

DAHOTRE & DAHOTRE
Chartered Accountants



Knowledge and Development Committee

Newsletter

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Editor-in-Chief's Message

Hello readers!

Welcome to the **47**th Newsletter Edition of 2025.

In this issue, we will discuss possibility of arrest under GST, IND AS 41 i.e Agriculture and why credit rating matters for Businesses.

Vedant Potdar
Editor-in-chief

Team's Message

"Your effort today builds our success tomorrow."

Tejashree Darawade
Associate

Short Updates

RoC

The MCA notification dated 1 December 2025 amends the Companies (Specification of Definition Details) Rules, 2014.

- **Key Change**

The definition of a Small Company is revised. Now, a company will be treated as a Small Company if:
Paid-up capital does not exceed ₹10 crore, and
Turnover does not exceed ₹100 crore.

- **Other Points**

These amended rules are called Companies (Specification of Definition Details) Amendment Rules, 2025.
They take effect from the date of publication in the Official Gazette (i.e. 1/12/2025).

General

- Foreign investors have sold over 800 million dollars of Indian stocks in the first 3 days of the month, adding to a 17.3 billion dollar outflow in 2025. Despite this, sensex and nifty remain near record highs due to strong SIP driven mutual fund inflows of about 2.75 lakh crore rupees.
- Company incorporations rose 10% in November, slower than October's 26% growth as the base effect fades. LLP registrations surged 75%, continuing a strong trend since late 2024. Between April and November, India saw record incorporations of over 1.51 lakh companies and 58,635 LLPs. Officials say GST rate cuts, strong consumption, policy reforms and a robust economic outlook are driving the rise, though the base effect may turn unfavourable from January 2026.

01 Indirect Tax

Arrest Under GST, clubbed with BNSS



Sakshi Pawar

Introduction

The Goods and Services Tax (GST) regime in India introduced stringent compliance measures to curb tax evasion. Among these, the power to arrest under the GST Act has often sparked debate. With the advent of the Bharatiya Nagarik Suraksha Sanhita (BNSS)—which replaced the Criminal Procedure Code (CrPC)—the procedural safeguards for arrest have been strengthened. This newsletter explores how GST arrest provisions align with BNSS requirements, ensuring both enforcement and protection of rights.

Legal Basis for Arrest Under GST

Section 69 of CGST Act, 2017 empowers the Commissioner to arrest a person if there is “reason to believe” that the person has committed offences under Section 132.

Key Offences Triggering Arrest under Section 132:

- Supplying goods/services without issuing an invoice to evade tax.
- Issuing invoices without actual supply of goods/services, leading to wrongful ITC or refund.
- Availing ITC using fake invoices or fraudulently without any invoice.
- Collecting tax but failing to remit it to the Government beyond 3 months.

- Evading tax or fraudulently obtaining refundss (not covered under clauses a–d).
- Falsifying financial records, producing fake accounts, or furnishing false information to evade tax.
- Dealing with goods known to be liable for confiscation.
- Receiving or dealing with services in contravention of GST law.
- Attempting or abetting any of the above offences.

- **Thresholds:**

Tax evasion \geq ₹5 crore: Cognizable & Non-bailable.

Tax evasion ₹2–5 crore: Bailable & Non-cognizable.

Tax Evasion / Wrongful ITC / Refund	Nature of Offence	Maximum Imprisonment	Bailable / Cognizable
₹5 crore or more	Serious fraud cases	Up to 5 years + Fine	Cognizable & Non-bailable
₹2 crore – ₹5 crore	Major evasion	Up to 3 years + Fine	Non-cognizable & Bailable
₹1 crore – ₹2 crore	Moderate evasion	Up to 1 year + Fine	Non-cognizable & Bailable
Other cases	Minor offences	Up to 6 months + Fine	Non-cognizable & Bailable

What is a Cognizable Offence?

A cognizable offence is one where the police or authorized officer can arrest without a warrant and start an investigation without prior approval from a magistrate.

