

DAHOTRE & DAHOTRE
Chartered Accountants



Knowledge and Development Committee

Newsletter

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Editor-in-Chief's Message

Hello readers!

Welcome to the **34th** Newsletter Edition of 2024.

In this issue, we will discuss Startup Finance and The various determinants of tax evasion. Also, we will know about From confusion to clarity: the power of effective reporting in boosting team performance.

Vinod Jangid
Editor-in-chief

Team's Message

“No matter how good or bad your life is, wake up each morning and be thankful that you still have one.”

Neha Deshmane
Senior Associate

Short Updates:

ROC

- Extension Of Last Date For Submission Of Online Applications For The Posts Of The Members In The Nclat-Reg.
- The last date of online submission of applications for appointment to the post of Judicial Members in National company Law Appellate Tribunal (NCLAT) invalid through Vacancy Circular MCA dated 11th July, 2024 was August 11, 2024. In order to widen participation of candidates and attract best talent, it has been decided to accept further applications, with the last date of submission of online application stands extended to 15th September, 2024.

Direct Tax

- The Reserve Bank of India (RBI) has announced an early redemption for Sovereign Gold Bonds (SGBs) issued between May 2017 and March 2020. The

redemption process will take place in two phases, starting from October 11, 2024, and extending to March 1, 2025.

- Sovereign Gold Bonds have a maturity period of eight years, but investors have the option of premature redemption after 5, 6, and 7 years.
- Early redemption of SGBs gives flexibility and allows investors to access their funds if needed. However, it is crucial to consider the potential drawbacks of premature redemption, such as missing out on potential future gold price appreciation and interest payments for the remaining years.
- If you hold your sovereign gold bonds until maturity, there shall be no capital gains tax on gains on redemption, in the case of individuals, due to the express exemption provided in the Income Tax Act. Therefore, the gains on redemption shall be tax-free.

01 General Startup Finance



Shubham Nalawade

Startup financing is the capital that's used to fund a business venture. It's used for a variety of reasons, such as launching a company, buying real estate, hiring a team, purchasing necessary tools, launching a product, or growing the business.

Small business financing comes in many forms, but it all falls into two main categories: dilutive and non-dilutive financing. Dilutive financing requires an exchange of equity, or ownership, in the company, while non-dilutive financing allows founders to retain full ownership. For instance, an investor who gives money to a startup and gets shares in that company is considered dilutive financing. But a loan is non-dilutive because it doesn't require giving ownership in exchange for capital.

When choosing a financing option, you need to consider whether or not it will dilute your ownership and what kind of repayment plan is in place. Small business grants, for example, don't have to be repaid. But certain business loans require lenders to start payments as soon as they receive the money.

Financing vs funding

- On the surface, startup financing and startup funding appear to be one and the same. Most people use the terms interchangeably, but depending on who you're talking with, there's a slight difference.
- Startup financing is the process of funding a business through equity financing or debt financing. Equity financing, such as money from a venture capital firm, doesn't need to be repaid because it offers capital in exchange for partial

ownership. Investors risk repayment because they believe the company will be successful and their equity will one day be worth more than their initial investment.

- Debt financing, such as opening a credit card, must be repaid. This type of financing includes interest as a way to repay the lending organization for its risk. Many startups use both equity and debt financing to fund their activities.
- On the other hand, startup funding refers to the capital a business receives from lenders or equity holders, also known as capital funding. Still confused? Think of financing as the way to get capital (the method) and funding as the capital a company receives (the outcome).
- So what are the financing options to fund your business? Let's walk through the most common sources.

Startup Financing Option

Entrepreneurs can take advantage of dozens of types of small business and startup financing models, but all these options boil down to three main ways to raise capital: by borrowing capital, issuing equity, or from net earnings.

1. Debt Financing
 - Companies can take on debt to finance their operations, just like people can take on debt to buy a house or pay for school. This can be done publicly through a debt issue or privately through an institution, such as a bank. Debt issues include credit cards, corporate bonds, mortgages, leases, or notes. Private debt financing mainly involves taking out a loan.
 - Just like you and I, companies that borrow money are responsible for paying the principal and interest to the lenders. They have to repay the creditors at a chosen point in the future, which could be within weeks or even years.
 - While interest is typically tax-deductible for companies, failing to repay lenders can result in bankruptcy or default. If this happens, it negatively impacts the borrower's credit rating and can make it difficult to raise capital in the

future. That said, debt financing can be less expensive than net earnings or equity financing.

