

**DAHOTRE & DAHOTRE**  
Chartered Accountants



Knowledge and Development Committee

# Newsletter

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## Editor-in-Chief's Message

Hello readers!

Welcome to the **25<sup>th</sup>** Newsletter Edition of 2025.

In this issue, we will discuss about IND AS 12 Income Tax and a case study on Hostile Takeover in India.

**Vedant Potdar**  
Editor-in-chief

## Team's Message

“Your passion, dedication, and teamwork are the sparks that light our way forward.”

**Sarthak Gite**  
Development Chairperson

## Short Updates:

### General

- Axiom Mission 4 (Ax-4) is set to launch today on June 25, 2025 at 12:01 PM IST via a SpaceX Falcon 9 carrying a Crew Dragon capsule to the ISS. The four-person crew—including ISRO pilot Shubhanshu Shukla will reach the ISS on June 26 at around 4:30 PM IST and stay for roughly two weeks. India paid ₹500–600 crore to send IAF's Shubhanshu Shukla on NASA's Axiom-4 mission - covering training, launch, and experiments. It's a strategic move to gear up for India's own Gaganyaan human spaceflight in 2027.
- SEBI has made it mandatory for angel fund investors to be "accredited" – meaning only financially strong and experienced people can invest. This move may slow down early-stage startup funding, especially in smaller cities where new angel investors usually help.

- While it brings more credibility, many first-time investors may back off due to the formalities and costs.
- Gold prices edged higher on Thursday, June 26, amid a weaker US dollar and political uncertainty around the leadership of the Federal Reserve.
- Spot gold rose 0.2% to \$3,339.20 per ounce, while US futures gained 0.3% to \$3,353.10 an ounce. A drop in the dollar to its lowest since March 2022 made gold more attractive for global buyers.
- In India, 24 karat gold was priced at ₹98,950 per 10 grams.

# 01 Accountancy

## IND AS 12: Income tax



Sarvesh Mahashabde

### Introduction

#### Understanding Section 68 of Income Tax Act 1961

Total Income Tax is calculated by aggregating Current Tax and Deferred Tax.

**Current Tax:** Current tax is the amount of Income Tax payable in respect of the taxable profit for a period.

**Deferred Tax:** Deferred tax represents the taxes that are postponed or advanced to future periods due to temporary differences between the accounting income and taxable income.

#### Current Tax

**Recognition:** If the tax is payable then it is recognised as Liability. If the tax is paid in excess then it is recognised as Asset(Advance Tax, TDS).

**Measurement:** Current Tax Assets/ Liabilities shall be measured using the tax rates that have been enacted for the respective Financial Period(i.e., Tax rates applicable for the Current Period).

**Accounting Treatment:** If item(income/ expense) is recognized in P&L then such current tax expense will also be recognized in P&L; but if there is any balance

sheet effect of such item then it'll be recorded in Balance Sheet.

**Offsetting Current Tax Assets & Current Tax Liabilities:** Offsetting is allowed when the entity has legally enforceable right to set off and it intends to settle on Net Basis.

Note: The entity has a legally enforceable right to set off when they relate to income taxes levied by same taxation authority.

#### Deferred Tax

Case 1: Carrying amount(i.e., Depreciation is calculated as per Accounting) of Asset is INR 80 Lakh. Taxable Base (Depreciation is calculated as per Income Tax Act, 1961) is INR 85 Lakh. Tax Rate is 30% Difference is of INR 5 Lakh(CA< TB). Such difference is called as Deductible Temporary Difference so Deferred Tax Asset will be created for INR 1.5 Lakh (5L\*30%).

Entry will be Deferred Tax Assets.....Dr  
To P&L A/c.....Cr

Case 2: Land which has original value of INR 10 Lakh is revalued at INR 12 Lakh.

Effect of revaluation is taken in Accounting only. In this case difference is of INR 2 Lakh (CA>TB).Taxable Temporary Difference is of INR 2 Lakh so Deferred Tax Asset will be created for INR 60000.

