DAHOTRE & DAHOTRE
Chartered Accountants

KND

Knowledge and Development Committee

Newsletter

Period of Update: 11th January 2025 to 17th January 2026
Period of Issue: 18th January 2026 to 24th January 2026

Editor-in-Chief's Message

Hello readers!

Welcome to the 03rd Newsletter Edition of 2026.

In this Issue, we will discuss Special provision applicable to NRI under Income Tax Act, 1961, DTAA and we will discuss about Compliances of EBE for Corporates.

Vedant Potdar
Editor-in-chief

Contents

Team's Message

"If you want to go fast, go alone. If you want to go far, go together.''

Tanaya Yeske
Knowledge Chairperson

Short Updates

RERA

RERA Rules on Compensation for Project Delays-

1. RERA Clarification
   - Homebuyers cannot claim compensation beyond the legally prescribed interest for delays in real estate projects.
   - Developers must pay interest for the delay period, but no extra monetary compensation unless buyers prove specific financial losses.
2. Legal Basis
   - Under Section 18 of the Real Estate (Regulation and Development) Act, 2016:
     - Buyers can withdraw from the project and claim a full refund with interest.
     - Or continue with the project and receive interest for every month of delay until possession.
3. No Automatic Extra Compensation
   - General inconvenience, mental stress, or prolonged waiting do not qualify for additional compensation under RERA.
4. Burden of Proof on Buyers
   - Buyers must provide documentary evidence of actual losses (e.g., higher rent, loan penalties) to claim beyond interest.
5. Impact
   - RERA authorities are strictly interpreting the Act, giving certainty to developers and limiting discretionary compensation.

Direct Tax

- A recent Supreme Court ruling has clarified that corporate mergers can trigger immediate tax liability for shareholders who hold shares as stock in trade.Even if the new shares received under a merger are not sold, tax can arise on the notional gain, taxed as business income rather than capital gains. The judgment reinforces the distinction between investment and trading portfolios based on intent, holding period and transaction frequency.

01 Direct Tax

SPECIAL PROVISIONS APPLICABLE TO NRI UNDER INCOME TAX ACT, 1961

Ishwari Kumbhakarna

Introduction

Globalization has resulted in many Indians living, working, or doing business outside India. However, they may still earn income from India in the form of rent, interest, capital gains, or dividends. To ensure fair taxation and encourage foreign investment, the Income-tax Act, 1961 provides special provisions for Non-Resident Indians (NRIs), mainly contained in Chapter XII-A.

Importance of Residential Status

Under Indian tax law, residential status is the most important factor in determining tax liability. Citizenship or place of birth does not decide taxability—number of days stayed in India does.

Definition of Resident and Non-Resident (Section 6)

A. Resident Individual

An individual is treated as a **Resident in India** if **any one** of the following conditions is satisfied:

1. Stayed in India for **182 days or more** during the previous year, OR
2. Stayed in India for:

- **60 days or more** during the previous year **and**
- **365 days or more** during the preceding 4 years

B. Non-Resident Indian (NRI)

An individual becomes an NRI if none of the above conditions are satisfied.

Scope of Income Taxable

Income Taxable for Residents

Residents are taxed on:

- Income earned in India
- Income earned outside India
- Income received in India or abroad

Income Taxable for NRIs

NRIs are taxed only on:

- Income received or deemed to be received in India
- Income accruing or arising in India

Foreign income earned and received outside India is not taxable.

Particulars	Resident	NRI
Indian income	Taxable	Taxable
Foreign income	Taxable	Not taxable
Global income	Taxable	Not taxable

Chapter XII-A – Special Provisions for NRIs (Sections 115C–115I)

Chapter XII-A of the Income-tax Act, 1961 provides concessional tax treatment to NRIs in respect of income derived from foreign exchange assets.

Sections Covered under Chapter XII-A

Section	Particulars
115C	Definitions
115D	Computation of income
115E	Tax on investment income and LTCG

115F	Exemption on reinvestment of LTCG
115G	No compulsory filing of return
115H	Benefit continues after becoming resident
115I	Option to opt out of chapter XII-A

Definition of Specified Assets (Section 115C(c))

Specified Assets are assets acquired by an NRI using convertible foreign exchange, and include:

a. Shares of an Indian company
b. Debentures of an Indian public company
c. Deposits with an Indian public company
d. Deposits with a public sector bank in India
e. Central Government securities
f. Any other asset as notified by the Central Government

Immovable property and assets purchased in Indian currency are not specified assets.