Under GST:

- Offences involving tax evasion of ₹5 crore or more are cognizable and non-bailable.
- This means GST officers have the power to arrest immediately, subject to BNSS safeguards.

What is a Non-Cognizable Offence?

- A non-cognizable offence requires a warrant from a magistrate before arrest and prior permission for investigation.

Under GST:

- Offences below ₹5 crore are non-cognizable and bailable.

- Arrest cannot be made without judicial authorization.

What is Bailable vs Non-Bailable?

- **Bailable:** The accused has the right to be released on bail by paying the prescribed amount. For GST offences below ₹5 crore, bail is generally granted.
- **Non-Bailable:** Bail is not a right; it is at the discretion of the magistrate or court. For GST offences above ₹5 crore, bail requires judicial approval.

BNSS: The New Procedural Framework

BNSS(Bharatiya Nagarik Suraksha Sanhita), effective from 2023, modernizes arrest procedures and introduces safeguards:

- **Section 35:** Written reasons for arrest mandatory.
- **Section 36:** Arrest memo must be prepared, attested by a witness, and countersigned by the arrested person.
- **Section 43:** Right to inform a relative or advocate.
- **Section 48:** Mandatory medical examination post-arrest.
- **Section 482:** Anticipatory bail available for non-bailable offences.

Practical Integration with BNSS

- **Before Arrest:** GST officers must record reasons and prepare an arrest memo.
- **During Arrest:** Inform relatives, ensure medical checks, and respect rights under BNSS.
- **Post-Arrest:** Produce the person before a magistrate within 24 hours.

Key Features of Anticipatory Bail

- **Purpose:** To protect individuals from unnecessary arrest and harassment when they apprehend arrest for a non-bailable offence.
- **When to Apply:** Before arrest, if there is a reasonable belief that the person may be arrested.

- **Authority:** Application is made to the Sessions Court or High Court.
- **Conditions Imposed by Court:**
 - Cooperate with investigation.
 - Do not tamper with evidence or influence witnesses.
 - May require surrender of passport or regular appearance before authorities.

Supreme Court Clarifications (2025)

- **BNSS Safeguards Apply to GST Arrests:**
 - In *Radhika Agarwal v. Union of India (2025)*, SC ruled that rights under BNSS extend to GST and Customs arrests.
- **Key Points:**
 - Arrest cannot be made merely for investigation; must be backed by material evidence.
 - "Reasons to believe" must be recorded before arrest.
 - Anticipatory bail is available under BNSS for GST offences.
 - No coercion to pay tax under threat of arrest.
 - Arrest memo must clearly state grounds and sections invoked.

Conclusion

The integration of GST arrest provisions with BNSS safeguards strikes a balance between enforcement and individual rights. While GST aims to deter tax evasion, BNSS ensures that arrests are lawful, transparent, and humane. Businesses and tax professionals must stay informed to navigate this evolving legal landscape.

Questions:

1. What are the key offences under Section 132 of the CGST Act that can lead to arrest?
2. What steps must GST officers follow before making an arrest under BNSS?

Read next: Ind AS 41: Agriculture.

02 Accountancy

IND AS 41: Agriculture



Sarvesh Mahashabde

Introduction

Ind AS 41 deals with the accounting treatment of agricultural activity. It provides rules for how to value living animals and plants and the produce obtained from them. The standard ensures consistency and transparency in reporting agricultural operations.

Biological Assets

Biological assets are living animals or plants such as cows, sheep, crops, or plantations. These assets undergo natural growth or production over time. The standard requires special accounting treatment because their value changes continuously.

Agricultural Activity

Agricultural activity refers to managing biological assets through processes like growth, production, or reproduction. It involves transforming living assets into agricultural produce. Examples include growing crops, breeding animals, or managing orchards.