Entry will be Deferred Tax Expense.....Dr  
To Deferred Tax Liability.....Cr

#### Assess Deductible Temporary Difference, Tax

**Losses, Unused Credits:** Deductible Taxable Difference reduces future taxable profits. Therefore an entity should recognise DTA on DTD only when it is probable that taxable profits will be available against which DTA can be utilised.

**Unused Tax Losses & Unused Tax Credits:** DTA shall be recognised for carry forward of unused tax losses & unused tax credits to the extent it is probable that future taxable profit will be available against which it can be utilised.

**Reassessment of Unrecognized Data:** At the end of each year, entity should reassess unrecognized DTA. It may need to recognize a previously unrecognized DTA to the extent it has now become probable that

future taxable profits will be available for DTA to be utilised.

**Determining Tax Rates for Deferred Tax:** Deferred Tax shall be measured at Future Tax Rates expected to apply to the period when the DTA will be realised or DTL will be settled and such rates should have been enacted or substantially enacted by end of reporting period.

Note: Carrying amount of DTA/DTL may change even though there is no change in the amount of the related temporary difference because of:

1. A change in tax rates or tax laws.
2. A reassessment of recoverability of DTA.
3. A change in the expected manner of recovery of an asset.

## Practical Application

**Business Combination:** Assets and Liabilities acquired in a business combination are recognized at their fair value at the acquisition date. Temporary Difference arise when the tax base of assets and liabilities acquired are not affected by business combination or are affected differently. E.g., when the carrying amount is increased to fair value but the tax base remains at the cost to previous owner then a temporary difference arises.

**Asset Acquisition:** If initial recognition of an asset/liability is not a business combination and at the time of transaction it neither affects accounting profit nor taxable profit then no DTA/DTL is to be recognized.

**Share Based Payment:** Temporary Difference may arise in these kind of transaction when an entity may recognise share based payment expense in each year but not receive a tax deduction until share options are exercised.

- Carrying amount of SBP Transaction is always Nil.
- Tax base will be amount permitted as a deduction in future periods.
- Difference between tax base and carrying amount is a DTD that results in DTA.
- Deferred Tax Asset will be recognised in P&L as expenses pertain to P&L.

Temporary Difference associated with investment in Subsidiary , Branches, Associate & Joint Venture  
Investment in Subsidiary/branches

Recognise Deferred Tax except when Parent Co controls dividend policy of its subsidiary and parent has determined that those profits will not be distributed in foreseeable future and Parent has determined that it will not sell investment in foreseeable future.

**Investment in Associate:** Parent Company does not control dividend policy. Hence recognise Deferred Tax except when there is an agreement entered between parties which states that no dividend will be distributed in future and Parent has determined that it will not sell investment in foreseeable future.

**Investment in Joint Ventures:** Recognise deferred tax except when the venture can control the sharing of profits and it is probable that profits will not be distributed in foreseeable future and parent has determined that it will not sell investment in foreseeable future.

## Questions

1. Which taxes are aggregated to calculate Income Tax?
2. What are 2 types of Temporary Difference?
3. When are Deferred Tax Assets and Deferred Tax Liabilities recorded?

*Read next: Hostile Takeover in India: Lessons from the L&T–Mindtree Case*

## 02 General

# Hostile Takeover in India: Lessons from the L&T–Mindtree Case



Isha Dagra

## Introduction

In the typically conservative landscape of Indian corporate culture, hostile takeovers are rare, especially in the IT services sector. The Larsen & Toubro (L&T) – Mindtree acquisition in 2019 stands out as a defining moment in India’s corporate history — a calculated, legally sound, and ultimately successful hostile takeover. This case not only rewrote the rules of Indian M&A playbooks but also challenged the myth that founder-led companies are invincible in a shareholder-driven system.

### What Is a Hostile Takeover?

A hostile takeover occurs when an acquiring company seeks to gain control of a target company without the consent of its board or promoters. Unlike friendly acquisitions — negotiated behind boardroom doors — hostile takeovers often involve open market purchases, competitive bidding, and strategic legal manoeuvres.

