

DAHOTRE & DAHOTRE
Chartered Accountants



Knowledge and Development Committee

Newsletter

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Editor-in-Chief's Message

Hello readers!

Welcome to the **27**th Newsletter Edition of 2024.

In this issue, we will discuss introduction to derivatives and a brief overview on alternative investments. Also, we will know about audit in an automated environment.

Vinod Jangid
Editor-in-chief

Team's Message

"There is no such thing as a self-made man. You will reach your goals only with the help of others."

Akash Chavan
Senior Leader(DT)

Short Updates:

ROC

- Web-Form PAS-7 Form has now been deployed on MCA-21 Portal. Stakeholders may file requisite details in terms of Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023 through this Web-Form without payment of additional fees up to 05.08.2024.
- (In accordance with Rule 9(2)(a) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, every public company which had issued share warrants prior to commencement of the Companies Act, 2013 (18 of 2013) and not converted such warrants into shares should have inroad-med the Registrar about the details of such share warrants in Form PAS-7 within a period of three months of the commencement of the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023. |

Direct Tax

- Income-tax Return (ITR) Forms 2 and 3 contain Schedule FA for reporting foreign assets, income and beneficial ownership. This Schedule is often considered one of the most challenging sections to fill out in the ITR form.
- Schedule FA was introduced to address tax evasion and money laundering and has been essential to the ITR forms since FY 2011-12 (AY 2012-13). In this schedule, individuals (ordinarily resident in India) must provide information about their foreign assets and income, regardless of whether the income is taxable in India. Non-resident individuals (NRIs) or Not-ordinarily resident individuals (NOR) do not need to make any disclosures in this Schedule.

01 General Introduction to Derivatives



Prasad Phapale

Derivatives have become an integral part of modern financial markets, offering investors and businesses a versatile tool to manage risk and enhance returns. Understanding derivatives and their applications is crucial for anyone interested in finance.

What Are Derivatives?

Derivatives are financial contracts whose value is derived from the performance of an underlying asset, index, or rate. Common underlying assets include stocks, bonds, commodities, currencies, interest rates, and market indexes. The main types of derivatives are futures, options, forwards, and swaps.

Types of Derivatives:

- 1. Futures Contracts:** Futures are standardized contracts obligating the buyer to purchase, and the seller to sell, an asset at a predetermined future date and price. For example, an agricultural producer might use futures contracts to lock in the price of a commodity like wheat, thereby hedging against the risk of price fluctuations.
- 2. Options Contracts:** Options give the holder the right, but not the obligation, to buy or sell an asset at a specified price before a certain date. For instance, an investor might purchase a call option on a stock, betting that the stock price will rise. If it does, the investor can buy the stock at the lower option price and sell it at the higher market price.
- 3. Forwards Contracts:** Forwards are similar to futures but are not standardized or traded on exchanges. They are customized contracts

between two parties to buy or sell an asset at a specific future date for a price agreed upon today. Corporations might use forwards to hedge against currency exchange rate fluctuations.

- 4. Swaps:** Swaps involve exchanging cash flows or other financial instruments between two parties. The most common type is an interest rate swap, where parties exchange fixed-rate payments for floating-rate payments to manage interest rate exposure.

Applications of Derivatives –

- 1. Risk Management (Hedging):** Businesses use derivatives to hedge against various risks, such as commodity price risk, interest rate risk, and currency risk. For example, an airline company might use fuel futures to lock in fuel prices and protect against price increases.
- 2. Speculation:** Traders use derivatives to speculate on the future direction of market prices. This can lead to significant profits if their predictions are correct, but it also involves substantial risk.
- 3. Arbitrage:** Arbitrageurs exploit price differences of the same asset in different markets by simultaneously buying and selling to lock in profits. For example, if the price of a stock is different on two exchanges, an arbitrageur might buy the stock on the cheaper exchange and sell it on the more expensive one.

Real-World Examples

- 1. Hedging with Oil Futures:** Suppose an airline anticipates that oil prices will rise, increasing their operational costs. To hedge against this risk, the airline can buy oil futures contracts. If oil prices do indeed rise, the gains from the futures contracts will offset the increased fuel costs.
- 2. Speculating with Stock Options:** An investor believes that the stock of a technology company is going to rise due to an upcoming product launch. The investor buys call options, giving the right to purchase the stock at a set price. If the stock price increases as expected, the investor can buy the stock at the lower price and sell it at the current market price, thus making a profit.

