

DAHOTRE & DAHOTRE
Chartered Accountants



Knowledge and Development Committee

Newsletter

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Contents

01. [Short Updates](#)
02. [Transfer Pricing](#)
03. [Taxation of Section 8 Company](#)
04. [Case Study: Fall of Arthur Andersen](#)
05. [Statutory Due Dates](#)
06. [Amendment Summary](#)

Editor-in-Chief's Message

Hello readers!

Welcome to the **30th** Newsletter Edition of 2025.

In this issue, we will discuss what exactly transfer pricing means, taxation in the case of Section 8 Co. and a case study regarding the fall of Arthur Andersen.

Vedant Potdar
Editor-in-chief

Team's Message

"Every effort counts, every idea matters — together we make the impossible possible."

Sathak Gite
Development Chairperson

Short Updates:

ICAI

In order to ensure the quality of tax audit, the Council of the Institute has, at its 442nd meeting held on 26th and 27th May, 2025 and its 443rd meeting held on 30th June, 2025 and 1st July, 2025, decided the limit on the number of tax audits, to be effected by issuance of new guidelines, as follows -

- The existing limit of 60 tax audit assignments per member is to be retained, but the same shall be in respect of tax audit assignments in a particular financial year.
- The said limit of 60 would be the aggregate limit in respect of all tax audits accepted and signed by a member, both in his individual capacity and as a partner of a firm(s). In other words, an individual member cannot sign more than 60 tax audit reports in a financial year.
- The limit on the number of tax audit assignments per partner in a CA Firm cannot be distributed/or shared between the partners.

- The limit of 60 would, however, not apply to tax audit assignments arising out of the requirements under clause (c), clause (d) and clause (e) of section 44AB, in relation to persons covered under section 44AE, 44ADA and 44AD, respectively.
- In the case of revision of tax audit report, the revised tax audit report shall not be taken into account for the purpose of reckoning the said limit of 60. These changes shall be effective for the tax audits under section 44AB of the Income tax Act, 1961 from 01st April, 2026 and shall continue to be in force until further orders.

RoC

The Ministry of Corporate Affairs (MCA) is completing its transition to the improved MCA21 V3 e-Filing Portal by rolling out the final batch of 38 company forms.

Annual Filing Forms (13 forms)
Audit / Cost Audit Forms (6 forms)
Other Statutory Company Filings
Forms under Companies Act, 1956 (12 forms)

01 Direct Tax Transfer Pricing



Bharat Sharma

Introduction

Transfer pricing can be defined as the value attached to the goods or services transferred between related parties. In other words, transfer pricing is the price that is paid for goods or services transferred from one unit of an organisation to its other units situated in different countries.

The key objectives behind having transfer pricing are:

- Ensure fair pricing between related entities
- Allocate profits accurately across countries
- Comply with tax laws and avoid penalties
- Support business decisions and performance evaluation

Importance of Transfer Pricing

For the purpose of management accounting and reporting, multinational companies (MNCs) have some amount of discretion while defining how to distribute the profits and expenses to the subsidiaries located in various countries.

Sometimes a subsidiary of a company might be divided into segments or might be accounted for as a standalone business. In these cases, transfer pricing helps in allocating revenue and expenses to such subsidiaries in the right manner.

The profitability of a subsidiary depends on the prices at which the inter-company transactions occur.

These days the inter-company transactions are facing increased scrutiny by the governments. Here, when transfer pricing is applied, it could impact shareholders wealth as this influences company's taxable income and its after-tax, free cash flow.

It is important that a business having cross-border intercompany transactions should understand the transfer pricing concept, particularly for the compliance requirements as per law and to eliminate the risks of non-compliance.

How Transfer Pricing Works

Transfer pricing involves setting prices for transactions between subsidiaries of the same multinational corporation to ensure these transactions comply with the arm's length principle, aiming to prevent tax evasion and profit shifting. It requires meticulous documentation and adherence to international and local tax laws, with methods and strategies scrutinized by tax authorities to ensure fairness and transparency.

Setting Transfer Prices

Companies set prices for goods, services, or intellectual property traded between their divisions in different countries. These prices are determined using various methods, including comparable uncontrolled price, resale price, cost plus, profit split, and transactional net margin methods, depending on what's most appropriate for the transaction type.

Regulatory Compliance

Transfer pricing is heavily regulated by tax authorities worldwide to prevent profit shifting and tax avoidance. Companies must comply with the transfer pricing rules established by the countries in which they operate, adhering to the arm's length principle to ensure transactions are priced as if they were between unrelated parties.