While common in the U.S. and Europe, such moves in India are rare due to family-run businesses, cross-holdings, and high promoter ownership.

## The Players

### Larsen & Toubro (L&T)

A diversified engineering and construction conglomerate with ambitions to scale up its

technology footprint through its subsidiary, L&T Infotech (LTI).

### Mindtree

A mid-sized IT services firm, founded in 1999 by a group of IT professionals. Known for its unique company culture, loyal employees, and high client satisfaction. Founders held a 13.3% stake, while **V.G. Siddhartha**, founder of Café Coffee Day, owned 20.4%.

### The Takeover Timeline

- Early 2019: V.G. Siddhartha began looking to exit Mindtree.
- March 2019: L&T bought Siddhartha’s 20.4% stake in a negotiated deal (~₹3,270 crore).
- Simultaneously, L&T announced an open offer to acquire an additional 31% from public shareholders under the SEBI Takeover Code.
- Over the next few months, L&T bought more shares through market purchases and open offers.
- By June 2019, L&T had acquired over 60% of Mindtree, gaining full control.

### The Resistance

Mindtree’s board, founders, and employees resisted fiercely:

- The founders described the move as “value destruction” and a “cultural misfit.”
- They explored buybacks, white knight investors, and media outreach to block the deal.
- Despite their efforts, they lacked the numbers. Institutional investors favoured L&T’s offer, seeing financial upside.

By the end of 2019, the takeover was complete. Founders eventually resigned, and in 2022, Mindtree was merged with L&T Infotech, creating LTIMindtree, a top-tier IT services firm.

### Legal & Regulatory Aspects

L&T’s takeover was entirely legal and followed the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, which allows:

- 1) Open offers on acquiring >25% of voting rights.
- 2) Acquisition of control without requiring board approval.
- 3) Transparency and equal opportunity for shareholders.

SEBI neither objected to nor restrained the process, validating the rule-based approach L&T employed.

### Key Lessons from the L&T–Mindtree Case

- **Promoter Shareholding Is Crucial**  
Mindtree’s promoters, with only 13.3%, were unable to block L&T. In a listed company, control lies with shareholders, not sentiments.
- **Institutional Investors Hold the Balance**  
Mutual funds and FIIs supported L&T due to strong valuation and strategic fit — reinforcing the power of institutions in Indian M&A.
- **Corporate Culture Cannot Block M&A**  
While cultural alignment is critical post-merger, it cannot legally prevent a takeover. Despite Mindtree’s unique work culture, it had no bearing on the deal’s legality.
- **India Is Open for Strategic M&A**  
The case showed that India’s regulatory ecosystem now supports transparent, investor-friendly takeovers, including hostile ones, provided rules are followed.
- **Board Has Limited Defence Mechanisms**  
India lacks strong anti-takeover measures (like poison pills), limiting a board’s ability to defend against unwelcome acquirers

### Strategic Impact

- For L&T: Gained scale and digital capabilities; LTIMindtree became a top 5 Indian IT services company.
- For Indian Industry: The case created a blueprint for future hostile takeovers, especially in sectors with dispersed ownership.
- For Founders: A wake-up call — passion and vision must be backed by strategic stakeholding.

### Conclusion

The L&T–Mindtree hostile takeover was not just a corporate transaction; it was a watershed moment in Indian capitalism. It underscored the shift from promoter dominance to shareholder-driven governance. It reminded Indian founders and boards that in a publicly listed world, control must be earned and defended — legally, financially, and strategically.

In a maturing economy like India, such cases are not anomalies — they are signs of a more vibrant, **competitive, and** globally aligned corporate landscape.

### Questions

- 1) How would you value a company being acquired?
- 2) What are common reasons M&A deals fail?

*Read next: Wall of Wisdom*

## WALL OF WISDOM (WOW):

- "Do small things with great love."
- "In the middle of every difficulty lies opportunity."

Read next: Do you know?

## DO YOU KNOW?

1. Do you know Butterflies can taste with their feet?
2. Do you know you blink about 15–20 times per minute?

## What else do You Know?

Let us know.

