

DAHOTRE & DAHOTRE
Chartered Accountants



Knowledge and Development Committee

Newsletter

Period of Update: 26th October 2025 to 01st November 2025
Period of Issue: 02nd November 2025 to 08th November 2025

© 2021-2022 Varun A Dahotre and Associates. All Rights Reserved.

Contents

01. [Short Updates](#)
02. [Agricultural Income Taxation](#)
03. [Intimation Under Section 143\(1\)](#)
04. [Non-compliance with Rule 86B of the CGST Rules, 2017](#)
05. [Statutory Due Dates](#)
06. [Amendment Summary](#)

Editor-in-Chief's Message

Hello readers!

Welcome to the **42**nd Newsletter Edition of 2025.

In this issue, FAQs on Agricultural Income in India, Intimation Under Section 143(1) and Rule 86B under GST.

Vedant Potdar
Editor-in-chief

Team's Message

"Together, we turn challenges into victories."

Neha Deshmane
Associate

Short Updates

Direct Tax

- The Central Board of Direct Taxes (CBDT) issued Circular No. 15/2025-Income Tax on October 29, 2025, utilizing its authority under Section 119 of the Income-tax Act, 1961, to announce an extension for tax filings. The circular extends the due date for furnishing the Income Tax Return (ITR) for Assessment Year 2025-26 (Previous Year 2024-25) for specific categories of assesseees (those referred to in clause (a) of Explanation 2 to Section 139(1)—typically corporate assesseees or non-corporate assesseees whose accounts must be audited).
- The ITR filing deadline is moved from October 31, 2025, to December 10, 2025. Furthermore, the due date for furnishing the report of audit required under the provisions of the Act (specifically under Section 44AB) for the same assessment year is consequently extended to November 10, 2025, in line with clause (ii) of the Explanation to Section 44AB. This extension provides taxpayers and auditors additional time to complete their statutory compliance obligations.

Indirect Tax

- The Invoice Management System (IMS) was introduced on the GST portal from the October 2024 tax period. It enables recipient taxpayers to accept, reject, or keep pending their individual records uploaded by their suppliers through GSTR-1/1A/IFF. To further enhance the taxpayer convenience, a new section for "Import of Goods" has been introduced in IMS wherein the Bill of Entry (BoE) filed by the taxpayer for import of goods including import from SEZ, will be made available in the IMS for taking allowed action on individual BoE. This functionality will be available from Oct-2025 period onwards.
- It may be noted that, If no action is taken on an individual BoE, it will be treated as deemed accepted and based on the action taken, the GST Portal will generate the draft GSTR 2B for the recipient on 14th of subsequent month.

01 Direct Tax Agricultural Income Taxation



Vanshika Singh

Introduction

Agriculture plays a vital role in India's economy, and the taxation of agricultural income has always been a significant subject under the Income Tax Act, 1961.

To define what constitutes agricultural income, Section 2(1A) of the Act provides a clear explanation.

According to Section 2(1A), agricultural income means:

Any rent or revenue derived from land situated in India and used for agricultural purposes.

Any income derived from such land by agricultural operations, including the processing of agricultural produce to make it fit for sale.

Any income attributable to a farmhouse subject to certain conditions, where the building is used for agricultural activities.

Under Section 10(1) of the Act, agricultural income is exempt from central income tax, as taxation of such income falls under the jurisdiction of state governments.

Income derived from the land be treated as agricultural income under Section 2(1A)(a)

Income derived from land can be termed agricultural income if the following conditions are satisfied:

- Rent or revenue should be derived from the land;
- Land should be situated in India; and
- Land should be used for agricultural purposes.

When agricultural land is considered situated in a rural area?

Agricultural land is considered situated in a rural area if it is situated beyond the jurisdiction of a municipality or cantonment board having a population of 10,000 or more, and does not fall within the following distances (to be measured aerially):

- Up to 2 km from local limits of the municipality or cantonment board if the population of such municipality or cantonment board exceeds 10,000 but does not exceed 1,00,000;
- Up to 6 km from local limits of the municipality or cantonment board, if the population of such municipality or cantonment board exceeds 1,00,000 but does not exceed 10,00,000;
- Up to 8 km from the local limits of the municipality or cantonment board, if the population of such municipality or cantonment board exceeds 10,00,000.

