

DAHOTRE & DAHOTRE
Chartered Accountants



Knowledge and Development Committee

Newsletter

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Editor-in-Chief's Message

Hello readers!

Welcome to the **43**rd Newsletter Edition of 2025.

In this issue, we will discuss the new GST provisions under Rules 9A and 14A, the significance of Form 26A in TDS compliance, and an overview of neo banks shaping the future of digital banking

Vedant Potdar
Editor-in-chief

Team's Message

"Let's turn obstacles into stepping stones for success."

CA Tejashree Darawade
Associate

Short Updates

Direct Tax

- A major new rule takes effect from December 1, 2025. The GSTN portal will permanently bar businesses from filing any return (monthly, quarterly, or annual) that is more than three years past its due date. This makes November 2025 the absolute final month for any business to clear its old compliance backlogs. This includes monthly returns from October 2022 or earlier, and critically, the GSTR-9 Annual Return for the 2020-21 financial year.
- A simplified GST registration system launches on November 1, 2025. This system allows "low-risk" applicants to get automated GSTIN approval within just three working days, a move expected to benefit 96% of new businesses.

General

- A G20 report showed India's richest 1% grew their wealth share by 62% between 2000 and 2023, now holding around 40% of the nation's wealth. Globally,

inequality has deepened, with the top 1% owning seven times more than the bottom half.

- Lenskart's Rs 7,278 crore IPO ended with massive demand, getting subscribed over 28 times despite buzz about its high valuation. The institutional portion saw over 40 times subscription, while retail investors' quota was filled 7.5 times. The eyewear brand, valued around Rs 70,000 crore at the top of its Rs 382–402 price band, also made headlines for its steep price-to-earnings ratio that sparked debates across social media.
- Income Tax Department has withdrawn its ₹8,500 crore transfer pricing case against Vodafone linked to the 2007-08 sale of its call centre business to Hutchison Whampoa. This follows the Supreme Court's nod for a relief package on Vodafone's AGR dues.
- India's mergers and acquisitions (M&A) landscape saw a strong rebound in the July–September 2025 quarter, with 999 deals worth USD 44.3 billion, marking a sharp year-on-year rise.

01 Indirect Tax

New GST Rules 2025 Decoded: What Rule 9A & 14A Mean for Startups MSMEs



Snehal Kulkarni

Background & Policy Intent

On 31 October 2025, Central Board of Indirect Taxes and Customs (CBIC) notified Notification No. 18/2025-Central Tax inserting Rule 9A and Rule 14A in the CGST Rules, effective 1 November 2025.

Objective: To simplify the registration process under Goods & Services Tax Network (GSTN) portal, reduce manual intervention, speed up registration, and provide a simplified route for small/low-risk taxpayers.

Key features: data-analytics / risk-based auto-approval; optional simplified route for small taxpayers with monthly output tax liability below threshold.

Rule 9A – Grant of Registration Electronically

Definition

“9A. Grant of registration electronically. Notwithstanding anything contained in rule 9, any person who has applied for registration under rule 8 or rule 12 or rule 17, shall, upon identification on the common portal based on data analysis and risk parameters, be granted registration electronically by the common portal, within three working days from the date of submission of the application.”

1. Key Features

- The process is electronic, auto-grant within 3 working days (subject to criteria) from application date.
- The system uses data analytics and risk parameters on the GST portal to identify low-risk applicant
- The certificate of registration (Rule 10) is amended to cover registrations under Rule 9A as well.

2. Benefits

- Faster onboarding of new taxpayers / businesses.
- Less manual verification, reduced delays.
- Helps ease of doing business, especially for genuine applicants.

Rule 14A – Option for Taxpayers with Monthly Output Tax Liability Below Threshold

Definition

“14A. Option for taxpayers having monthly output tax liability below threshold limit. (1) Any person who has made application for registration under rule 8 and who determines that his total output tax liability on the supply of goods or services or both made to registered persons on account of central tax and State tax or Union territory tax and integrated tax and compensation cess, does not exceed two lakh and fifty thousand rupees per month, shall have an option to get registration electronically, in accordance with the provisions of this rule.”

1. Eligibility Criteria:

- a) The applicant must apply under Rule 8.
- b) The applicant self-assesses that total output tax liability on supplies made to registered persons (B2B) will not exceed ₹2,50,000 per month (including CGST, SGST/UTGST, IGST and compensation cess).
- c) One registration per State/UT under this rule against the same PAN. Cannot take two registrations in the same State/UT under Rule 14A.
- d) Aadhaar authentication is mandatory: Primary Authorised Signatory and at least one Promoter/Partner must authenticate.