2. Equity Financing

- Equity is the sum of shareholders' stake in a startup and represents the value of the business if all assets were liquidated and all debt paid off. Business owners can use this equity for financing by selling shares to outside investors in exchange for capital.
- The investors become partial owners in the company and obtain voting rights, which allows them to weigh in on business decisions. The most common kind of equity financing comes from venture capitalists and private equity firms.
- Since all shareholders own equity, they get a slice of future profits. This dilutes the ownership and overall control of the company — but that ownership also means you're not required to pay back investors' money.
- You have time to build your business without the pressure of monthly payments. If your company goes bankrupt, investors lose out too. Just keep in mind that equity doesn't come with tax benefits and takes away part of your ownership, so it can be a more expensive form of financing.

3. Net Earnings Financing

- The goal of every company is to make a profit. If a startup makes more money than it costs to run the company, it can use its earnings to fund other business activities.
- Net earnings financing allows founders to grow a business or fund a new project without issuing equity or taking out debt. They can also use this money to reward investors and shareholders with dividend payments — or even buy back shares to regain ownership control.
- In an ideal world, a startup would be able to use its revenue to invest in itself. The truth is, most companies need help to create a product or service worth selling.
- While the net earnings model is the most cost-effective way to finance, it's usually not accessible to startups until they have a minimum viable product to sell. So let's look at how to get

the funding you need to build a customer base, increase revenue, and become a financially independent business.

How to Get Financing For a Startup Business

- Some startups need more financial help than others, so take the time to figure out what's best for your business. If you only need USD 50,000, don't take out a USD 100,000 loan and get stuck with excess interest and payments. Here are a few options for financing:
- Business term loan - A sum of cash that small business owners can borrow from banks, online lenders, or financial institutions. These loans come with fixed repayment terms, and 95% have fixed interest rates. The following chart by Statista shows the type of lenders that approved small business loans in Q2 of 2021.
- SBA loan - A government-backed loan with low-interest rates and variable funding amounts. In 2020, 30% of SBA microloans were issued to startups. All SBA loans have eligibility requirements, so make sure to check the organization's website to find the right option for your business.
- Business line of credit - A short-term loan that business owners can obtain without fixed repayment terms. It can range from USD 1,000-USD 250,000 and be used for rent, machinery, inventory, hiring, or other business expenses. In 2021, the Federal Reserve Bank delivered USD 44.8 billion in funding to small businesses through more than 61,000 loans. You can see the funding breakdown for minority-owned businesses here.
- Business credit card - Similar to a personal credit card, a business card can be used to make everyday purchases for your company. The credit limit is based on your financial history, as well as the company's financials, so you may have to work your way to a higher limit if you're just starting out. A major perk of a business card is getting points and rewards for business travel and expenses, which you can reinvest in your company.

- Equipment financing - Purchase the commercial fridge, machinery, or computer you need by making small monthly payments to lenders. Your business owns the equipment once you pay the full amount. Almost eight in 10 US companies use financing to purchase equipment, with 43% of financing coming from banks.
- Personal loan: A personal loan can be used to finance a business, but it's based on an individual's personal credit history. These loans range from USD 1,000 to USD 50,000 and are available from banks and credit unions. Keep in mind, a personal loan for business still impacts your personal credit score and savings, so make sure you can make payments on time.
- Crowdfunding - A crowdfunding campaign is where numerous backers give a company money in exchange for equity, an early-release product or service, or sometimes nothing at all. Platforms like Kickstarter, Indiegogo, and GoFundMe have successfully been used to finance start-ups. It's a low-cost method of raising capital since a failed campaign costs little time and money. But be wary of accepting money and failing to deliver results. Brands have ruined their reputations by the platforms by overpromising and under-delivering, which upsets a very important customer base.