Provision of Rule 7 of the Income-tax Rules, 1962

Rule 7 applies to the income, which is partially agriculture income and partially business income. Rule 7 provides that where the cultivator or receiver of rent-in-kind utilizes agricultural produce in his business as raw material, the market value of such produce is deducted while computing the taxable profits of such business. Similarly, if sale receipts of the agricultural produce are included in the accounts of the business, it shall be deducted. No further deduction is permissible in respect of any expenditure incurred by the assessee as cultivator or receiver of rent-in-kind.

Provision of Rule 7A of the Income-tax Rules, 1962

Rule 7A prescribes that the income derived from the sale of the following produce of rubber plants grown in India shall be computed as if it were income derived from normal business:

- Centrifuged latex;
- Crepe;
- Latex based crepes (such as pale latex crepe);
- Brown crepes (such as estate brown crepe, re-milled crepe, smoked blanket crepe, or flat bark crepe);
- Technically specified block rubbers manufactured or processed from field latex;

- Coagulum obtained from rubber plants. 35% of such income shall be deemed to be income liable to tax, and 65% of such income is treated as agriculture income.

Which deduction is allowed while computing income from the sale of the produce of rubber plants

While computing such income, the assessee is entitled to claim the deduction in respect of the cost of planting rubber plants in replacement of plants that have died or become permanently useless in an area already planted if such area has not previously been abandoned. However, in determining such cost, no deduction shall be allowed in respect of the amount of any subsidy which is received from or through the Rubber Board constituted under Section 4 of the Rubber Act, 1947.

What is the tax treatment of agriculture income?

Agricultural income is exempt from tax under Section 10(1) of the Income-tax Act. However, the agriculture income is included in the total income of a specified assessee (individual, HUF, BOI, AOP, or Artificial Juridical Person) where such income exceeds Rs. 5,000 and the non-agricultural income exceeds the maximum exemption limit. The manner of tax computation in the case of partial integration regime is as below:

Step 1: Calculate net agricultural income.

Step 2: Calculate tax on the aggregate of non-agricultural total income and net agricultural income, as if such income is the total income.

Step 3: Calculate tax on the aggregate of net agricultural income and maximum exemption limit as if such income is the total income.

Step 4: The amount of tax calculated in Step 2 shall be reduced by the amount of tax calculated in Step 3.

Step 5: The result of Step 4 shall be reduced by rebate under Section 87A, if applicable. The resultant figure shall be increased by surcharge and health and education cess.

What is the taxability of capital gain arising from the sale of agricultural land?

For capital gain purposes, agricultural land is classified into two categories;

- a. Rural Agricultural Land and
- b. Urban Agricultural Land.

Any gain arising from the transfer of rural

agricultural land is not chargeable to tax under the head Capital Gains because such land is specifically excluded from the definition of a capital asset. Whereas the gain arising from the transfer of urban agricultural land is chargeable to tax under the head Capital Gains.

Read next: Intimation Under Section 143(1)

02 Direct Tax

Intimation Under Section 143(1)



Mayuri Agwal

Introduction

Section 143(1) of the Income Tax Act, 1961, deals with the automated, preliminary processing of an income tax return (ITR) by the Income Tax Department. The communication sent to the taxpayer after this processing is known as an "intimation" and is not a detailed scrutiny or assessment.

Intimation under section 143(1)

An intimation under Section 143(1) of the Income Tax Act is an automated, system-generated notice sent by the Income Tax Department after it processes your Income Tax Return (ITR). This notice confirms that your return has been processed and informs you of any necessary adjustments.

The Centralized Processing Centre (CPC) performs a preliminary check for any apparent discrepancies by comparing the information in your ITR with the department's records, including Forms 26AS, AIS, and TIS.

Key Aspects of Intimation

Comparison of data: The notice will present your figures ("As provided by the taxpayer") alongside the department's figures ("As computed by the department").

Types of adjustments: The CPC looks for common errors that can be corrected automatically, such as:
Arithmetical errors
Incorrect claims in the return
Mismatches with TDS/TCS, advance tax, or self-assessment tax paid

Possible outcomes: The intimation can result in one of three scenarios:

No change: Your tax calculations match the department's records. Your ITR acknowledgment is considered the intimation.

1. **Refund due:** The department determines you have paid more tax than required, and the intimation will confirm the refund amount to be credited to your bank account.
2. **Tax demand:** The department's calculations indicate that you owe additional tax, and the notice will specify the amount and the reason for the demand.

