Labels" with a targeted revenue of INR 40 Cr to be achieved in the next 3 years

Exhibit 1 - SMART Goals



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We helped the client define SMART goals for their new product, specifying how they should approach or cater to customers in the market and which market they need to target, among other considerations.

Mitigating the risks involved with the People, Operations and Finance was the top priority to handle

Exhibit 1 – Risks involved in the changes

People Risks –

1. Absence of HR policies indicates a lack of disciplinary actions.
2. Absence of important personnel like Human Resources and Administration.
3. Hiring process and personnel to hire.

Operational Risks –

1. Efficiency of Assets and machinery in Producing the products.
2. Maintaining and tracking of data through set formats (if any, or set up).
3. Reduction of costs to cover the negative profits over the years.

Financial Risks –

1. Increasing fixed costs eroding the profits of the company.
2. Production of new product needs to be monitored regularly for trends of costs and revenue generated.

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After testing all these capabilities, we identified some risks that might act as hurdles in achieving the formulated goals.

Strictly following the chronology in the “Role Plan” ensured eliminating risks involved in the current business

Exhibit 1 – Role Plan for existing Business

ROLE PLAN

- Step 1 – Increasing the Revenue and manufacturing value added products
- Step 2 – Improving the financial books and focusing more on costs incurred
- Step 3 – Introducing new (Swiss) machinery in the organization in the coming years for the digital printing business
- Step 4 – Exporting products and materials to different geographies through expansion internationally
- Step 5 – Eliminating dependencies on certain customers and improving the profitability
- Step 6 – Boost revenue by building a strong sales team and increasing exports to different countries
- Step 7 – Improving Debt to Equity ratio by infusing INR 5-6 Cr as Equity
- Step 8 – Filling the gap in “People” segment –
 1. Lack of support functions
 2. Defining job profiles
 3. Setting up an appraisal system
- Step 9 – Locating the lacunae in the fixed costs incurred and eliminating them
- Step 10 – Improving the working capital cycle –
 1. Increasing the Payable days
 2. Reducing the Receivable days
 3. Reducing the inventory days value-added

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Following the step-by-step plan helped the client mitigate risks involved in making the changes to their organization.

Read next: Customs Guide for Travellers

02 General

Customs Guide for Travellers



Vedika Pawale

Every passenger entering India has to pass through a Customs check. The passenger has to declare the contents of his baggage in the prescribed Indian Customs Declaration Form. At airports the passenger has the option of seeking clearance through the Green Channel or through the Red Channel subject to the nature of goods being carried.

GREEN AND RED CHANNELS:

For the purpose of Customs clearance of arriving passengers, a two channel system has been adopted

1. Green Channel for passengers not having any dutiable goods.
2. Red Channel for passengers having dutiable goods.

However, Green channel passengers must deposit the Customs portion of the disembarkation card to the Customs official at the exit gate before leaving the terminal. Declaration of foreign exchange/currency has to be made before the custom officers in the following cases:

- a) Where the value of foreign currency notes exceed USD 5000 or equivalent
- b) Where the aggregate value of foreign exchange including currency exceeds USD 10,000 or equivalent.

Note:

1. Passengers walking through the Green Channel with dutiable/prohibited goods are liable to prosecution/ penalty and confiscation of goods.

2. Trafficking of Narcotics and Psychotropic substances is a serious offence and is punishable with imprisonment.

DUTY FREE ALLOWANCES AND ENTITLEMENTS FOR INDIAN RESIDENTS AND FOREIGNERS

RESIDING IN INDIA:

A Resident means a person holding a valid passport issued under the Passports Act, 1967 and normally residing in India

I. For passengers coming from countries other than

- (a) Nepal, Bhutan or Myanmar
- (b) Pakistan by Land Route

| Duty-Free Entitlements For Bonafide Baggage | Indian Resident /Foreigner residing in India/ Tourist of Indian Origin | Tourist of Foreign origin. |
|---|--|----------------------------|
| Used personal effects (excluding jewellery) required for satisfying daily necessities of life | Free | Free |
| Other articles carried on person or in accompanied baggage | Valued upto INR 50,000/- | Valued upto INR 15,000/- |

When a passenger is infant i.e. below age of 10 years only used personals effects will be allowed duty free.