3. Managing Interest Rate Risk with Swaps: A corporation with a variable-rate loan is concerned about rising interest rates. To manage this risk, the corporation enters into an interest rate swap agreement to exchange its variable-rate payments for fixed-rate payments, thereby stabilizing its interest expenses.

Conclusion

Derivatives are powerful financial instruments that offer various benefits, including risk management, investment opportunities, and market efficiency. However, they also carry significant risks and require a deep understanding of the markets and the instruments themselves. As the financial landscape continues to evolve, derivatives will remain a key component in the toolkit of investors, businesses, and financial professionals.

Understanding and utilizing derivatives effectively can lead to better financial decision-making and improved outcomes in both personal and professional financial endeavours.

Read next: A Brief overview on Alternative Investments

02 General

A Brief overview on Alternative Investments



Snehal Kadav

An investment is defined as an instrument that requires its owners to forgo current consumption in return for expected future benefits. Traditional investments include long positions in cash, bonds, and publicly traded stocks. These investments are well known and widely used by most investors. Alternative investments are financial assets other than traditional investments like stocks, bonds, and cash. They typically exhibit lower liquidity and higher risk but offer the potential for higher returns and portfolio diversification. Alternative investments exhibit different risk and return characteristics than traditional investments. These characteristics are common to alternative investments but are not generally exhibited to the same degree by traditional investments. We will examine these differences in terms of diversification, illiquidity, inefficiency, and return non-normality. Alternative investments have a long history, evolving over centuries to meet the changing needs of investors and markets. Here's an overview of how alternative investments came into existence:

- **Early Origins**

Real Estate

Ancient Civilizations: Real estate has been a fundamental form of investment since ancient times. Land ownership and real estate were primary means of wealth accumulation and economic power in ancient civilizations like Egypt, Mesopotamia, and Rome.

Commodities

Ancient Trade: Commodities like gold, silver, and agricultural products have been traded for millennia. The first recorded futures contract was traded in Japan in the 17th century, known as the Dojima Rice Exchange.

- **Medieval to Early Modern Period**

Private Equity

Renaissance and Early Modern Europe: The concept of investing in private ventures emerged during the Renaissance with the rise of merchant banking and early joint-stock companies. Wealthy individuals and merchant families provided capital to explorers and traders, funding ventures that brought spices, silk, and other goods from the East.

Hedge Funds

Early 20th Century: The first hedge fund is credited to Alfred Winslow Jones in 1949, who combined long and short positions to hedge market risk. This marked the beginning of sophisticated investment strategies aiming to achieve returns regardless of market conditions.

- **Post-World War II Era**

Institutionalization

Pension Funds and Endowments: In the mid-20th century, large institutions like pension funds and university endowments began diversifying into alternative investments to achieve higher returns and manage risk better.

Private Equity and Venture Capital: The 1950s and 1960s saw the establishment of private equity and venture capital firms. Notable examples include American Research and Development Corporation (ARDC) and Kleiner Perkins.

- **Late 20th Century to Early 21st Century**

Real Estate Investment Trusts (REITs)

1960s: The U.S. Congress established REITs to allow individual investors to invest in large-scale, income-producing real estate. This innovation provided a way for smaller investors to participate in the real estate

market.

Growth of Hedge Funds and Private Equity

1980s and 1990s: Hedge funds and private equity experienced significant growth during this period. Institutional investors increasingly allocated capital to these vehicles, attracted by the potential for high returns and portfolio diversification.

Commodities and Futures:

1970s: The establishment of commodity exchanges like the Chicago Mercantile Exchange (CME) and the expansion of futures and options trading provided investors with new tools to hedge risk and speculate on price movements.

Infrastructure Investments

1990s and 2000s: Infrastructure investment emerged as a distinct asset class, with private capital being used to finance public infrastructure projects like toll roads, airports, and utilities.