2. Key Features & Procedure

- a) While applying in FORM GST REG-01, applicant must select “Yes” for “Option for Registration under Rule 14A”.
- b) If eligible and authenticated, registration to be granted electronically within 3 working days.
- c) If taxpayer exceeds the threshold (output tax liability > ₹2.5 lakh/month) then one must withdraw from the scheme.
- d) Withdrawal procedure: Use FORM GST REG-32 (application for withdrawal) and Order in FORM GST REG-33.

3. Benefits

- a) Simplified registration process for small/low-tax-liability businesses.
- b) Faster start of business operations under GST.
- c) Reduced documentation and verification burdens (subject to eligibility)

4. Conditions / Compliance Requirements:

- a) Even under Rule 14A, taxpayer must file returns, pay tax, maintain compliance. The scheme does not remove return or payment obligations.
- b) If the taxpayer chooses to withdraw from the scheme (or is required to), all pending returns due from registration date up to withdrawal must be filed.
- c) If withdrawing before 1 April 2026: Minimum 3 months of returns must be filed; if withdrawing on/after 1 April 2026: At least one tax period’s returns.

Feature	Rule 9A	Rule 14A
Purpose	Electronic grant of registration for eligible applicants (by risk-screening)	Simplified registration option for small output tax liability taxpayers
Applicability	Applicants under Rule 8, 12, 17 (normal, TDS/TCS, non-resident)	Applicants under Rule 8 who estimate their monthly output tax liability ≤ ₹2.5 lakh to registered persons
Approval time	Within 3 working days	Within 3 working days
Key condition	Data analytics / risk parameters	Self-assessment of tax liability limit, Aadhaar authentication, one

	must permit auto-grant	registration per State/UT
Benefit	Faster registration, risk-based auto granting	Streamlined process for small businesses, reduced compliance burden
Limitations / caveats	Regular obligations remain; risk screening may delay or reject	If limit exceeded must withdraw; still subject to GST compliance; only for B2B supplies etc.

Implications for Taxpayers & Businesses

For new registrations

- Businesses planning to register under GST should evaluate whether they qualify for auto-registration under Rule 9A or simplified route under Rule 14A.
- If eligible under Rule 14A and expecting low monthly output tax liability (≤ ₹2.5 lakh), opting can reduce time and effort.
- Ensure Aadhaar authentication (Primary signatory and at least one promoter/partner) is completed for Rule 14A.

For existing businesses / entrepreneurs

- Existing businesses may consider migrating or opting for simplified route if eligible.
- Monitor monthly output tax liability: If you opt under Rule 14A and later your B2B output tax liability exceeds the threshold, you’ll need to withdraw.
- Ensure you keep accurate monthly estimates of output tax liability (to registered persons) to decide if Rule 14A remains viable.

For compliance teams / CA / tax consultants

- Update onboarding checklists for new clients: include assessment of eligibility for Rule 9A/14A.
- Inform small business clients about the reduced registration processing time and simplify plans accordingly.
- Be prepared to assist with FORM GST REG-32 / REG-33 if withdrawal from Rule 14A is required.
- Advise clients that while registration is simpler, ongoing compliance (return filing, payment, recordkeeping) remains fully applicable.

Key Takeaways

- a) The insertion of Rule 9A and Rule 14A from 1 Nov 2025 marks a significant simplification in GST registration process.
- b) Rule 9A focuses on auto-grant of registration via electronic route for low-risk applicants.
- c) Rule 14A offers a special simplified registration route for taxpayers with monthly output tax liability \leq ₹2.50 lakh to registered persons.
- d) While registration is faster and simpler under these rules, standard GST compliance obligations (returns, payments, records) remain fully applicable.
- e) Businesses should assess eligibility early and plan registration accordingly to leverage this reform.

Questions

1. Is Rule 14A mandatory for all new registrants?
2. What are the benefits of registering under Rule 14A?

Read next: Form 26A

02 Direct Tax Form 26A



Gaurav Watkar

Introduction

Form 26A is a certificate issued by a Chartered Accountant (CA) to confirm that the deductee (the person from whom tax was deductible) has included the income in their return of income and paid tax on it.

It is filed online by the deductor to avoid disallowance or penalty when TDS was not deducted or deducted late.

Legal Background

Form 26A is prescribed under Rule 31ACB of the Income-tax Rules, 1962, read with:

Section 201(1) – Deals with a person who fails to deduct or pay TDS.