Measurement Requirement

Biological assets are measured at fair value less costs to sell, both initially and at every reporting date. This reflects their current market value. If fair value cannot be reliably determined, they are temporarily measured at cost.

Agricultural Produce Measurement

Agricultural produce is measured at the moment of harvest at fair value less costs to sell. This value becomes its “cost” under Ind AS 2 after harvest. The purpose is to show the produce’s real market worth when it becomes saleable.

Government Grants

Government grants related to fair-valued biological assets are recognized in the profit or loss when they become receivable. This ensures income is recorded only when entitlement is certain. Grants for cost-measured assets follow the rules of Ind AS 20.

Gains or Losses

Any change in the fair value of biological assets or harvested produce is recorded in the Profit & Loss account. This reflects the natural variation in market prices or asset condition. Such gains or losses can cause financial results to fluctuate.

Disclosures Required

Entities must disclose details like the types of biological assets, valuation methods, and key assumptions used. They must also provide a reconciliation of opening and closing balances of these assets. These disclosures help users understand risks and changes in value.

Questions

1. What is the meaning of Biological Asset?
2. Which disclosures are required as per Ind AS 41?
3. How are Biological Assets measured in the Books of Account?

Read next: Why Credit Rating Matters for Businesses

03 General

Why Credit Rating Matters for Businesses



Maitreyee Kelkar

Introduction

In today's interconnected and competitive economy, businesses must demonstrate not only operational efficiency but also financial reliability. Whether a company is seeking funding, negotiating supplier contracts, bidding for tenders, or simply building credibility in the market, one factor plays a silent yet powerful role: its credit rating.

A credit rating is a formal, independent evaluation of a company's ability to meet its financial obligations—specifically its ability to repay loans, manage debt, and maintain financial stability.

Major rating agencies include CRISIL, ICRA, CARE, Fitch, Moody's, and S&P Global. These agencies use sophisticated analysis to assign ratings such as AAA, AA, A, BBB, BB, B, C, and D.

What Rating Agencies Evaluate

- Financial performance (revenue, profitability, cash flow)
- Debt management and repayment history
- Industry risks and economic conditions
- Management quality and governance
- Operational efficiency and cost control

Why Credit Rating Matters

1. Better Borrowing Terms and Lower Cost of Capital

A high rating makes lenders confident, resulting in faster approvals, lower interest rates, higher loan eligibility, and better repayment terms. Over time, even a small interest rate reduction can save huge amounts and improve profitability.

2. Indicator of Financial Discipline

A good rating shows that the business manages its finances responsibly—timely repayments, controlled expenses, stable cash flow, and planned capital usage.

3. Builds Investor Confidence

Investors see well-rated businesses as less risky. This improves fundraising opportunities, bond issuance, and valuation. A strong rating attracts long-term, reliable investors.

4. Improves Supplier Relationships

Suppliers offer better trade credit to highly rated businesses—longer payment periods, higher credit limits, and smoother negotiations. This strengthens working capital and supports operations.

5. Essential for Winning Tenders and Corporate Contracts

Government departments and large corporations require certain minimum credit ratings to ensure partners are financially stable. A strong rating helps qualify for major projects, international contracts, and high-value deals.

6. Acts as an Early Warning System

A declining credit rating signals rising debt, poor cash flow, falling profits, or operational inefficiencies. This helps management take corrective action before issues worsen.

7. Boosts Market Reputation

A strong credit rating enhances credibility, transparency, and professional image. It positions the business as reliable, stable, and trustworthy, improving overall brand perception.

Consequences of a Poor Rating

- Higher borrowing costs
- Limited access to loans
- Reduced supplier credit
- Lost business opportunities
- Lower investor confidence
- Negative market image

Conclusion

A credit rating is more than a financial score—it is a strategic asset. A strong rating helps businesses secure affordable funding, win contracts, attract investors, strengthen operations, and grow sustainably. Maintaining a healthy rating is essential for long-term success and market competitiveness.