Read next: Motivational Quote

## MOTIVATIONAL QUOTE:

**"For those who dare to dream, there is a whole world to win."**

— **Dhirubhai Ambani**

### 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

## Best Newsletter Presenters of 2025

Month's	Best Presenters
January	Vedika Pawale
February	Sakshi Pawar
March	Sakshi Pawar
April	Aditya Kanade

May

Sakshi Pawar

## Statutory Due Dates Calendar

## INCOME TAX

Due Dates in the Month of	Particulars	For the Period	Due Date
April-2025	1 TDS/TCS Payment	March 2025	TDS 30/04/2025 and TCS 07/04/2025
May-2025	1 TDS/TCS Payment	April 2025	07/05/2025
	2 TDS Statement for Form 24Q, 26Q and 27Q	Q4 FY 2025-26	31/05/2025
	3 TCS Statement– for Form 26QB, 26QC, 26QD	Q4 FY 2025-26	15/05/2025
	4 Statement of Financial Transactions (SFT) Compliance	FY 2024-25	31/05/2025
June-2025	1 TDS/TCS Payment	May 2025	07/06/2025
	2 Advance Tax	1 <sup>st</sup> Installment of FY 2025-26	15/06/2025
	3 Form 16/ 16A	Q4 FY 2024-25	15/06/2025
July-2025	1 TDS/TCS Payment	June 2025	07/07/2025
	2 TDS Statement for Form 24Q	Q1 FY 2025-26	31/07/2025
	3 TCS Statement– for Form 26QB, 26QC, 26Q	Q1 FY 2025-26	15/07/2025
August-2025	1 TDS/TCS Payment	July 2025	07/08/2025
September-2025	1 TDS/TCS Payment	August 2025	07/09/2025
	2 Advance Tax	2 <sup>nd</sup> Instalment FY 2025-26	15/09/2025
	3 Due date for filing of audit report under Section 44AB for AY 2025-26 in the case of a corporate- assessee or non-corporate assessee (who is required to submit his/its return of income on October 31, 2025)	FY 2024-25	30/09/2025
	4 TDS Statement for Form 26Q and 27Q	Q1 FY 2025-26	30/09/2025
	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	FY 2025-26	15/09/2025

be audited

(c) An assessee who is required to furnish a report under Section 92E.

October-2025	1	TDS/TCS Payment	September 2025	07/10/2025
	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 2024-25	31/10/2025
	3	TDS Statement for Form 24Q, 26Q and 27Q	Q2 FY 2025-26	31/10/2025
	4	TCS Statement– for Form 26QB, 26QC, 26QD	Q2 FY 2025-26	15/10/2025
November-2025	1	TDS/TCS Payment	October 2025	07/11/2025
December-2025	1	TDS/TCS Payment	November 2025	07/12/2025
	2	Advance Tax	3 <sup>rd</sup> Installment FY 2025-26	15/12/2025
	3	<b>Filing of belated/revised return of income for the assessment year 2024-25 for all assessee.</b>	<b>FY 2024-25</b>	<b>31/12/2025</b>
January-2026	1	TDS/TCS Payment	December 2025	07/01/2026
	2	TDS Statement for Form 24Q, 26Q and 27Q	Q3 FY 2025-26	31/01/2026
	3	TCS Statement– for Form 26QB, 26QC, 26QD	Q3 FY 2025-26	15/01/2026
February-2026	1	TDS/TCS Payment	January 2026	07/02/2026
March-2026	1	Advance Tax	4 <sup>th</sup> Installment of FY 2025-26	15/03/2026
	2	TDS/TCS Payment	February 2026	07/03/2026