Documentation and Reporting

Enterprises must prepare extensive documentation to justify their transfer pricing policies. This documentation often includes detailed descriptions of intercompany transactions, the methods used to set prices, and the rationale for their selection. The aim is to provide tax authorities with transparency into how prices are determined, ensuring compliance with local laws.

Adjustments and Disputes

If tax authorities determine that transfer prices do not comply with the arm's length principle, they may adjust a company's taxable income, leading to additional tax liabilities, penalties, and interest. Companies may dispute these adjustments through appeals or litigation, or they may seek to resolve disputes through mutual agreement procedures (MAP) under tax treaties.

Strategic Planning

Beyond compliance, transfer pricing is a strategic tool for global businesses. It can influence where profits are reported, affecting overall tax efficiency and strategic investment decisions. Companies must balance compliance, tax strategy, and operational efficiency when setting their transfer pricing policies.

Transfer Pricing Methodologies

The Organisation for Economic Co-operation and Development (OECD) guidelines discuss the transfer pricing methods that could be used for examining the arm's-length price of the controlled transactions.

Here, arms-length price refers to the price that is applied or proposed or charged when unrelated parties enter into similar transactions in an uncontrolled condition.

The following are three of the most commonly used transfer pricing methodologies.

a. Comparable Uncontrolled Price (CUP)

The Comparable Uncontrolled Price (CUP) Method is one of the most direct and reliable approaches for determining arm's length pricing in transfer pricing. It compares the price charged in a controlled transaction (between related entities) with the price charged in a comparable uncontrolled transaction (between independent entities) under similar conditions.

b. Resale Price Method or Resale Minus Method

In this method, it takes the prices at which the associated enterprise sells its product to the third party. This price is referred to as the resale price.

The gross margin which is determined by comparing the gross margins in a comparable uncontrolled

transaction is then reduced from this resale price. After this, costs which are associated with the purchase of such a product such as the customs duty, are deducted. What remains is considered an arm's length price for a controlled transaction between the associated enterprises.

c. Cost Plus Method

With the Cost Plus Method, you emphasise on costs of the supplier of goods or services in the controlled transaction. Once you're aware of the costs, you need to add a markup. This markup must reflect the profit for the associated enterprise on basis of risks and functions performed. The result is the arm's length price.

Generally, the markup in the cost plus method would be calculated after the direct and indirect cost related to production or supply is considered. But, the operating expenses of an enterprise (like overhead expenses) aren't part of this markup.

d. Transactional Net Margin (TNMM) Method

When actual transaction data isn't available, enterprises can use margin levels to establish transfer pricing. The transactional net margin method (TNMM) or Comparable profit method (CPM), uses the net profits from another controlled transaction to establish a net profit that can then be applied when establishing transfer pricing for comparable, uncontrolled transactions. CPM is the term used in the United States, while TNMM is used internationally.

Both methods evaluate whether the amount charged in a controlled transaction is at arm's length by comparing the net profit margin of the controlled transaction to that of comparable uncontrolled transactions.

Because actual transactions aren't being used, this transfer pricing method offers extra flexibility in identifying transactions to compare to one another.

e. Profit Split Method

The profit split method is used when two parties are involved in the development of a product or some other venture in ways that make it difficult to examine each party on its own. Instead, the profit split method uses the profitability, or potential profitability, of a product or venture and develops a

method of splitting profits that is fair to both organizations.

This pricing method comes with challenges, because it is based on margin levels, and the accuracy of its profit splitting may be up for debate. But in the absence of more concrete data or a clear division of roles between entities, this transfer pricing method can help parties arrive at a fair compromise.

Penalties for Non-Compliance –

Violation Type	Penalty Amount/Rate	Relevant Section
Failure to maintain documentation (Rule 10D)	2% of the value of each transaction	Section 271AA
Failure to furnish documentation during audit	2% of the transaction value	Section 271G
Failure to furnish Form 3CEB (Accountant's Report)	₹100,000	Section 271BA
Failure to furnish Master File (Form 3CEAA)	₹500,000	Section 271AA(2)
Failure to furnish Country-by-Country Report (CbCR)	₹5,000–₹50,000 per day depending on delay duration	Section 271GB
Furnishing incorrect information in reports	₹10,000 per incorrect report or certificate	Section 271J
Under-reporting of income	50% of tax on under-reported income	Section 270A(7)
Misreporting of income	200% of tax on under-reported income	Section 270A(8)

Case Study: How Google Uses Transfer Pricing

Google runs a regional headquarters in Singapore and a subsidiary in Australia. The Australian subsidiary provides sales and marketing support services to users and Australian companies. The Australian subsidiary also provides research services to Google worldwide. In FY 2012-13, Google Australia earned around \$46 million as profit on revenues of \$358 million. The corporate tax payment was estimated at AU\$7.1 million, after claiming a tax credit of \$4.5 million.

