

DAHOTRE & DAHOTRE
Chartered Accountants



Knowledge and Development Committee

Newsletter

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Editor-in-Chief's Message

Hello readers!

Welcome to the **35th** Newsletter Edition of 2025.

In this issue, we will discuss section 115 BAA of Income Tax Act, ADR under GST and we will see the upcoming GST Reforms.

Vedant Potdar
Editor-in-chief

Team's Message

"Success isn't just hard work—it's smart teamwork. When we unite our strengths, we turn challenges into wins. Let's stay sharp and unstoppable."

Sarthak Gite
Development Chairperson

Short Updates:

Indirect Tax

- The 56th GST Council meeting introduced GST 2.0, a major revamp of India's indirect tax system, effective September 22, 2025.

New GST Slabs –

- 5% – Essentials & daily-use items
- 18% – Standard goods & services
- 40% – Sin & ultra-luxury goods (new slab)
- Zero GST: Milk, paneer, roti, paratha, school supplies
- 5% GST: Toothpaste, soaps, shampoos, namkeen, noodles, chocolates, coffee, butter, ghee
- 18% GST: TVs, ACs, dishwashers, small cars, motorcycles ≤350cc, cement
- Nil GST: 33 life-saving drugs, including cancer medications
- 40% GST: Paan masala, tobacco, bidis, aerated drinks, caffeinated beverages, motorcycles >350cc, helicopters

RERA

- The Maharashtra Housing Policy 2025, approved last month, proposes a separate RERA-like law for redevelopment projects. The policy notes that since redevelopment is not covered under the Real Estate Regulatory Authority Act, 2016, complaints related to such projects are not addressed by MahaRERA.
- The Maharashtra government's cabinet approved the new Maharashtra Housing Policy 2025 in May 2025; however, on July 23, the Maharashtra Housing Department issued a Government Resolution (GR) on the policy, which is considered to be one step further towards its implementation in the state.
- What does the new housing policy propose regarding a RERA-like law for redevelopment projects?
- The approved housing policy states, "The RERA Act does not apply to redeveloped properties. A separate law is necessary to regulate such redevelopment projects and properties."

01 Direct Tax

Section 115BAA of the Income Tax Act, 1961



Sakshi Pawar

Introduction

To promote ease of doing business and make Indian corporate tax rates globally competitive, the Government introduced Section 115BAA through the Taxation Laws (Amendment) Act, 2019. This provision offers domestic companies an option to pay income tax at a concessional rate of 22% (plus surcharge & cess) subject to conditions.

Applicability

- Applicable to all domestic companies, irrespective of turnover.
- Option available from AY 2020-21 onwards.
- Once exercised, the option is irrevocable.

Tax Rates under Section 115BAA

Component	Rate
Base Corporate Tax Rate	22%
Surcharge (10% of tax)	2.2%
Health & Education Cess (4%)	0.968%
Effective Tax Rate	25.17%

Conditions for Availing Section 115BAA

Companies opting for Section 115BAA cannot claim:

- Additional depreciation (Sec. 32(1)(ia))
- Deductions under Chapter VI-A (other than Sec. 80JJAA & 80M)
- MAT credit or carry forward of MAT

- Deductions like scientific research, SEZ benefits, etc.

Key Benefits

- Lower effective tax rate (25.17%) compared to earlier higher rates (up to 34.94%).
- No restriction based on turnover or size.
- Simplified tax structure without multiple exemptions.

Particulars	Normal Provisions	Section 115BAA
Base Rate	25% / 30%	22%
Surcharge	7% / 12%	10%
Cess	4%	4%
Effective Rate	Up to 34.94%	25.168%
MAT	Applicable @ 15%	Not Applicable
Deductions/Exemptions	Many available	Not allowed (except 80JJAA & 80M)

Notes

Standard Tax Regime

Criteria	Tax Rate
Turnover ≤ ₹400 crore	25%
Turnover > ₹400 crore	30%
Surcharge (Income > ₹1 crore ≤ ₹10 crore)	7%
Surcharge (Income > ₹10 crore)	12%
Health & Education Cess	4%

Section 80JJAA

- Deduction for Employment of New Employees
- To incentivize businesses to generate formal employment by allowing a deduction of 30% of additional employee cost for three consecutive assessment years.

Example:

If ₹10 lakh is paid to eligible new employees in FY 2024–25:

Deduction = ₹3 lakh per year for AY 2025–26, 2026–27, and 2027–28

Section 80M

- Deduction for Inter-Corporate Dividends
- To eliminate double taxation on dividends received by a domestic company from another domestic company and subsequently distributed to shareholders.