**GOODS AND SERVICES TAX ACT**

Due Dates in the Month of	Particulars	For the Period	Due Date
April-2025	1 GSTR 1 (Regular Taxpayers)	March 2025	11/04/2025
	2 GSTR 1 (Quarterly Taxpayers)	March 2025	13/04/2025
	3 GSTR 3B (Monthly Return)	March 2025	20/04/2025
	3 GSTR 3B (Quarterly Return)	Jan to Mar 2025	22/04/2025
	4 CMP 08	Jan to Mar 2025	18/04/2025
5 GSTR 4(Annual Return under Composition scheme)	Apr 2024 to Mar 2025	30/04/2025	
May-2025	1 GSTR 1 (Regular Taxpayers)	April 2025	11/05/2025
	2 GSTR 3B (Monthly Return)	April 2025	20/05/2025
	3 Monthly Tax Payment under QRMP Scheme(PMT 06)	April 2025	25/05/2025
June-2025	1 GSTR 1 (Regular Taxpayers)	May 2025	11/06/2025
	2 GSTR 3B (Monthly Return)	May 2025	20/06/2025
	3 Monthly Tax Payment under QRMP Scheme(PMT 06)	May 2025	25/06/2025
July-2025	1 GSTR 1 (Regular Taxpayers)	June 2025	11/07/2025
	2 GSTR 1 (Quarterly Taxpayers)	Apr to June 2025	13/07/2025
	3 GSTR 3B (Monthly Return)	June 2025	20/07/2025
	4 GSTR 3B Quarterly Return)	June 2025	22/07/2025
	5 CMP-08	Apr to June 2025	18/07/2025
1 GSTR 1 (Regular Taxpayers)	July 2025	11/08/2025	
2 GSTR 3B (Monthly Return)	July 2025	20/08/2025	

<b>August-2025</b>	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	July 2025	25/08/2025
	1	GSTR 1 (Regular Taxpayers)	August 2025	11/09/2025
<b>September-2025</b>	2	GSTR 3B (Monthly Return)	August 2025	20/09/2025
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	August 2025	25/09/2025
<b>October-2025</b>	1	GSTR 1 (Regular Taxpayers)	September 2025	11/10/2025
	2	GSTR 1 (Quarterly Taxpayers)	July to Sept 2025	13/10/2025
	3	GSTR 3B (Monthly Return)	September 2025	20/10/2025
	4	GSTR 3B (Quarterly Return)	July to Sept 2025	22/10/2025
	5	CMP-08	July to Sept 2025	18/10/2025
<b>November-2025</b>	1	GSTR 1 (Regular Taxpayers)	October 2025	11/11/2025
	2	GSTR 3B (Monthly Return)	October 2025	20/11/2025
	3	Monthly Tax Payment under ORMP Scheme(PMT 06)	October 2025	25/11/2025
<b>December-2025</b>	1	GSTR 1 (Regular Taxpayers)	November 2025	11/12/2025
	2	GSTR 3B (Monthly Return)	November 2025	20/12/2025
	3	Monthly Tax Payment under ORMP Scheme(PMT 06)	November 2025	25/12/2025
	4	GSTR-9( Annual Return)	FY 2024-25	31/12/2025
<b>January-2026</b>	1	GSTR 1 (Regular Taxpayers)	December 2025	11/01/2026
	2	GSTR 1 (Quarterly Return)	Oct to Dec 2025	13/01/2026
	3	GSTR 3B (Monthly Return)	December 2025	20/01/2026
	4	GSTR 3B Quarterly Return)	Oct to Dec 2025	22/01/2026
	5	CMP-08	Oct to Dec 2025	18/01/2026
<b>February-2026</b>	1	GSTR 1 (Regular Taxpayers)	January 2026	11/02/2026
	2	GSTR 3B (Monthly Return)	January 2026	20/02/2026
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	January 2026	25/02/2026

<b>March-2026</b>	1	GSTR 1 (Regular Taxpayers)	February 2026	11/03/2026
	2	GSTR 3B (Monthly Return)	February 2026	20/03/2026
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	February 2026	25/03/2026
<b>April-2026</b>	1	GSTR 1 (Regular Taxpayers)	March 2026	11/04/2026
	2	GSTR 1 (Quarterly Return)	Jan to Mar 2026	13/04/2026
	3	GSTR 3B (Monthly Return)	March 2026	20/04/2026
	4	GSTR 3B Quarterly Return)	Jan to Mar 2026	22/04/2026
	5	CMP-08	Jan to Mar 2026	18/04/2026
	6	GSTR 4(Annual Return under Composition scheme)	Apr 2025 to Mar 2026	30-04-2026