When asked about why Google did not pay more taxes in Australia, Ms. Maile Carnegie, the former chief of Google Australia, replied that Singapore's share in taxes was already paid in the country where they were headquartered. Google reported total tax payments of US \$3.3 billion against revenues of \$66 billion. The effective tax rates come to 19%, which is less than the statutory corporate tax rate of 35% in the US.

Questions

1. What is transfer pricing?
2. How many transfer pricing methodology?

Read next: Taxation of Section 8 Company.

02 Direct Tax Taxation of Section 8 Company



Yashraj Bhutada

Introduction

- Formed for charitable, religious, educational, social, or philanthropic purposes
- Not-for-profit, but can generate income—subject to usage only for stated objectives
- No distribution of dividends to members
- Can be Private or Public Limited Company, but not an OPC (One Person Company)

Income Tax Applicability

Tax Rate

Section 8 Companies are treated as domestic companies
Option to be taxed at 22% + 10% surcharge + 4% cess under Section 115BAA

If not opting for 115BAA:

25% + surcharge + cess if turnover \leq ₹400 Cr (in previous year)
30% + surcharge + cess if turnover $>$ ₹400 C

No Automatic Exemption

Merely being a Section 8 company does not mean income is tax-exempt

To claim exemption:

- Must register under Section 12A/12AB (for charitable status)
- Apply under Section 80G (for donor deduction eligibility)

Exemption under Section 11 & 12

Income from property held for charitable or religious purposes is exempt

85% of total income must be applied for those purposes in India

Unspent amount can be accumulated for 5 years using Form 10

Compliance Requirements under Income Tax

1. Obtain PAN and TAN
2. Audit under Section 44AB if:
3. Business turnover $>$ ₹1 crore
4. Professional receipts $>$ ₹50 lakh
5. Apply using Form 10A / 10AB for registration under 12AB

ITR Filing

ITR-7 \rightarrow if claiming exemption under Section 11 & 12

ITR-6 \rightarrow if not claiming exemption (normal company taxation)

TDS Applicability

Section 8 companies are not exempt from TDS obligations

Must deduct TDS on:

- Rent (Sec 194I)
- Professional/technical services (Sec 194J)
- Salary (Sec 192)

File TDS returns quarterly (Form 24Q/26Q etc.)

GST Applicability

GST Registration

No automatic exemption for Section 8 companies

Mandatory GST registration if aggregate turnover > ₹20 lakhs

(₹10 lakhs for special category states)

Exemption under GST

Services provided by a registered charitable entity (12AA/12AB) are exempt only if they fall under “charitable activities” as per Notification 12/2017-Central Tax (Rate)

Examples of exempt services:

- Advancement of religion/spirituality
- Yoga by trusts
- Education to the poor
- Public health services

If the service is commercial (e.g., training, consultancy), GST is applicable

GST Compliance

File GSTR-1, GSTR-3B, and Annual Return (GSTR-9) if applicable

Reverse Charge Mechanism (RCM) to be followed if applicable

Benefits for Donors (Section 80G)

If the Section 8 company has 80G registration:

Donor can claim 50% or 100% deduction

When 100% Deduction is Available:

Donations to specific funds like PM CARES Fund, National Children’s Fund, Clean Ganga Fund, etc.

When 50% Deduction is Available:

For most other charitable institutions approved under Section 80G

Conditions:

Must issue Form 10BE to donor

File Form 10BD annually (by 31st May of next FY)

Questions

1. A Section 8 company earns ₹60 lakhs but is not registered under Section 12AB. Is it taxable? Under which ITR form?
2. Can a Section 8 company charge GST on consultancy services provided to corporates? Why or why not?
3. If a donor contributes ₹1 lakh to a Section 8 company, what conditions must be met for them to claim deduction under 80G?

Read next: Case Study: Fall of Arthur Anderson.