Questions

1. Why is a strong credit rating considered a strategic asset for businesses in today's competitive environment?
2. How does a high credit rating influence a business's ability to secure loans, attract investors, and negotiate better trade terms with suppliers?
3. What are the major risks and consequences a company may face if its credit rating is downgraded or remains poor?

Read next: Wall of wisdom.

WALL OF WISDOM (WOW):

- "Silence often speaks louder than words."
- "Wisdom is knowing what to overlook."

Read next: Do you know?

DO YOU KNOW?

1. Do you know it is nearly impossible to sneeze with your eyes open?
2. Do you know apples float on water?

What else do You Know?

Let us know.

Read next: Motivational Quote.

MOTIVATIONAL QUOTE:

"Happiness is a mysterious thing, to be found somewhere between too little and too much."

— Ruskin Bond

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

Upcoming Newsletter

1. Understanding Business Valuation Methods
2. What is window dressing & how to detect it.
3. Debt vs Equity – Which is Better for Expansion

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	1. If a person takes/ accepts a loan/ deposit except by way of Account payee cheque/ account payee draft/ ECS, and if the aggregate amount exceeds INR20,000, he shall be liable to pay a penalty of an amount equal to such loan/ deposit.	Penalty amount equals such loan/deposit.
	2. If an amount of INR 2,00,000 or more is received in aggregate from a person in a day/ single transaction/ relating to one event, a penalty equal to such amount will be payable.	
	3. If a person repays a loan/ deposit and such amount so repaid exceeds INR20,000 and such amount has been repaid except by way of Account payee cheque/ account payee draft/ ECS, an amount equal to such loan/ deposit shall be payable.	
9. Others	1. Failure to apply/quote/ intimate PAN/ quoting false PAN shall attract a penalty of INR 10,000	INR 10000/-
	2. Failure to apply/quote a TAN/ quoting A false TAN shall attract a penalty of INR10,000	
	In case of the following defaults, INR 10,000 will be the penalty leviable.	
	1. Refusal to answer questions put by the department	
	2. Refusal to sign statements made in income tax proceedings	

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

Read next: Amendment Summary

Amendment Summary

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

Sr. No.	Date	Area of Knowledge (AOK)	Notification/ Circular/ Press Release	Short Description
1	15th Sept	Direct Tax	Press Release – Extension of ITR filing due date	CBDT extended the due date for filing of ITRs (originally 31 July 2025, extended to 15 Sept 2025).
2	19th sept	Direct Tax	Circular No. 13/2025	Waiver of interest u/s 220(2) for rectification-related demands.
3	25th sept	Direct Tax	Circular No. 14/2025	Extension of due date for furnishing audit reports u/s 44AB for AY 2025-26 from 30 Sept to 31 Oct 2025.
4	30th sept	Indirect Tax	Announcement – LVRC for CA Intermediate	ICAI commenced Live Virtual Revisionary Classes for CA Intermediate students (Indirect Tax Laws included).
5	14th Oct	Indirect Tax	Announcement – MEF 2025-26	Last opportunity for submission of Multipurpose Empanelment Form (MEF) relevant for indirect tax assignments.
6.	15th Oct	Direct Tax	Notification No. 151/2025	Exemption granted to “Chennai Metropolitan Water Supply and Sewerage Board” u/s 10(46A)(b).
7.	17th Oct	Direct Taxes	Notification Nos. 02/2025 & 03/2025	Approval of institutions for deduction u/s 35(1)(isia) for AY 2025-26 to AY 2029-30.
8.	27th Oct	Indirect Tax	Exposure Draft – 13th Edition of ICAI Code of Ethics	Includes guidance for professionals dealing with indirect tax audits and compliance.
9.	29th Oct	Direct Tax	Press Release – Extension of Return Filing Due Date	CBDT extended the due date for furnishing return of income for AY 2025-26.

Rectifications in the previous Newsletter:

No Rectifications about the previous Newsletter(s).

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