Example

Company A receives ₹50 lakh dividend from Company B
Company A distributes ₹40 lakh to its shareholders before filing ITR
Deduction under Section 80M = ₹40 lakh

Impact on MAT

MAT under Section 115JB does not apply to companies opting for Section 115BAA.

- MAT is a minimum tax that companies must pay, based on their book profits (the profit shown in their financial statements).
- Even if their regular tax comes out low (or zero), they still have to pay 15% of book profits as tax under MAT rules.
- It applies to both Indian and foreign companies operating in India.

Conclusion

Section 115BAA is a game-changer for Indian corporates, offering a globally competitive tax rate while simplifying compliance. However, companies must carefully evaluate whether giving up exemptions and incentives is beneficial before opting for this scheme

Key Learnings

Section 115BAA allows domestic companies to pay tax at a reduced rate of 22% (effective ~25.17%) by foregoing specified deductions and exemptions, with no MAT liability and an irrevocable option once exercised.

Questions

1. What is the Effective Tax Rate u/s 115BAA?
2. Can a company switch to Normal Provisions after opting for Section 115BAA?

3. ABC Ltd, a company incorporated in Singapore, has made arrangements for declaration and payment of dividends in India. Under the Income Tax Act, how will ABC Ltd. be classified, and is it eligible to opt for Section 115BAA?

Read next: ADR under GST

02 Indirect Tax

ADR under GST



Sairaj Thombare

Introduction

Goods and Services Tax (GST) was introduced in India to simplify indirect taxation and create a unified market. However, due to the complexity of business transactions, disputes are inevitable. Traditional litigation (appeals to Commissioner, Appellate Authority, Tribunal, High Courts, Supreme Court) is time-consuming and costly.

To address this, GST law incorporates Alternative Dispute Resolution (ADR) mechanisms that aim for speedy, cost-effective, and transparent resolution of disputes.

Meaning of ADR

Alternative Dispute Resolution (ADR) means resolving disputes outside conventional courts through methods like advance ruling, conciliation, arbitration, and mediation. It:

- Saves time and resources.
- Reduces litigation backlog.
- Promotes voluntary compliance.
- Ensures clarity for taxpayers in advance.

ADR Mechanisms under GST

1. Advance Ruling (AAR & AAAR)

Taxpayers can apply before AAR for clarity on:

- Tax liability on supply of goods/services.

- Classification of goods/services.
- Applicability of notifications/exemptions.
- Time and value of supply.
- Admissibility of Input Tax Credit.
- Place of supply rules.

2. National Appellate Authority for Advance Ruling (NAAAR)

- Established to resolve conflicting rulings given by State AARs/AAARs.
- Ensures uniform interpretation of GST law across India.
- Provides certainty for businesses operating in multiple states.

3. Conciliation & Mediation

- Not formally codified under GST, but can be applied in contractual disputes involving GST liabilities.
- Encouraged by CBIC to reduce litigation and promote settlement.
- Focuses on mutual agreement between department and taxpayer.

4. Arbitration

- Applicable in cases where contracts have arbitration clauses.
- Helps resolve commercial disputes involving GST without going to court.
- Rare in practice but possible under Arbitration and Conciliation Act, 1996.

Benefits of ADR under GST

- Quick resolution of disputes.
- Less expensive compared to litigation.
- Reduces court burden by limiting unnecessary cases.
- Provides certainty and transparency in advance.
- Improves Ease of Doing Business in India.
- Encourages voluntary compliance among taxpayers.

Challenges in ADR under GST

- Lack of awareness among taxpayers.

- Limited scope of advance ruling (binding only on applicant & jurisdictional officer).
- Conflicting rulings by different states before NAAAR was introduced.
- No formal framework yet for mediation & arbitration in GST.

Conclusion

ADR is an important tool for efficient dispute resolution under GST. The Advance Ruling mechanism plays a key role in reducing ambiguity and ensuring uniform interpretation of GST law. Going forward, strengthening mediation and arbitration frameworks will further boost taxpayer confidence, reduce litigation, and promote India's vision of a simple, transparent, and efficient tax system.