Read next: The Various Determinants of Tax Evasion

02 Direct Tax

THE VARIOUS DETERMINANTS OF TAX EVASION



Vedant Potdar

Difference between Tax evasion, Tax avoidance

Tax planning:

- Tax Evasion-The deliberate and illegal method for reducing taxes.
- Tax Avoidance-Reducing tax liability within the limits of the law but in an unacceptable manner to the government
- Tax Planning-Reducing tax liability through various provisions in the tax laws, such as deductions, credits, rebates, and exemptions.

What is tax evasion?

It is a deliberate and illegal method for reducing taxes. It involves an element of deceit, misrepresentation of facts, and falsification of accounting calculations or downright fraud. In simple terms, tax evasion refers to any attempt to avoid payment of taxes by using illegal means.

Common Methods of tax evasion

- Misrepresentation or suppression of facts;
- Failure to record investments in books of account;
- Claim of expenditure not substantiated by any evidence;
- Recording of any false entry in books of account;
- Failure to record any receipt in books of account having a bearing on total income;

- Failure to report any international transaction or deemed international transaction or specified domestic transaction under Chapter X.

Factors influencing the Tax evasion

- **High Tax Rates:** When tax rates are perceived as too high, individuals and businesses may be more inclined to evade taxes to reduce their financial burden.
- **Income Level:** Higher-income individuals often have more opportunities and resources to evade taxes compared to those with lower incomes.
- **Source of Income:** Self-employed individuals or those with non-salaried income are more likely to evade taxes than salaried employees.
- **Age:** Younger individuals are often found to be more likely to engage in tax evasion compared to older individuals.
- **Tax Morale:** The intrinsic motivation to pay taxes, influenced by cultural and societal norms, can significantly impact tax evasion behaviour.
- **Perceived Fairness of the Tax System:** If taxpayers perceive the tax system as fair and just, they are less likely to evade taxes.
- **Likelihood of Tax Audits:** The probability of being audited can deter individuals and businesses from evading taxes.
- **Severity of Penalties:** Harsh penalties for tax evasion can act as a deterrent.
- **Complexity of the Tax System:** A more complex tax system can lead to higher rates of tax evasion due to confusion and difficulty in compliance.

Penalties for Evading Taxes

1) Inaccurate Information in Income Tax Return

Providing inaccurate information in the ITR or failing to rectify inaccuracies within ten days of submission. Alternatively, if the assessing officer is aware of the error during submission but fails to notify the Income Tax Department, a penalty may be imposed.

Penalty – INR 50,000

2) Concealing or Misreporting Income

Hiding or understating income results in penalties ranging from 100% to 300% of the unpaid tax amount.

The penalty percentage varies based on whether the under-reporting was intentional (300%), due to a bona fide mistake (50%), or if the taxpayer voluntarily discloses the hidden income (10%). In cases of income concealment, penalties are determined under Section 271(C) of the Income Tax Act.

Penalty - 100% to 300% of unpaid tax amount

3) Failure to Get Audited or Submit Audit Reports

Organisations failing to undergo audits or submit audit reports under Section 44AB face penalties. Additionally, failure to provide a report from an accountant mandated under Section 92E incurs a higher penalty.

Penalty – INR 1.5 lakhs or 0.5% of sales turnover

4) Non-Compliance with TDS Regulations

Failure to comply with Tax Deducted at Source (TDS) regulations, such as not obtaining a Tax Deduction Account Number (TAN) or not filing TDS returns on time, results in penalties. Not collecting TDS attracts a penalty equivalent to the unpaid tax amount, while not filing TDS returns incurs penalties.

Penalty – INR 10,000 to INR 1,00,000

5) Failing to File Income Tax Return within Due Time

Taxpayers are required to file their income tax returns for each financial year within the specified period. Failure to do so incurs a penalty for income tax evasion in India. In some cases, the assessing officer can determine a penalty amount.

Penalty – INR 5,000 or as determined by the assessing officer

6) Non-Payment of Tax as Per Self-Assessment

Defaulting taxpayers who fail to pay self-assessed tax or interest in full are penalised. Penalties may be imposed up to the total amount of tax owed to the government under Section 140A(1) of the Income Tax Act. However, penalties may be waived if valid reasons for non-payment are provided to the assessing officer.