Section 40(a)(ia) – Relates to disallowance of expenses if TDS is not deducted or paid.

In such cases, if the payee has already paid the tax on the income, the deductor is not treated as an assessee-in-default, provided Form 26A is furnished.

When Form 26A is Required

You need to file Form 26A when:

TDS was not deducted on a payment, or

TDS was deducted but not deposited to the government, and

The recipient (deductee) has:

Filed their income tax return,
Included the relevant income, and
Paid due taxes on it.

Who Files Form 26A

The deductor (employer, company, or individual making the payment) files Form 26A through the TRACES portal, after getting a certificate from a Chartered Accountant in the prescribed format.

Procedure to File Form 26A

1. Login to the TRACES portal.
2. Go to "Defaults" → "Request for Form 26A".
3. Select the Financial Year, Quarter, and Form Type.
4. The system generates a unique Request ID.
5. The CA logs in to the e-filing portal and uploads the certificate using the unique ID.
6. Once verified by the system, the status is updated on TRACES.

Documents Required

- Details of deductee (PAN, income amount, etc.)
- Proof of tax payment by deductee (ITR acknowledgment, computation, etc.)
- CA certificate in prescribed format
- Declaration by deductor

Benefits of Filing Form 26A

- Avoids being treated as assessee-in-default
- Prevents interest and penalty under Section 201(1A)
- Allows deduction of expenses under Section 40(a)(ia)
- Improves TDS compliance rating of the deductor

Consequences of Not Filing Form 26A

If Form 26A is not filed, the following consequences may apply:

1. The deductor is treated as an assessee-in-default u/s 201(1).
2. Interest u/s 201(1A) from the date on which tax was deductible to the date of payment.

3. Expense disallowance u/s 40(a)(ia).
4. Penalty and prosecution in extreme cases.

Interest u/s 201(1A).

Interest Rates under Section 201(1A):

Situation	Interest Rate	Period of Calculation
(a) Failure to deduct TDS	1% per month or part of a month	From the date on which TDS was deductible to the date on which it is actually deducted
(b) TDS deducted but not deposited	1.5% per month or part of a month	From the date of deduction to the date of actual payment to the government

Form 26A acts as a relief mechanism for deductors who failed to deduct or deposit TDS, ensuring that double taxation is avoided while maintaining compliance.

Questions

1. Why is Form 26A required?
2. Who issues Form 26A?
3. Which section governs Form 26A?

Read next: Understanding Neo Banks

03 General

Understanding Neo Banks



Bhavana Chitte

Introduction

Neo banks are 100% digital banks that operate without physical branches.

They provide banking services online through mobile apps or websites.

In India, they don't have their own banking license, but partner with traditional banks.

Example: Fi Money partners with Federal Bank, Jupiter with Federal Bank, and Niyo with Equitas Small Finance Bank.

How Neo Banks Work

You open a digital account via the Neo bank app.

Your money is actually stored with their partner licensed bank.

The Neo bank provides a modern interface, analytics, spend tracking, and financial tools.

Key Services Offered:

1. Digital savings & current accounts
2. Instant payments & UPI
3. Debit cards (physical + virtual)
4. Expense tracking, credit cards, investments, insurance

Growth & Importance

Why they're growing fast in India:

- Digital India push & UPI boom
- Young, tech-savvy population
- Low cost operations (no branches)
- Financial inclusion – access to underserved areas

Challenges & Limitations

- No full banking license → must depend on partner banks.
- Regulatory uncertainty → RBI still forming clear rules.
- Cybersecurity risks – being fully digital.
- Customer trust – many still prefer traditional banks.

Future & Conclusion

RBI exploring Digital Bank Framework to give limited licenses.

Neo banks expected to expand to rural areas and SME lending.

Will likely co-exist with traditional banks, not replace them.

Questions

1. What is Neo Banks?
2. Are Neo banks in India regulated by the RBI?
3. What are some prominent neobanks in India?

Read next: Wall of wisdom.

WALL OF WISDOM (WOW):

- "Your time is your biggest currency. Spend it wisely."
- "The journey matters as much as the goal. Sometimes more."

Read next: Do you know?

DO YOU KNOW?

1. Do you know venus is the only planet to spin clockwise?
2. Do you know chewing gum can improve concentration ?

What else do You Know? Let us know.

Read next: Motivational Quote.

MOTIVATIONAL QUOTE:

"Life is like a game of cards. The hand you are dealt is determinism; the way you play, it is free will."

— Mahatma Gandhi

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	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
	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).

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