03 General

Case Study: Fall of Arthur Anderson



Sarvesh Mahashabde

Introduction

Arthur Andersen LLP was founded in 1913 and grew to become one of the “Big Five” accounting firms globally. Known for its integrity and high standards, the firm’s downfall was swift and dramatic, triggered by its involvement in major corporate scandals—most notably Enron

Arthur Andersen was just 23 years old and the youngest CPA in Illinois at the time.

The firm’s first client was Joseph Schlitz Brewing Company, and it quickly expanded to Milwaukee and beyond.

Andersen’s motto: “Think straight, talk straight”—a reflection of his commitment to honesty and transparency.

Pioneered centralized training programs for accountants—revolutionary at the time.

Advocated for education and professional standards, serving on boards and exam committees.

Led the way in accounting standards, such as realistic depreciation for emerging technologies like IBM’s mainframes.

By the 1980s, Arthur Andersen had become one of the “Big Five” accounting firms.

Offices in 84 countries, with over 85,000 employees and revenues exceeding \$9 billion.

Developed a strong consulting arm, which eventually became Andersen Consulting (later renamed Accenture).

Fall of Arthur Andersen

Shift in Corporate Culture

Originally built on ethics and independence, Andersen’s culture eroded in the 1990s.

The firm prioritized growth and profitability over audit quality.

Internal promotions favored those who brought in big clients, not those who upheld audit standards.

Conflict of Interest

Andersen expanded aggressively into consulting services, which became more profitable than auditing.

This dual role created a conflict of interest, especially when auditing clients like Enron while also providing them consulting services.

Enron Scandal

Enron used complex accounting techniques to hide debt and inflate profits.

Andersen auditors failed to challenge these practices and even shredded documents during investigations.

The firm was convicted of obstruction of justice in 2002, though the verdict was later overturned.

Legal and Regulatory Fallout

Andersen lost its license to audit publicly traded companies.

Thousands of employees were laid off.

Clients fled to competitors, and the firm ceased operations.

The scandal prompted reforms like the Sarbanes-Oxley Act, aimed at improving corporate governance and audit independence.

Lessons Learned

- Ethics vs. Profit

Prioritizing short-term gains over long-term integrity can be fatal.

- Independence

Auditors must remain independent from clients to ensure credibility.

- Corporate Culture

A strong ethical culture must be actively maintained, especially during growth.

- Regulation

Oversight bodies play a crucial role in maintaining trust in financial systems.

Read next: Wall of Wisdom.

WALL OF WISDOM (WOW):

- “Nothing is permanent in this world not even our troubles.”
- “Big journeys being with small steps.”

Read next: Do you know?

DO YOU KNOW?

1. Do you Your fingernails develop faster than toenails?
2. Bees can Fly higher than mount Everest.

What else do You Know?

Let us know.

Read next: Motivational Quote.

MOTIVATIONAL QUOTE:

“You cannot touch the same water twice, because the flow that has passed will never pass again. Enjoy every moment of your life.”

— Dr. A.P.J. Abdul Kalam

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 the 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
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Upcoming Newsletters

1. Penalties under Income Tax Act, 1961
2. Stock Transfers Under GST: Rules and Compliance.
3. Capital Gains Account Scheme

DLC Asset Updation

Section	Name of Asset
Audit	Compilation Report
Audit	ED for Compilation Engagement
Audit	MRL for Compilation Engagement
Audit	Eligibility Letter
Audit	Appointment Letter
Audit	Auditor Consent Letter
Audit	Engagement Letter
Audit	Independence Confirmation
Audit	Company Law Applicability Calculator
Audit	SA Compliance Report
Audit	Vouching Sheet- Sample Basis
Audit	Independence Confirmation
Audit	SA Compliance Report
Audit	Vouching Sheet- Sample Basis
Audit	BS Automation Tool
Audit	Remuneration Working
Audit	Independent Audit Report
Audit	Client Acceptance and Continuation Form
Audit	Eligibility Letter
Audit	Appointment Letter
Audit	Auditor Consent Letter
Audit	Engagement Letter
Audit	Independence Confirmation
Audit	Depreciation Working
Audit	MRL Tax Audit
Audit	Tax Audit Applicability
Audit	Cover Page
Audit	ICDS Letter
Audit	DSC Letter
Audit	Client Acceptance and Continuation Form
Audit	Compilation Report
Audit	ED for Compilation

	Engagement
Audit	MRL for Compilation Engagement
Audit	Eligibility Letter
Audit	Appointment Letter
Audit	Auditor Consent Letter
Audit	Engagement Letter
Audit	Independence Confirmation
Audit	Company Law Applicability Calculator

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	1st Instalment 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 nd 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 their/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 assesses other than : (a) Assessee whose accounts are required to be	FY 2025-26	15/09/2025

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.