- **Recent Developments**

Technological Advancements

The Fintech Revolution: The rise of financial technology has democratized access to alternative investments. Online platforms now enable individual investors to invest in private equity, real estate, and other alternative assets.

Block chain and Tokenization: Block chain technology has introduced the concept of tokenized assets, allowing fractional ownership and greater liquidity for traditionally illiquid investments.

ESG and Impact Investing

21st Century: There has been a growing focus on Environmental, Social, and Governance (ESG) criteria and impact investing. Investors are increasingly looking for opportunities that align with their values and contribute to positive social and environmental outcomes.

• Globalization and Market Expansion

Emerging Markets

Global Reach: Alternative investments have expanded into emerging markets, offering new opportunities for growth and diversification. This trend is driven by economic development, regulatory changes, and increased investor interest in these regions.

Regulatory Changes

Post-2008 Financial Crisis: Regulatory reforms following the 2008 financial crisis have shaped the landscape of alternative investments. Regulations such as the Dodd-Frank Act in the U.S. and the Alternative Investment Fund Managers Directive (AIFMD) in Europe have aimed to increase transparency and protect investors.

Understanding Alternative Investments

Alternative investments encompass many assets not categorized in conventional investment vehicles. They often have lower liquidity, less regulatory oversight, and can provide returns that are uncorrelated with traditional markets. The primary allure of these investments is their potential to enhance portfolio diversification, hedge against inflation, and achieve superior returns, albeit with higher risk.

• Types of Alternative Investments

1. **Private Equity:** Involves investing in private companies or buyouts of public companies to restructure and enhance their profitability before selling them for a profit. Private equity includes equity securities that are not publicly traded. Private equity investments include venture capital, growth equity, and leveraged buyouts (LBOs).
2. **Hedge Funds:** Hedge funds are private investment vehicles that capitalize on investment opportunities available due to minimal regulatory restrictions. Through derivatives, leverage, short positions, and other strategies, hedge funds can earn returns not available to traditional investments. Hedge funds, as a category, include managed futures funds (i.e., funds that actively trade futures and forward contracts) and can be

further differentiated by the investment strategies pursued.

3. **Real Estate:** Investment in physical properties or real estate investment trusts (REITs) to generate rental income or capital appreciation.
4. **Private Debt:** Historically, private debt was commonly considered part of private equity investments. This was because debt investments in highly leveraged firms generally behave like equity investments due to high cash low risk. Private debt investments include direct lending strategies, distressed debt, and structured products.
5. **Commodities:** Direct investment in physical goods such as gold, oil, and agricultural products, or through commodity futures contracts. Commodity investments provide passive commodity price exposure in the form of physical commodities, forwards or futures contracts, securities of commodity producing firms, and exchange-traded funds (ETFs)
6. **Infrastructure:** Investment in large-scale public systems, services, and facilities like transportation, energy. They also include government-controlled toll roads, utility companies, airports, seaports, and other real assets.
7. **Collectibles:** Includes rare items such as art, antiques, and wine, which are often purchased for their potential appreciation in value over time.
8. **Cryptocurrencies:** Digital or virtual currencies that use cryptography for security and operate independently of a central bank, such as Bitcoin and Ethereum.

Conclusion

Alternative investments have evolved over centuries, adapting to the changing economic landscape and investor needs. From ancient real estate and commodity trading to modern hedge funds, private equity, and block chain-based assets, the field of alternative investments has grown into a diverse and dynamic part of the financial markets. This evolution has been driven by the quest for diversification, higher returns, and innovative investment strategies.

Read next: Audit in an Automated Environment

03 Audit

Audit in an Automated Environment



Isha Dagra

Automated environment refers to a business environment where the processes, operations, accounting and decisions are being carried out by using computer systems – also known as Information Systems (IS) or Information Technology (IT) systems.

Fundamental principle of an automated environment is the ability to carry out business with less manual intervention and more system driven.

The complexity of a business environment depends on the level of automation i.e., if a business environment is more automated, it is likely to be more complex. For example, if a company uses an integrated enterprise resource planning system (ERP) viz., SAP, Oracle etc., then it is considered more complex to audit. On the other hand, if a company is using an off-the-shelf accounting software, then it is likely to be less automated and hence less complex environment.