Read next: GST Reforms 2.0

03 Indirect Tax

GST Reforms 2.0



Snehal Kulkarni

Introduction

India is preparing for GST reforms in September-October 2025, with a significant reform expected to simplify the tax structure and make compliance easier. The GST changes indicate reducing GST slabs to fewer, fixing inverted tax structures, and lowering GST rates on daily essentials, packaged food, electronics and insurance. It is scheduled to launch by Diwali 2025, as highlighted in the Prime Minister's Independence Day address. India is preparing for GST reforms in September-October 2025, with a significant reform expected to simplify the tax structure and make compliance easier. The GST changes indicate reducing GST slabs to fewer, fixing inverted tax structures, and lowering GST rates on daily essentials, packaged food, electronics and insurance. It is scheduled to launch by Diwali 2025, as highlighted in the Prime Minister's Independence Day address.

These changes aim to reduce the tax burden, empower MSMEs, and boost economic growth.

Key Takeaway:

The government announced three pillars of focus for new-gen GST reforms on 15th August 2025- structural reforms, rate rationalisation and ease of doing business.

GST 2.0 will simplify tax rates into two main slabs (5% & 18%) by removing 12% and 28%. Sin goods could be taxed at a new 40% GST.

Compliance will ease with pre-filled GST returns,

faster refunds, and smoother MSME registrations.

GST reforms aim to lower costs for essentials, boost consumption, and enhance industry competitiveness.

Major Reform Highlights (as of September 2025)

Simplified GST Slabs:

The four-tier system (5%, 12%, 18%, 28%) is being simplified to two main slabs — 5% (essentials) and 18% (standard goods), plus a special 40% slab for sin and luxury items

Lowered Rates on Common Goods

Personal care products (like shampoo, toothpaste) may drop from 18% to 5% "
Small hybrid cars may see GST drop to 18%

Apparel under ₹2,500 will likely be taxed at 5%, and footwear may also get rate relief
Consumer electronics and durable goods (ACs, TVs) could be shifted from 28% to 18%

Increased Taxes on Luxury & Sin Items:

Luxury EVs (priced above ~\$46,000) could face a 40% tax, up from the current 5%, targeting imports and high-end goods

Items like high-end cars, tobacco, soft drinks, among other sin goods, fall into the 40% slab

Read next: Wall of wisdom

WALL OF WISDOM (WOW):

- "Ideas grow where curiosity flows."
- "Mistakes are proof you're trying."

Read next: Do you know?

DO YOU KNOW?

1. Do you know you a day on Venus is longer than its year?
2. Do you know you use 200 muscles to take one step—walking is a full-body workout?

What else do You Know?

Let us know.

Read next: Motivational Quote.

MOTIVATIONAL QUOTE:

"None can destroy iron, but its own rust can. Likewise, none can destroy a person but his own mindset."

— Ratan Tata

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

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 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 the 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	No November 2025	07/12/2025
	2	Advance Tax	3rd 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	A 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 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
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 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 of 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 the assessee pays tax and interest and files a return, a penalty @ 30% of such undisclosed income is payable.	30% OR 60%
	2. In all other cases, the 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 the 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 in part	1% per month
	5. Non-payment of TDS (after deduction), either in whole or in 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	Penalty amount equals such loan/deposit.
	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.	
	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

July 2025						
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
	1 Direct Tax	2	3	4	5	6
7 Audit/ ICAI	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31 Indirect Tax			

Sr. No.	Date	Area of Knowledge (AOK)	Notification/ Circular/ Press Release	Short Description
1	1 st July	Direct Tax	Notification No. 70/2025 (CII for FY 202526).	Cost Inflation Index (CII) set at 376 (up from 363), used for computing indexed capital gains.
2	7 th July	Audit/ICAI	ICAI press note (via ET)	ICAI limits tax audits per partner to 60 annually, effective April 2026 Penal action will follow for CAs flouting new tax audit limit rules (60audit cap)
3	Jul 2025	Indirect Tax	Circular No. 249/06/2025 (GST Portal Advisory)	No DIN required for portal communications; Reference (RFN) sufficient under Section 169
4	Jul 2025	Indirect Tax	GSTN Advisory & ManikaTaxWise / CMAKnowledge	EWay Bill 2.0 rollout from 1 July (Aldriven QR validation); simplified returns pilots in Maharashtra & Tamil Nadu; composition dealers with < ₹2 cr turnover exempt from GSTR9
5	31 st July	Indirect Tax	News releases reported via CAKSA	Multiple legal clarifications: e.g. GST exemption on apartment maintenance charges for small societies (< ₹7,500), HC rulings on refunds, IGST applicability, etc. (dates 23–31 July)

Rectifications in the previous Newsletter:

No Rectifications about the previous Newsletter(s).

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