## COMPANIES ACT

Due Dates in the Month of	Particulars	Description	Due Date
April-2025	Form MSME (outstanding payments to MSME's)	The return is to be filed by any company, who get supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty-five days from the date of acceptance or the date of deemed acceptance of the goods or services.	30 <sup>th</sup> April 2025 (For the period of October'23 – March'24)
May-2025	LLP FORM-11	Annual Return (to be filed by all LLP's irrespective of turnover)	30 <sup>th</sup> May 2025
June-2025	DPT-3	<b>To be filed in case company has deposit or exempted deposit.</b>	<b>30<sup>th</sup> June 2025</b>
September-2025	DIR-3 KYC	Form for Director KYC. Need to be filed mandatorily for every director on Board	30 <sup>th</sup> September 2025
October-2025	ADT-1	Form for Auditor Appointment	15 <sup>th</sup> October 2025
	AOC-4	Form for filing Financials, Auditors Report, Directors Report, etc.	30 <sup>th</sup> October 2025
	Form MSME (outstanding payments to MSME's)	The return is to be filed by any company, who get supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty-five days from the date of acceptance or the date of deemed acceptance of the goods or services.	31 <sup>st</sup> October 2025 (For the period of April'24 – September'24)
November-2025	MGT-7	ROC Annual Return (Details of Shareholding etc.)	29 <sup>th</sup> November 2025
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-2025	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)	30/06/2025
		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-2026	PTRC	<b>Yearly</b> - Tax Liability is less than INR 1,00,000/-	31/03/2025
		<b>Monthly</b> - Tax Liability is equal to or more than INR 1,00,000/-	The last date of the month to which the return relates

## VAT

Due Dates in the Month of	Particulars	For the Period	Due Date
April 2025	1 Monthly Return (VAT payment)	March 2025	21/04/2025
	2 Quarterly Return (VAT payment)	January 2025 to March 2026	21/04/2025
May 2025	1 Monthly Return (VAT payment)	April 2025	21/05/2025
June 2025	1 Monthly Return (VAT payment)	May 2025	21/06/2025
July 2025	1 Monthly Return (VAT payment)	June 2025	21/07/2025
	2 Quarterly Return (VAT payment)	April 2025 to June 2026	21/07/2025
August 2025	1 Monthly Return (VAT payment)	July 2025	21/08/2025
September 2025	1 Monthly Return (VAT payment)	August 2025	21/09/2025
October 2025	1 Monthly Return (VAT payment)	September 2025	21/10/2025
	2 Quarterly Return (VAT payment)	July 2025 to September 2025	21/10/2025
November 2025	1 Monthly Return (VAT payment)	October 2025	21/11/2025
December 2025	1 Monthly Return (VAT payment)	November 2025	21/12/2025
	1 Monthly Return (VAT payment)	December 2025	21/01/2026
	2 VAT Audit (Form 704)	F.Y. 2024-2025	15/01/2026
January 2026	3 Quarterly Return (VAT payment)	October 2025 to December 2025	21/01/2026
	1 Monthly Return (VAT payment)	January 2026	21/02/2026
February 2026	1 Monthly Return (VAT payment)	February 2026	21/03/2026

## Summary of Penalties of Income Tax

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

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

	4. Failure to comply with a notice	
10. late Filing ITR	1. If the ITR is filed after the due date but by 31st December of the succeeding year.	INR 5000/-
	2. If the ITR is filed after 31st December of the succeeding year.	INR 10000/-
	3. for small taxpayers having total income of up to INR 5 lakh.	INR 1000/-

*Read next: Amendment Summary*

## Amendment Summary

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

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

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

No Rectifications pertaining to the previous Newsletter(s).

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