What to do after receiving the intimation

Review the notice carefully- Read the intimation thoroughly and compare the figures from the department with those in your original ITR. Check personal details, income heads, deductions, and tax paid.

Verify the discrepancy- If there is a tax demand, understand the reason. The cause could be a missed income entry, an incorrect deduction, or a mismatch with Form 26AS or AIS.

Respond based on your findings.

1. If you agree with the demand: Pay the tax online using the OLTAS challan, citing code 400 (Tax on Regular Assessment).
2. If you agree but made an error: You can file a revised return on the e-filing portal to correct your mistake.
3. If you disagree with the adjustment: File a rectification request under Section 154(1) on the e-filing portal. Explain the error made by the CPC and provide supporting documents.

Act within the deadline- You typically have 30 days to respond to a demand notice. Failing to do so can result in further interest or penalties.

How to file an accurate ITR to avoid discrepancies

1. Reconcile with Form 26AS, Annual Information Statement (AIS), and Taxpayer Information Summary (TIS)
2. Declare all sources of income -Ensure that you report all income, including interest from savings accounts and fixed deposits, which may have been omitted. Mismatches with third-party data reported to the tax department can trigger an adjustment.
3. Claim correct deductions- Claim deductions under Chapter VI-A (such as Section 80C and 80D) only if you are eligible and have the supporting documents. The tax department uses AI-powered tools to check for incorrect claims, such as falsified HRA or LTA claims. Do not claim deductions that are inconsistent with other entries in your return.
4. Check for mathematical errors-The Central Processing Centre (CPC) automatically corrects any arithmetic or clerical errors. Check your calculations carefully before submitting your return to avoid any such adjustments.
5. File your return on time -Filing a belated return (after the due date) can lead to the disallowance of certain losses that are carried forward from previous years.

How to download the intimation

1. Log in to the income tax e-filing portal.
2. Navigate to e-file > Income Tax Returns > View Filed Returns.
3. Click on the "Download Intimation Order" hyperlink.
4. The downloaded file is password-protected. The password is your PAN (in lowercase) followed by your date of birth in the format DDMMYYYY.

Read next: Non-compliance with Rule 86B of the CGST Rules, 2017

03 Indirect Tax

Non-compliance with Rule 86B of the CGST Rules, 2017



Sairaj Thombare

Introduction

The goods and services tax (GST) regime in India allows taxpayers to claim input tax credit (ITC) for taxes paid on inputs and use that credit to discharge their output tax liability under the Central Goods and Services Tax Act, 2017 (CGST Act).

However, to curb misuse of ITC (for example via fake invoices, circular trading), the government introduced additional restrictions. One such restriction is Rule 86B of the CGST Rules, 2017, via Notification No. 94/2020 Central Tax dated 22 December 2020, effective from 1 January 2021.

The objective: Ensure that registered persons with significant taxable turnover cannot entirely discharge their output tax liability purely via ITC; they must pay at least a small portion in cash. The logic is to introduce "skin in the game" and discourage fraudulent ITC claims.

In simple terms: For certain taxpayers, one cannot use more than 99% of one's output tax liability via ITC; at least 1% must be paid via the electronic cash ledger (i.e., genuine cash payment). Hence the phrasing: "99% ITC restriction & 1% cash payment mandate".

Scope & Applicability

Threshold / Trigger

- Rule 86B applies when the value of taxable supplies (i.e., outward taxable supplies excluding exempt supplies and zero-rated supplies) of a registered person in a month exceeds ₹50 lakh.
- Important: “taxable supplies” means supplies other than exempt supplies (supplies attracting nil GST) or zero-rated supplies (exports or supplies to SEZ with LUT).
- The threshold is to be checked every month (i.e., applies on a monthly basis) when filing the monthly return.

What the Rule Requires

If applicable, the registered person shall not use the amount available in the electronic credit ledger (i.e., ITC) to discharge his output tax liability to the extent of more than 99% of such liability. In effect: At least 1% of the output tax liability for that month must be paid from the electronic cash ledger (i.e., actual cash payment).

It starts with a “non-obstante anything contained in these rules” clause — indicating that Rule 86B overrides other rules regarding ITC utilisation.

Exceptions / Exemptions

Rule 86B does not apply in certain circumstances. Key exceptions include:

If the registered person (or certain persons related: proprietor, karta of HUF, managing director, partner, whole-time director) has paid income tax exceeding ₹1 lakh in each of the two preceding financial years for which returns under section 139(1) have been filed.