II. For passengers coming from

- (I) Nepal, Bhutan, or Myanmar other than by land route
- (ii) Pakistan by land route

| Duty – Free Entitlements For Bonafide Baggage if Stay abroad for more than three days | For Passengers of age 10 Years & above | For Passengers of age below 10 Years |
|---|--|--------------------------------------|
| Used personal effects (excluding jewellery) required for satisfying daily necessities of life | Free | Free |
| Other articles carried in person or in accompanied baggage | INR 15,000/- | NIL |

Note:

1. The free allowance shall not be pooled with free allowance of any other passenger.
2. The free allowance is not applicable to following goods:
 - a. Fire arms.
 - b. Cartridges of fire arms exceeding 50.
 - c. Cigarettes exceeding 100 or cigars exceeding 25 or tobacco exceeding 125 grams.
 - d. Alcoholic liquor or wines in excess of 2 liter’s.
 - e. Gold or silver any form, other than ornaments.
 - f. Flat Panel (LCD/LED/Plasma) Television.
3. One laptop computer (notebook computer) and above the said free allowances above is also allowed duty free if imported by passenger of the age of 18 years and above.
4. The goods over and above the free shall be chargeable to customs duty @ 35% + education cess of 10% i.e. to say the effective rate 38.5%
5. Alcoholic drinks and tobacco products imported excess of free allowance are chargeable to duty at the rates applicable to their imports as the Customs Tariff Act, 1975.

6. Passengers normally resident of India who returning from a visit abroad may carry currency upto INR 25,000/-.
7. In case the value of any one item exceeds the duty free allowance, the duty shall be calculated only on the value in excess of free allowance.

SPECIAL ALLOWANCES FOR PROFESSIONALS

RETURNING TO INDIA:

An Indian passenger who was engaged in his profession abroad shall on his return to India be allowed clearance free of duty, in addition to the aforesaid allowances, articles in his Bonafide baggage to the extent as mentioned below:-

| Eligible Passenger | Articles allowed free of duty |
|---|---|
| (a) From 3 months upto 6 months | (i) Used household articles and (ii) Professional equipment upto a value of INR 60,000/- |
| (b) From 6 months upto 1 year | (i) Used household articles (ii) Professional equipment upto a value of INR 1,00,000/- |
| (c) Indian passenger returning after a stay of minimum 365 days during the preceding 2 years on termination of his work, and who has not availed this concession in the preceding | (i) Used household articles and personal effects, (which have been in the possession and use abroad of the passenger or his family for at least six months), and which are not mentioned in Annex I, Annexure II of the Baggage Rules 1998 upto an aggregate value of INR 2,00,000/-. |
| (d) Minimum stay of 2 years | (i) Used household articles and personal effects, (which have |

| | |
|--|--|
| | been in the possession and use abroad of the passenger or his family for at least six months), and which are not mentioned in Annex I, Annexure II of the Baggage Rules 1998 upto an aggregate value of INR 5,00,000/- |
|--|--|

Note: For the purposes of Baggage Rules, 1998 Professional Equipment means such portable equipment's, instruments, apparatus and appliances are required in the profession in which the returning passenger was engaged. This expression includes items used by carpenters, plumbers, welders, masons and the like, This concession is not available for items of common use such as Cameras, Cassette Recorders, Dictaphones, Typewriters, Personal Computers and similar items.

Read next: Telecom Industry: Industry Overview

03 General

Telecom Industry : Industry Overview



Shubham Nalawade

India is currently the world's second-largest telecommunications market with a subscriber base of 1.20 billion and has registered strong growth in the last decade and a half. The Indian mobile economy is growing rapidly and will contribute substantially to India's Gross Domestic Product (GDP) according to a report prepared by GSM Association (GSMA) in collaboration with Boston Consulting Group (BCG). In 2019, India surpassed the US to become the second-largest market in terms of the number of app downloads.

The liberal and reformist policies of the Government of India have been instrumental along with strong consumer demand in the rapid growth of the Indian telecom sector. The Government has enabled easy market access to telecom equipment and a fair and proactive regulatory framework that has ensured the availability of telecom services to consumers at affordable prices. The deregulation of Foreign Direct Investment (FDI) norms have made the sector one of the fastest-growing and the top five employment opportunity generator in the country.

What is the market size of the Telecom Industry in India?

- India ranks as the world's second-largest market in terms of total internet users. The number of internet subscribers in the country increased at a CAGR of 45.74 percent during FY 06 - FY 19 to reach 636.73 million in FY 19. The internet subscribers reached 687.62 million by September 2019. Total wireless data usage in India grew

10.58 percent y-o-y to 19,838,886 terabytes between July-September 2019.

- India is also the world's second-largest telecommunications market. Its total telephone subscriber base and tele density reached 1,177.02 million and 87.45 percent, respectively, as of January 2020.
- The gross revenue of the telecom sector stood at INR 121,527 crore (USD 17.39 billion) in FY 20 (April-September 2019).
- Over the next five years, a rise in mobile-phone penetration and a decline in data costs will add 500 million new internet users in India, creating opportunities for new businesses.

What are the recent Investments/Development in the Telecom Industry in India?