Key features of Automated Environment:

- Faster Business Operations.
- Accuracy in data processing and computation.
- Ability to process large volume of data.
- Integration between business operations.
- Better security and controls.
- Less prone to human errors.
- Provides latest information.
- Connectivity and networking capability.

Relevance of IT in business functions and activities:

In an automated environment it is likely that a number of business functions and activities happened within the systems, for example:

- Computation and Calculations are automatically carried out.
- Accounting entries are posted automatically.
- Business policies and procedures, including internal controls, are applied automatically
- Reports used in business are produced from systems. Management and other stakeholders rely on these reports and information produced.
- User access and security are controlled by assigning system roles to users.
- Companies derive benefit from the use of IT systems as an enabler to support various business operations and activities, but at the same time such systems also introduce certain new risks, including IT specific risks, which need to be considered, assessed and addressed by management.

Relevance of IT in auditing;

In an automated environment, carrying out audit using traditional substantive audit procedures may be difficult or even not feasible if the company prepares, records and conducts majority of business activities through IT systems only.

Auditor is required to obtain an understanding of IT environment of the company and document the same. While carrying out audit in an automated environment, auditors are required to understand, assess and respond to such risks that arise from the use of IT systems.

Situations requiring use of IT in Audit:

1. Increased use of Systems and Application software in Business (for example, use of ERPs)
2. Increased complexity of business transactions (multiple systems, network of systems)
3. Technology based business (Telecom, e-Commerce).

4. High volume of transactions (Insurance, Banking, etc.).
5. Company Policy (Compliance).
6. Regulatory requirements – IT Act, 2008.
7. Requirement of Standards of Auditing – SA 315.
8. Increases efficiency and effectiveness of audit.

Concept of Automated Environment:

- With the increasing adoption of information technology, business today relies on software systems and applications more than ever. Many of these IT systems generate and process data that is used in the preparation of financial statements of a company.
- Auditors also often rely on the data and reports that are generated from these systems. In this context, it is critical to understand the IT specific risks that could potentially impact the integrity and reliability of financial transactions and data flowing through a company's systems.
- An automated environment basically refers to a business environment where the processes, operations, accounting and even decisions are carried out by using computer systems – also known as Information Systems (IS) or Information Technology (IT) systems. Nowadays, it is very common to see computer systems being used in almost every type of business.

Example:

Carrying out of banking transactions using ATMs (Automated Teller Machines), or purchasing of tickets using “apps” on mobile phones, etc. Computer systems enable these transactions at any time and any day.

Understanding of Automated Environment:

As required by SA 315, auditor is required to obtain an understanding of the entity and its environment as a part of Risk Assessment procedure to identify and assess Risk of Material Misstatements.

While obtain an understanding of the company's automated environment, auditor should consider the

following points:

- Information systems being used (one or more application systems and what they are).
- Their purpose (financial and non-financial).
- Location of IT systems – local v. global.
- Architecture (desktop based, client-server, web application, cloud based).
- Version (functions and risks could vary in different versions of same application).
- Interfaces within systems (in case multiple systems exist).
- In-house v. Packaged.
- Outsourced activities (IT maintenance and support).
- Key persons (CIO, CISO, Administrators).
- As required by SA 230, auditor is required to document the understanding of a company automated environment.

Risk to internal control imposed by IT:

As per SA 315, “Identifying and Assessing Risk of Material Misstatements through Understanding the Entity and its Environment” IT poses specific risks to an entity's internal control, including, for example:

- a. Reliance on systems or programs that are inaccurately processing data, processing inaccurate data or both.
- b. Unauthorised access to data that may result in destruction of data or improper changes to data, including the recording of unauthorized or non-existent transactions, or inaccurate recording of transactions. Particular risk may arise when multiple users access a common database.
- c. The possibility of IT personnel gaining access beyond those necessary to perform their assigned duties thereby breaking down segregation of duties.
- d. Unauthorised changes to data in Master files.
- e. Unauthorised changes to systems or programs.
- f. Failure to make necessary changes to systems or programs.
- g. In appropriate manual intervention
- h. Potential loss of data or inability to access data as required.