Penalty - Up to the total amount of tax owed

Conclusion

There is a thin line of difference between tax evasion, tax avoidance, tax planning. As a professional we have the responsibility to educate our clients and encourage them to consider tax planning activities instead of tax evasion

Read next: *From Confusion to Clarity: The Power of Effective Reporting in Boosting Team Performance.*

03 Business Consultancy

From Confusion to Clarity: The Power of Effective Reporting in Boosting Team Performance



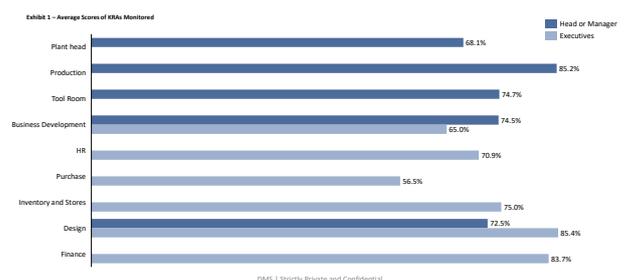
Gayatri Limaye

Our client is engaged in the manufacturing sector. They provide precision tooling and plastic injection molding products, primarily for the automotive industry. Their focus was on incorporating systems and streamlining processes in the organization to improve the operational efficiency as well as the people's performance to keep up with the growth of the organization.

However, they lacked a system to measure the people's performance. There were also noticeable challenges in communication within the team leading to delay in decision making.

The major aspect impacting the team dynamics, and subsequently their performance, was unclear responsibilities and mix up of work.

Key Responsibility Areas (KRAs) were communicated and monitored to identify scope of improvement



The implementation of KRAs highlighted the importance of monitoring planned versus actual schedules across all departments, ensuring the

effective use of ERP software, and planning future work based on pending orders, resource availability, and the time required to produce finished products. However, ERP modules were not being fully utilized, leading to inefficient planning.

Simple formats for reporting were prepared and incorporated to report necessary statistics

Exhibit 1 - What is not being followed?

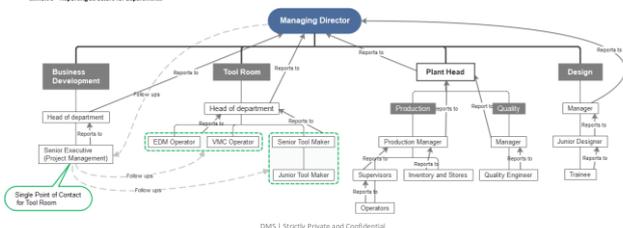


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Standardization for documentation was lacking across departments. Although executives were capable of using provided materials or formats, they struggled to create proper documentation and presentations independently. Simple tracking formats were developed to standardize processes across departments, ensuring consistent use of these formats.

Reporting structure was clarified to streamline the transfer of information at the primary level

Exhibit 1 - Reporting Structure for departments



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Given the size of the Business Unit, it was essential to clarify the reporting structure within operations. Proactive information transfer through reports and data helped reduce communication gaps and accelerate decision-making. A mandatory reporting agenda was introduced to highlight "Things Going Right and Things Going Wrong," along with discrepancies between planned and actual work.

Operations were strengthened by helping the Plant Head in planning, analysing, and production control

Exhibit 1 - Plant Head KRAs not being followed



Exhibit 2 - Extract from Focus Interview

"We have started using a production planning format"

"Analysis of efficiency ratios is yet to be started in coordination with quality head and production manager. We have set the target to start with it during this month"

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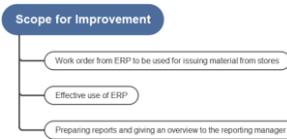
Reports were essential for updating managers on production progress. However, there was insufficient manpower to meet the demand generated by incoming orders, leading to a backlog in customer orders over the past two months. The 5S system was not followed due to space constraints, increasing the risk of mismanagement on the shop floor. Performance evaluations of existing team members had never been conducted. A production planning format was introduced to forecast resource requirements, including workforce and materials. Manpower needs based on production planning were calculated and addressed. Safety and 5S training became mandatory for all shop floor operators. Parameters for analysis were established, with input from the Production Manager and Quality Head, to calculate and analyse metrics such as efficiency, downtime, and wastage.