- Finnish telecommunication company Nokia is going to collaborate with Indian telecom sector companies Bharti Airtel and BSNL to work on the roadmap for the development of 5G technology and creating a conducive ecosystem for 5G in India.
- The Government of India is working to digitally connect the rural and remote regions in the country and has decided on a new affordable tariff structure with the principle of the more you use, the less you pay. The changes will soon be reflected in tariff changes by service providers in the country.
- India telecommunication companies will be investing USD 20 billion over the next two years for the expansion of network and operations, stated Mr. Akhil Gupta, Vice Chairman, and Bharti Enterprise.

What are Government Initiatives taken for the development of the Telecom Industry in India?

The government has fast-tracked reforms in the telecom industry and continues to be proactive in providing room for growth for telecom sector companies. Some of the other major initiatives taken by the government are as follows:

- The Government of India is working to digitally connect the rural and remote regions in the country and has decided on a new affordable tariff structure with the principle of the more you use, the less you pay. The changes will soon be reflected in tariff changes by service providers in the country.
- The Government of Telangana is targeting to provide broadband connection to every household in the state by 2018, which is expected to lead to revolutionary changes in the education and health sectors.
- Mr. Manoj Sinha, Union Minister of Communications, Government of India, stated that the government will provide the required support for achieving the dream of a fully connected and truly empowered India soon while inaugurating a national conference on 'BharatNet and its utilization with states'.

ROAD AHEAD

India will emerge as a leading player in the virtual world by having 700 million internet users out of the 4.7 billion global users by 2025, as per a Microsoft report. The Internet economy is expected to touch INR 10 trillion (USD 155 billion) by 2018, contributing around 5 percent to the country's GDP. With the government's favourable regulation policies and 4G services hitting the market, the Indian Telecom Sector is expected to witness fast growth in the next few years. The Government of India also plans to auction the 5G spectrum in bands like 3,300 MHz and 3,400 MHz to promote initiatives like the Internet of Things (IoT), machine-to-machine communications, instant high-definition video transfer as well as its Smart Cities initiative. The Indian mobile phone industry expects that the Government of India's boost to the production of battery chargers will result in the setting up of 365 factories, thereby generating 800,000 jobs by 2025 as per the Indian Cellular Association, according to a report by Canaly.

Read next: Wall of Wisdom

WALL OF WISDOM (WOW):

- “The best view comes after the Hardest Climb”.
- “Not every day is good, but there is something good in every day.”

Read next: Do you know?

DO YOU KNOW?

1. There are so many different types of apple, if you were to eat a new one every day it would take you almost 20years to try them all.
2. Humans have the same number of Vertebrae in their neck as giraffes.

What else do You Know Let us know.

Read next: Motivational Quote

MOTIVATIONAL QUOTE:

“When people throw stones at you, You turn them into milestones.”

- Sachin Tendulkar

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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Email – knd@dahotreanddahotre.com

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 st 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 nd 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 |

| | | | | |
|----------------------|---|--|---|-------------------|
| | | TDS Statement for Form 26Q and 27Q | Q1 FY 2023-24 | 30/09/2023 |
| October-2023 | 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 |
| November-2023 | 1 | TDS/TCS Payment | October 2023 | 07/11/2023 |
| December-2023 | 1 | TDS/TCS Payment | November 2023 | 07/12/2023 |
| | 2 | Advance Tax | 3 rd Installment FY 2023-24 | 15/12/2023 |
| | 3 | Filing of belated/revised return of income for the assessment year 2023-24 for all assessee. | FY 2022-23 | 31/12/2023 |
| January-2024 | 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 |
| February-2024 | 1 | TDS/TCS Payment | January 2024 | 07/02/2024 |
| March-2024 | 1 | Advance Tax | 4 th 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 |
|---------------------------|--|----------------------|------------|
| April-2023 | 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 |
| May-2023 | 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 |
| June-2023 | 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 |
| July-2023 | 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 |

| | | | | |
|-----------------------|---|---|-------------------|------------|
| August-2023 | 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 |
| September-2023 | 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 |
| October-2023 | 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 |
| November-2023 | 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 |
| December-2023 | 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 |
| January-2024 | 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 th April 2023 (For the period of October'22 – March'23) |
| | | | 31 st 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 th July 2023 |
| June-2023 | DPT-3 | To be filed in case company has deposit or exempted deposit. | 31th July 2023 |
| September-2023 | DIR-3 KYC | Form for Director KYC. Need to be filed mandatorily for every director on Board | 30 th September 2023 |
| October-2023 | ADT-1 | Form for Auditor Appointment | 15 th October 2023 |
| | AOC-4 | Form for filing Financials, Auditors Report, Directors Report, etc. | 30 th October 2023 |
| November-2023 | MGT-7 | ROC Annual Return (Details of Shareholding etc.) | 29 st 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 | Yearly - Tax Liability is less than INR 1,00,000/- | 31/03/2023 |
| | | Monthly - 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 | Notification No 40.2022 | 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 | Notification No 41.2022 | 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 | Circular No 24.2022 | 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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