Impact of IT Related Risks:

When risks in IT systems are not mitigated the audit may be impacted as:

- Auditor may not be able rely on the reports, data obtained, automated controls, calculations and accounting procedures in the IT system.
- Auditor has to perform additional audit work by spending more time and efforts.
- Auditor may have to issue a modified opinion, if necessary.

Impact of IT on substantive tests, controls and reporting:

A. On Substantive Audit:

- Non-reliance on the data obtained from systems.
- Substantive testing of system data and reports for completeness and accuracy.
- Need of more audit evidences.

B. On Controls:

- Non-reliance on automated controls, system calculations and accounting procedures.
- Non-reliance on IT dependent Manual Controls.
- Substantive testing of system data and reports for completeness and accuracy.
- Need of more substantive test audit.

C. On Reporting:

- Communication to TCWG.
- Modified Audit reports.

Testing Methods used while auditing in an Automated Environment:

There are basically four types of audit tests that should be used:

1. Inquiry
2. Observation
3. Inspection
4. Reperformance

Consideration while selecting testing method:

- Which audit test to use, when and in what combination a matter of professional judgment is and will vary depending on several factors including risk assessment, control environment, desired level of evidence required, history of errors/ misstatements, complexity of business, assertions being addressed, etc.
- Inquiry is the most efficient audit test but it gives least audit evidence. Therefore, inquiry should be used in combination with other audit testing methods. Inquiry alone is not sufficient.
- Reperformance is most effective as an audit test and gives the best audit evidence. However, it will be very time consuming and least efficient most of the time.
- Applying inquiry in combination with inspection gives the most effective and efficient audit evidence.
- The auditor should document the nature of test (or combination of tests) applied along with the judgments in the audit file as required by SA 230.

Read next: Wall of Wisdom

WALL OF WISDOM (WOW):

- "Happiness is not by chance, but by choice."
- "A person who never made a mistake never tried anything new."

Read next: Do you know?

DO YOU KNOW?

1. "I Am" is the shortest complete sentence in the English language.
2. The deepest place on Earth is the Mariana Trench in the Pacific Ocean.

What else do You Know?

Let us know.

Read next: Motivational Quote

MOTIVATIONAL QUOTE:

"Faith is the bird that feels the light when the dawn is still dark"

— Rabindranath Tagore

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.

Contact Details-

Offices 3,4,9,11 Gaurav Building, Opp. Karishma Society Gate No. 2, Kothrud, Pune – 411038.

Phone: +91 20-67426111

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-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 st 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 nd 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 | FY 2023-24 | 30/09/2024 |

required to submit his/its return of income on
October 31, 2024)

Q1 FY 2024-25

TDS Statement for Form 26Q and 27Q

30/09/2024

| | | | | |
|----------------------|---|--|---|-------------------|
| October-2024 | 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 |
| November-2024 | 1 | TDS/TCS Payment | October 2024 | 07/11/2024 |
| December-2024 | 1 | TDS/TCS Payment | November 2024 | 07/12/2024 |
| | 2 | Advance Tax | 3 rd Installment FY 2024-25 | 15/12/2024 |
| | 3 | Filing of belated/revised return of income for the assessment year 2024-25 for all assessee. | FY 2023-24 | 31/12/2024 |
| January-2025 | 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 |
| February-2025 | 1 | TDS/TCS Payment | January 2025 | 07/02/2025 |
| March-2025 | 1 | Advance Tax | 4 th 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 th 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 th May 2024 |
| June-2024 | DPT-3 | To be filed in case company has deposit or exempted deposit. | 30th June 2024 |
| September-2024 | DIR-3 KYC | Form for Director KYC. Need to be filed mandatorily for every director on Board | 30 th September 2024 |
| October-2024 | ADT-1 | Form for Auditor Appointment | 15 th October 2024 |
| | AOC-4 | Form for filing Financials, Auditors Report, Directors Report, etc. | 30 th 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 st October 2024 (For the period of April'24 – September'24) |
| November-2024 | MGT-7 | ROC Annual Return (Details of Shareholding etc.) | 29 th 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 | Yearly - Tax Liability is less than INR 1,00,000/- | 31/03/2024 |
| | | 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 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 | 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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