If the registered person has received a refund exceeding ₹1 lakh in the preceding financial year on account of:

- zero-rated supplies without payment of tax (i.e., exports with LUT) or
- supplies under inverted duty structure (i.e., where input GST rate > output GST rate)

If the registered person has already discharged his output tax liability via electronic cash ledger cumulatively up to the said month in the current financial year in an amount which is more than 1% of the total output tax liability for that cumulative period — then the restriction does not apply.

Entities such as government departments, PSUs (public sector undertakings), local authorities, statutory bodies are excluded.

Important Clarifications

- The 1% is of the output tax liability, not of turnover. Some confusion exists in practice.
- The restriction applies separately to each tax head (CGST, SGST, IGST, UTGST) as applicable.
- Reverse charge liabilities (RCM) are not to be considered for the purpose of this rule (i.e., RCM liability is outside the “use of ITC for output tax liability” calculation) unless specified otherwise.

Illustrative Example

Example 1: Basic Illustration

Suppose a taxpayer (XYZ Ltd) has taxable supplies (other than exempt/zero-rated) of ₹1 crore in the month, with GST rate say 12%.

Output tax liability = ₹12 lakh (₹1 crore × 12%).

Assume available ITC in electronic credit ledger is say ₹20 lakh.

Under Rule 86B, XYZ Ltd can utilise ITC upto 99% of ₹12 lakh = ₹11.88 lakh.

Therefore, minimum cash payment required = 1% of ₹12 lakh = ₹12,000.

So the breakdown: ₹11.88 lakh via ITC + ₹12,000 in cash from electronic cash ledger.

Conclusion & Recommendations

Summary

- Rule 86B of the CGST Rules imposes that for registered persons whose taxable supplies (excluding exempt & zero-rated) exceed ₹50 lakh in a month, utilisation of ITC to discharge output tax liability is capped at 99%; at least 1% must be paid via cash (electronic cash ledger).
- Non-compliance can lead to serious consequences, including cancellation of GST registration (Rule 21(g)).
- There are exemptions (income tax paid by key persons, refunds on zero-rated supplies/inverted

duty structure, cash payment already exceeding 1% cumulatively, and government/PSU/local bodies).

- Businesses must monitor monthly turnover, tax head output liability, ITC balance, cash ledger payments and maintain proper documentation.

Final thought

While the 1% cash requirement may appear minimal, for businesses with high turnover it is non-trivial. Rule 86B serves as a compliance safeguard in the GST framework — but overlooking it may lead to registration cancellation or disruption.

Questions

1. Who is exempted from the applicability of Rule 86B?
2. What is the threshold limit of taxable supplies for Rule 86B applicability?

Read next: Wall of wisdom.

WALL OF WISDOM (WOW):

- “Hustle beats talent when talent doesn't hustle.”
- “Be fearless in pursuit of what sets your soul on fire.”

Read next: Do you know?

DO YOU KNOW?

1. Do you know your body has enough iron to make a small nail?
2. Do you know Oxford University is older than the Aztec Empire ?

What else do You Know?

Let us know.

Read next: Motivational Quote.

MOTIVATIONAL QUOTE:

“If you fully accept the worst that can ever happen in your journey, fear won't ever be an obstacle in starting-up.”

— Kunal Shah

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.

Contact Details-

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

Phone: +91 20-67426111

Email – knd@dahotreanddahotre.com

Read next: Statutory Due Date.

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	31/10/2025
	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
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 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 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).

Copyright Disclaimer:

Every effort has been made to avoid errors or omissions in this Newsletter. In spite of this, errors may creep in. Any mistake, error, or discrepancy noted may be brought to our notice, which shall be taken care of in the next Newsletter. It is notified that neither the author nor the Knowledge & Development Committee nor Varun A. Dahotre and Associates nor other network firms will be responsible for any damage or loss of action to anyone, of any kind, in any manner therefrom. It is suggested that to avoid any doubt, the reader should cross-check all the facts, law, and contents of the Newsletter with the original Government publication or notifications, and if required, contact the Office of Dahotre and Dahotre Chartered Accountants at +91 20-67426111 by dialling the specific extension number.

No part of this Newsletter may be reproduced or copied in any form or by any means or reproduced on any disc, tape, perforated media, or other information storage device, etc., without the written permission of the Knowledge and Development Committee and Varun A. Dahotre and Associates. Breach of this condition is liable to legal action.