Investment Income of NRIs

As per Section 115C(b), investment income means income derived from specified assets, such as:

- Interest
- Dividend

Tax Treatment (Section 115E)

- Taxed at a flat rate of 20%
- No deduction under Chapter VI-A (80C, 80D, etc.)
- Basic exemption limit not available.

Capital Gains Tax for NRIs

Long-Term Capital Gains on Specified Assets

- Taxed at **10%**
- No indexation benefit
- Asset must be purchased using foreign currency

Particulars	Resident	NRI
LTCG (specified assets)	20% with indexation	10% without indexation
STCG	As per slab / 15%	As per applicable rate
Reinvestment exemption	Available	Available

Exemption on Reinvestment (Section 115F)

If capital gains are reinvested in specified assets within 6 months:

- Full exemption if entire gain is reinvested
- Partial exemption if partly reinvested
- New asset must not be transferred within 3 years, otherwise exemption is withdrawn.

Tax Deduction at Source (TDS) for NRIs

NRIs face higher TDS rates on:

- Rent
- Interest
- Capital gains

However, excess tax deducted can be claimed as refund by filing a return

Nature of payment	Resident TDS	NRI TDS
Rent	10%	30%
Bank interest	10%	20%
Capital gains	Varies	10%/20%

DTAA – Double Taxation Avoidance Agreement

India has agreements with many countries to avoid taxing the same income twice. NRIs can:

- Pay tax at a lower rate
- Claim credit for foreign taxes paid

Relief available under Sections 90 and 91.

No Compulsory Filing of Return (Section 115G)

An NRI is not required to file an income tax return if:

- Income consists only of investment income and/or long-term capital gains, and
- Proper tax has already been deducted at source (TDS)

Compliance Requirements for NRIs

NRIs must:

- Obtain PAN
- Report Indian income correctly
- Follow TDS and disclosure rules

Non-compliance may attract penalties.

Conclusion

Chapter XII-A of the Income-tax Act, 1961 provides concessional taxation, reinvestment benefits, and compliance relaxation to NRIs. A clear understanding of specified assets and applicable sections enables NRIs to plan investments efficiently while ensuring full compliance with Indian tax laws.

Questions-

1. What is the tax rate on long-term capital gains on specified assets for NRIs?Whether indexation is available?
2. Which section defines “specified assets” for NRIs?
3. Which Chapter of the Income-tax Act contains special provisions for NRIs? → Chapter XII-A

Read next: DTAA

02 Direct Tax

DTAA

Maitreyee Kelkar

Introduction to DTAA

Double Taxation Avoidance Agreements (DTAA) are treaties signed between two countries to ensure that the same income is not taxed twice. These agreements are crucial for individuals and businesses that earn income in more than one country. Without such treaties, a person or company could be taxed in both the country where the income is earned and the country of residence, leading to an unfair financial burden. DTAA provides a legal framework to allocate taxing rights between countries and offer relief to taxpayers.

Why DTAA is Needed

In a globalized world, people often work, invest, or conduct business across borders. This cross-border activity can result in the same income being taxed by two different countries. For example, an Indian resident working in the United States may have to pay tax on their salary in the US and again in India. This situation is known as double taxation. DTAA is needed to prevent such scenarios, promote international trade and investment, and provide clarity and certainty to taxpayers about their tax obligations.

How DTAA Works

DTAA works by defining which country has the right to tax specific types of income and by providing methods to avoid double taxation. There are two main methods used under DTAA: the exemption method and the credit method.

Under the exemption method, the income is taxed in only one country and exempted in the other. For instance, if a treaty states that pension income is taxable only in the country of residence, then an Indian resident receiving a pension from the UK will pay tax only in India.

Under the credit method, the income is taxed in both countries, but the country of residence allows a credit for the tax paid abroad. For example, if an Indian resident pays $1,000 in tax on US income, India will reduce the Indian tax liability by that amount.

Types of Income Covered

DTAA typically covers various types of income that are commonly earned across borders. These include salaries and wages, dividends, interest, royalties, capital gains, business profits, and pensions. Each treaty outlines specific rules for how each type of income is taxed and which country has the primary right to tax it. This helps avoid confusion and ensures fair treatment of taxpayers.

India's DTAA Network

India has signed DTAA treaties with over 90 countries, including major economies such as the United States, United Kingdom, Singapore, and the United Arab Emirates. These agreements are especially beneficial for Non-Resident Indians (NRIs) who earn income in India or abroad.