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 rd Installment FY 2025-26	15/12/2025
	3	Filing of belated/revised return of income for the assessment year 2024-25 for all assessee.	FY 2024-25	31/12/2025
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	4th Instalment 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	

August-2025	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	July 2025	25/08/2025
	1	GSTR 1 (Regular Taxpayers)	August 2025	11/09/2025
September-2025	2	GSTR 3B (Monthly Return)	August 2025	20/09/2025
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	August 2025	25/09/2025
October-2025	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
November-2025	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
December-2025	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
January-2026	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
February-2026	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

March-2026	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
April-2026	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 MSMEs)	The return is to be filed by any company that gets 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 2025 (For the period of October'23 – March '24)
May-2025	LLP FORM-11	Annual Return (to be filed by all LLPs irrespective of turnover)	30 th May 2025
June-2025	DPT-3	To be filed in case the company has a deposit or an exempted deposit.	30th June 2025
September-2025	DIR-3 KYC	Form for Director KYC. Need to be filed mandatorily for every director on the Board	30 th September 2025
October-2025	ADT-1	Form for Auditor Appointment	15 th October 2025
	AOC-4	Form for filing Financials, Auditors Report, Directors Report, etc.	30 th October 2025
	Form MSME (outstanding payments to MSMEs)	The return is to be filed by any company that gets 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 2025 (For the period of April'24 – September'24)
November-2025	MGT-7	ROC Annual Return (Details of Shareholding, etc.)	29 th November 2025
Event Based	CHG FORMS	Form for charge creation, modification, and 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
		A person who is enrolled after the 31st May of a year	Within one month of the date of enrolment
		The person who is enrolled and the rate of tax at which he is liable to pay tax are revised.	Within one month of the date of such revision
March-2026	PTRC	Yearly - Tax Liability is less than INR 1,00,000/-	31/03/2025
		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 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
	1 Monthly Return (VAT payment)	September 2025	21/10/2025
October 2025	2 Quarterly Return (VAT payment)	July 2025 to September 2025	21/10/2025
	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
January 2026	2 VAT Audit (Form 704)	F.Y. 2024-2025	15/01/2026
	3 Quarterly Return (VAT payment)	October 2025 to December 2025	21/01/2026
February 2026	1 Monthly Return (VAT payment)	January 2026	21/02/2026
March 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 for 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 a return has not been filed and income exceeds the basic exemption limit, a penalty at 50% of the 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 the 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 the value of the International transaction
	2. In case the assessee is a person who has entered into an 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 the 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 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 an audit report, or furnish a report of such auditor, a penalty will be leviable at 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 the 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 the 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 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 a 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 such loan/deposit.
	2. If an amount of INR 2,00,000 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 a 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 INR 10,000	INR 10000/-
	2. Failure to apply/quote a TAN/ quoting a false TAN shall attract a penalty of INR10,000	
	In case of the following defaults, INR 10,000 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 a total income of up to INR 5 lakh.	INR 1000/-

Read next: Amendment Summary

Amendment Summary

June 2025

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

Sr. No.	Date	Area of Knowledge (AOK)	Notification/ Circular/ Press Release	Short Description
1	24/06/2025	Direct Tax	Notification No. 68/2025 (Income Tax Exemption under Section 10(46A))	Food Safety & Standards Authority of India is exempted under Section 10(46A).
2	07/06/2025	Indirect Tax	GSTN Advisory dated 07/06/2025	Introduction of Form GSTR1A for amending outward supplies in GSTR1; locking returns older than 3 years from July tax periods.
3	01/06/2025	Direct Tax	CBDT Circular No. 6/2025 dated 27/05/2025	ITR filing deadline for AY 202526 extended from 31 Jul to 15 Sep 2025; reflected in press release.
4	15/06/2025	Trust	CBDT IncomeTax (5th Amendment) Rules 2025 (Notif. 17/2025 dated 24/02/2025)	Introduces mandatory e-filing deadlines: business trusts file Form 64A by 15 June and Form 64B to unitholders by 30 June; securitisation trusts file Form 64E by 15 June and Form 64F by 30 June.

Rectifications in the previous Newsletter:

No Rectifications pertaining to the previous Newsletter(s).

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