Purchase and Inventory functions were enhanced with necessary ERP trainings

Exhibit 1 - Purchase KRAs not being followed



Exhibit 2 - Inventory and Stores KRAs not being followed

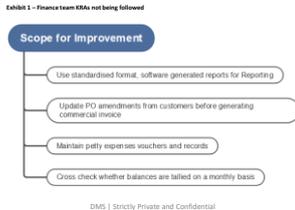


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Expenditure tracking was inconsistent, leading to inefficient management of pending supplier payments. Supplier evaluations were not being conducted, and the evaluation criteria required updates. The purchase team received training on relevant ERP modules for purchasing and vendor management. A supplier payment tracking sheet was developed in coordination with the finance department, and a simple, structured report was mandated for weekly expense tracking and reporting. The inventory and stores teams relied on physical issue slips for raw material distribution, and the ERP's work order feature was underutilized due to

inaccurate stock data. The team was trained to effectively use the relevant ERP modules.

Monthly finalization for books of accounts was incorporated to increase accuracy and efficiency of accounts team



The Director and Head of Business Development had been managing certain tasks within the accounts team. Previously, the books of accounts were only finalized once at the end of the fiscal year. Increasing the frequency of this process improved accuracy and efficiency. The system for tracking and reimbursing petty expenses was disorganized. A simplified format for recording petty transactions was implemented, allowing for auto-calculation of amounts and tracking relevant documentation. Additionally, Purchase Order amendments were sometimes not verified before issuing commercial invoices for tooling. An approval process for every tooling invoice was introduced to ensure verification of Purchase Order amendments.

Business Development team was equipped with ways to identify potential developments for the growth of the business



Daily work reporting from the project management team was unstructured, and only CRM reports were being shared with the Business Development team's reporting authority. Comprehensive market trend studies, SWOT analyses, and competitor analyses were not being conducted. Although realistic assessments of changes were discussed verbally, no formal records were kept, making it difficult to track

these changes and their impacts. Cost assessments and payback periods were not evaluated for all developments. Open issues or challenges were documented and incorporated into the "Things Going Right and Things Going Wrong" report maintained by the Project Management team. We assisted the Business Development team in completing cost assessments for all pending developments and conducted a SWOT analysis for the company, alongside a competitor analysis, to identify potential future growth opportunities.

Conclusion:

Our client, a manufacturing company specializing in precision tooling and plastic injection molding for the automotive industry, faced challenges with employee performance measurement, communication, and unclear responsibilities. To address these issues, Key Responsibility Areas (KRAs) were implemented, and reporting structures were clarified to streamline operations. Training on ERP modules was provided to improve purchase and inventory management, while the accounts team adopted monthly finalizations for better accuracy. Additionally, the Business Development team was equipped with tools for market analysis and identifying growth opportunities.

Read next: Wall of Wisdom

WALL OF WISDOM (WOW):

- “From Confusion to Clarity: The Power of Effective Reporting in Boosting Team Performance.”
- “A problem is a chance for you to do your best.”

Read next: Do you know?

DO YOU KNOW?

1. The longest English word is 189,819 letters long.
2. Chocolate can kill dogs, as it contains theobromine, which affects their heart and nervous system.

What else do You Know?

Let us know.

Read next: Motivational Quote

MOTIVATIONAL QUOTE:

“Ignorance is always afraid of change.”

— Pandit Jawaharlal Nehru

Sources-

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

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Read next: Statutory Due Date

Statutory Due Dates Calendar

INCOME TAX

Due Dates in the Month of	Particulars	For the Period	Due Date
April-2024	1 TDS/TCS Payment	March 2024	TDS 30/04/2024 and TCS 07/04/2024
May-2024	1 TDS/TCS Payment	April 2024	07/05/2024
	2 TDS Statement for Form 24Q, 26Q and 27Q	Q4 FY 2023-24	31/05/2024
	3 TCS Statement– for Form 26QB, 26QC, 26QD	Q4 FY 2023-24	15/05/2024
	4 Statement of Financial Transactions (SFT) Compliance	FY 2023-24	31/05/2024
June-2024	1 TDS/TCS Payment	May 2024	07/06/2024
	2 Advance Tax	1 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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