To claim DTAA benefits, NRIs must provide certain documents such as a Tax Residency Certificate (TRC) from the foreign country, Form 10F, and a self-declaration. These documents help Indian tax authorities verify the taxpayer's eligibility for DTAA benefits.

India's DTAAs cover income types like salaries, dividends, royalties, capital gains, and pensions. The treaties provide clarity on which country has taxing rights and often reduce withholding tax rates, making cross-border investments more attractive.

Benefits of DTAA

DTAA offers several benefits to taxpayers. It prevents the same income from being taxed twice, thereby reducing the overall tax burden. It also provides lower withholding tax rates on income such as dividends and interest, making cross-border investments more attractive. Additionally, DTAA promotes international trade and investment by providing clarity and certainty about tax obligations. For governments, it helps in improving tax compliance and reducing tax evasion.

Challenges

Despite its advantages, DTAA also presents certain challenges. Taxpayers must comply with documentation requirements, which can be complex and time-consuming. There can also be differences in interpretation of treaty provisions between countries, leading to disputes. Moreover, some treaties have been misused for tax avoidance through practices like treaty shopping, where entities route investments through countries with favorable treaties. To address these issues, countries are revising their treaties and tightening rules.

Recent Trends

India has been actively updating its DTAA treaties to align with global standards and prevent misuse. Recent revisions with countries like Mauritius, Singapore, and Cyprus aim to curb round-tripping and treaty abuse. India is also incorporating provisions from the OECD's Base Erosion and Profit Shifting (BEPS) framework into its treaties. These changes are intended to ensure that tax benefits are granted only to genuine residents and to promote fair taxation practices globally.

Conclusion

DTAA plays a vital role in the international tax system by preventing double taxation, reducing tax burdens, and promoting cross-border economic activity. For individuals and businesses engaged in global operations, understanding DTAA provisions is essential. While compliance can be challenging, the benefits of reduced tax liability and legal clarity make DTAA an important tool for fostering international cooperation and economic growth.

Questions

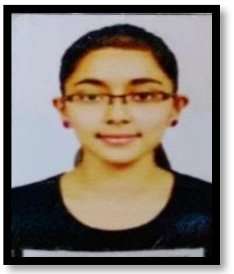
1. What is the main purpose of a Double Taxation Avoidance Agreement (DTAA)?

2. What are the two main methods used under DTAA to provide relief from double taxation?
3. Give one example of how double taxation can occur for an Indian resident working abroad.

Read next: Compliances of EBE for Corporates

03 General

Compliances of EBE for Corporates



Sakshi Pawar

Introduction

Employee benefits are not just a cost item — they represent a legal obligation, a retention tool, and a disclosure requirement. For corporates, compliance ensures:

- Legal adherence to labour laws and social security codes.
- Accurate financial reporting under accounting standards.
- Trust and transparency with employees and stakeholders.

Statutory Compliance in India

1. Provident Fund (PF)

- Governed by the Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
- Employers must contribute 12% of basic wages + DA to EPF.
- Employees earning up to ₹15,000/month basic + DA must be compulsorily covered. Higher earners can opt in voluntarily.
- Compliance involves timely deposit (i.e. 15th of the next month), filing returns (Form 3A, 6A), and maintaining records.

2. Employees' State Insurance (ESI)

- Applicable to employees earning below a prescribed threshold i.e. Employees earning

gross wages up to ₹21,000/month (₹25,000 for persons with disabilities)
- Employers contribute 3.25% and employees contribute 0.75% of wages.
- Monthly filings and returns are mandatory.
- Deposit of ESI contributions: 15th of the following month
- Returns: Half-yearly returns due by May 11 and November 11 each year.

3. Gratuity

- Governed by the Payment of Gratuity Act, 1972.
- Payable after 1 year of service (as per New Labour Codes)
- Corporates must recognize gratuity liability in books and ensure actuarial valuation.
- Payable within 30 days of becoming due (resignation, retirement, death).

4. Bonus

- Under the Payment of Bonus Act, 1965, corporates must pay a minimum bonus of 8.33% of salary to eligible employees.
- Compliance requires calculation based on profits and filing annual returns.

5. Leave Encashment

- Governed by state Shops & Establishments Acts.
- Liability must be recognized in accounts and disclosed.

6. Other Benefits

- Medical insurance, pension schemes, employee stock options (ESOPs), and welfare funds.
- Must comply with Income Tax Act provisions for tax treatment.

Accounting & Disclosure Requirements

Under Ind AS 19 (Employee Benefits) and IAS 19 (IFRS):

- **Short-term benefits:** Wages, salaries, annual leave, bonuses → recognized as expense when service is rendered.
- **Post-employment benefits:** PF, gratuity, pensions → actuarial valuation required.
- **Other long-term benefits:** Long-service leave, deferred compensation → recognized using actuarial methods.
- **Termination benefits:** Severance pay, voluntary retirement schemes → recognized when committed.

Risks of Non-Compliance

- **Financial penalties:** Heavy fines under PF/ESI/Bonus Acts.
- **Litigation:** Employee disputes over unpaid benefits.
- **Audit qualifications:** Non-disclosure of liabilities can lead to qualified audit reports.
- **Reputational damage:** Loss of employee trust and negative publicity.

Best Practices

- Automate payroll and compliance filings.
- Engage actuaries for accurate valuation.
- Align HR policies with **new labour codes** (expected implementation in India soon).
- Regular training for HR and finance teams.
- Transparent communication with employees.

Conclusion

Compliance with employee benefit expenses is not just a legal requirement — it is a cornerstone of corporate governance and employee trust. Corporates must integrate statutory obligations with accounting standards, supported by audits and technology, to ensure accuracy and transparency. Proper compliance strengthens employee relations, avoids penalties, and enhances organizational credibility

Read next: Wall of wisdom.

WALL OF WISDOM (WOW):

- "Mistakes are proof that you are trying."
- "Choose joy, even on tough days."

Read next: Do you know?

DO YOU KNOW?

1. *Do you know your brain uses about 20% of your body's energy.*
2. *Do you know the Sun is 93 million miles away, yet its light reaches Earth in 8 minutes.*

What else do You Know?
Let us know.

Read next: Motivational Quote.

MOTIVATIONAL QUOTE:

"The world is full of magic things, patiently waiting for our senses to grow sharper."

— R. K. Narayan

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@dahotreca.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
June	Vedant Potdar
July	Isha Dagra
August	Ishwari Kumbhakarna
September	Sakshi Pawar
October	Sairaj Thombre
November	Mayuri Agwal
December	Dipali Kalyankar

Upcoming Newsletter

1.Ind AS 105- Non-current Assets Held for Sale and Discontinued Operations
2. Understanding NOC by CA: When and Why It's Required
3.Smart Money Moves For 2026

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	2nd 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
		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 3rd 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
September-2025	1	GSTR 1 (Regular Taxpayers)	August 2025	11/09/2025
	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.	30th 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)	30th 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	30th September 2025
October-2025	ADT-1	Form for Auditor Appointment	15th October 2025
	AOC-4	Form for filing Financials, Auditors' Report, Directors' Report, etc.	30th 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.	31st October 2025 (For the period of April'24 – September'24
November-2025	MGT-7	ROC Annual Return (Details of Shareholding, etc.)	29th 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
December2025	1	Monthly Return (VAT payment)	November 2025	21/12/2025
January 2026	1	Monthly Return (VAT payment)	December 2025	21/01/2026
	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-Dedication 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

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

Sr. No.	Date	Area of Knowledge (AOK)	Notification/ Circular/ Press Release	Short Description
1	1st Dec, 2025	Audit	Companies (Specification of Definition Details) Amendment Rules, 2025	Increased thresholds for 'small company': Paid-up capital ₹10 cr, turnover ₹100 cr.
2	2nd Dec, 2025	Direct Tax	Notification No. 166/2025 (SO 5551 E)	Temple in Mumbai notified under Sec 80G (2)(b); donations up to ₹50 cr eligible for deduction.
3	4th Dec, 2025	Direct Tax	Notification Nos. 167, 168, 169/2025	Jalandhar & Ajmer Development Authorities and TN Pollution Control Board exempt under Sec 10 (46A), retrospective effect.
4	5th Dec, 2025	Indirect Tax	BDO Indirect Tax Digest	Legislative/judicial GST, Customs, VAT updates (Goa/Haryana changes, metro project customs duty).
5	16th Dec, 2025	Indirect Tax	GSTN Advisory	Auto-suspension of GST registration for non-submission of bank details under Rule 10A.
6.	31st Dec, 2025	Audit	Amendment to Rule 12A	Director KYC filing changed to once every three years; effective 31 Mar 2026.
6.	31st Dec, 2025	Audit	MCA Circular	Extended filing deadlines for annual returns (MGT-7, AOC-4) till 31 Jan 2026.

Rectifications in the previous Newsletter:

No Rectifications about the previous Newsletter(s).

Copyright Disclaimer: