

**DAHOTRE & DAHOTRE**  
Chartered Accountants



Knowledge and Development Committee

# Newsletter

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## Editor-in-Chief's Message

Hello readers!

Welcome to the **06<sup>th</sup>** Newsletter Edition of 2026.

In this issue, we will discuss Types of scrutiny under Income Tax Act, 1961, the Nirav Modi scam: A Cautionary Tale for Indian Banking and and Tiger Global Holdings – Legal & Tax Analysis.

**Vedant Potdar**  
Editor-in-chief

## Team's Message

"None of us is as smart as all of us."

**Prasad Bhasme**  
Senior leader

## Short Updates

### RERA

#### MahaRERA Urges Developers to Set Up Complaint Redressal Cells

- MahaRERA had directed developers to set up Complaint Redressal Cells in their projects to address homebuyers' grievances. A recent review showed that only 195 projects in Maharashtra have complied. To ensure accountability, MahaRERA has now called for action across all projects.
- Each project must appoint at least one Grievance Redressal Officer, with their name and contact details displayed at the site and on the project's website. This mechanism will help buyers get timely resolutions, build trust, and enhance the credibility of the real estate sector. Chairman Ajoy Mehta emphasized that the construction industry is evolving into a service sector, making grievance redressal essential for protecting homebuyers' confidence and investments.

## Indirect Taxes

- Revised Interest Computation Interest in GSTR-3B will now consider the minimum cash balance in the taxpayer's Electronic Cash Ledger (ECL) from the due date until payment. This reduces excess interest liability. The formula is:  
$$\frac{(\text{NetTaxLiability} - \text{MinimumCashBalance in ECL}) \times (\text{DaysDelayed} / 365)}{\text{InterestRate}}$$
- Auto-populated interest in Table 5.1 will be non-editable downward but can be increased if required.
- Tax Liability Breakup Auto-Population Supplies reported in earlier tax periods but discharged in the current GSTR-3B will be auto-populated in the "Tax Liability Breakup Table" (Table 6.1). This ensures accurate reporting aligned with Section 50 of the CGST Act.
- Cross-Utilization of ITC Once IGST ITC is exhausted, taxpayers can use CGST and SGST ITC in any sequence to pay IGST liability in Table 6.1.
- Interest Collection in GSTR-10 For cancelled taxpayers, if the last GSTR-3B was filed late, interest will be collected through the Final Return (GSTR-10).

## 01 General

### Types of scrutiny



Vinod Jangid

## Types of scrutiny

### Sec 143(3)

#### 1. Filing of Return

- The assessee files the Income Tax Return (ITR) under Section 139.
- The return is first processed under Section 143(1) (intimation stage).

#### 2. Issue of Notice under Section 143(2)

- If the AO considers it necessary to examine the return in detail, a notice under Section 143(2) is issued.
- Timeline: Must be served within 3 months from the end of the financial year in which the return is filed.
- Purpose: To inform the assessee that the return has been selected for scrutiny and to require production of documents/evidence.

#### 3. Conduct of Scrutiny Proceedings

- The AO examines books of accounts, documents, and other evidence produced.
- The assessee may be asked to furnish:
  - Bank statements, invoices, ledgers.
  - Proof of deductions/exemptions claimed.
  - Clarifications on discrepancies.

- AO may also seek information from third parties (banks, employers, etc.).

#### 4. Opportunity of Being Heard

The assessee is given a fair chance to explain discrepancies.

- Personal hearings or written submissions may be required.
- Non-compliance can lead to Best Judgment Assessment under Section 144.

#### 5. Assessment Order under Section 143(3)

After considering all evidence, the AO passes a final assessment order.

The order specifies:

- Assessed income.
- Tax liability.
- Additions/disallowances made.

If tax is payable, a demand notice under Section 156 is issued.

### Survey under Section 133A

#### 1. Authorization

A survey can be conducted only by an Income Tax Authority (e.g., Assessing Officer, Deputy Director, Joint Director, etc.) authorized by the Principal Commissioner/Commissioner.

Proper written authorization is mandatory.

#### 2. Entry into Premises

Officers can enter only:

Business premises of the assessee.

- Any place where books of accounts, documents, or cash are kept.
- They cannot enter residential premises unless such premises are also used for business purposes.

#### 3. Timing of Survey

- Entry is allowed only during business hours at business premises.
- At other places (like warehouses), entry can be made only after sunrise and before sunset.

#### 4. Scope of Powers

During the survey, officers can:

- Inspect books of accounts and other documents.
- Verify cash, stock, or other valuable articles.
- Place marks of identification on documents.
- Impound books of accounts (with reasons recorded in writing).
- Record statements of employees, managers, or the assessee.

#### 5. Restrictions

- Officers cannot seize cash, stock, or valuables (seizure is allowed only in a search under Section 132).
- They cannot remove books/documents without recording reasons.
- They cannot harass or obstruct business operations unnecessarily.

#### 6. Post-Survey Actions

- Findings are documented in a survey report.
- Any discrepancies (like unaccounted stock, cash, or bogus entries) are noted.
- These findings are used in assessment proceedings under Section 143(3) or for initiating further investigation.

#### 7. Consequences for Assessee

- If undisclosed income/assets are found, they may be added to taxable income.
- Penalties and prosecution provisions may apply in case of concealment.
- Non-cooperation during survey can lead to stronger action (like a search under Section 132).

### Search and seizure (Sec 132)

#### Authorization

- Search can be initiated only by high-ranking officers (Principal Director General, Director General, Principal Chief Commissioner, Chief Commissioner, Principal Commissioner, Commissioner).
- Written authorization is mandatory.
- The authorization specifies the premises to be searched.

#### Entry and Commencement

- Authorized officers enter the premises (residential, business, or any other place where undisclosed assets/documents are suspected).
- They must show the warrant of authorization.
- Search can begin at any time, but once started, it usually continues until completion (often for several hours or days).

#### Scope of Powers

- During the search, officers can:
- Enter and search any building, place, vessel, vehicle, or aircraft.
- Break open locks if keys are not available.
- Seize books of accounts, documents, money, bullion, jewelry, or other valuable articles.
- Place marks of identification on documents.
- Record statements of the person searched and others present.
- Make an inventory of assets found.

#### Seizure of Assets

- Officers can seize undisclosed cash, jewelry, bullion, or other valuables.
- They may also seize incriminating documents.
- Assets that are accounted for or explained satisfactorily are not seized.
- Recording of Statements
- Statements of the assessee and family members/employees are recorded under oath.
- These statements can be used as evidence in assessment proceedings.

#### Preparation of Panchnama

- A Panchnama (official record of search proceedings) is prepared in the presence of independent witnesses (panchas).
- It lists all items seized and actions taken.
- Copies are given to the assessee.

#### Post-Search Proceedings

- Seized documents and assets are examined by the Assessing Officer.
- Notice under Section 153A is issued requiring fresh returns for six preceding years (and sometimes additional years if undisclosed income is found).
- Assessment is completed based on seized material.

## Rights of the Assessee

Assessee has the right to:

- See the authorization warrant.
- Get a copy of the Panchnama.
- Have witnesses present.
- Make statements voluntarily.

Assessee must cooperate; obstruction can lead to penalties/prosecution.

## Consequences

- Undisclosed income/assets are taxed at higher rates.
- Penalties and prosecution may follow.

## Block Assessment

### 1. Triggering Event

- A search under Section 132 or requisition under Section 132A is conducted.
- Documents, books of accounts, cash, jewelry, or other assets are seized.

### 2. Issue of Notice

The Assessing Officer (AO) issues a notice under Section 153A (earlier 158BC for old cases).

The assessee is required to file returns of income for:

- The six assessment years preceding the year of search, and
- The year of search itself.

### 3. Filing of Return

- The assessee must file returns for the block period (all years covered).
- These returns must include both disclosed and undisclosed income.

### 4. Scrutiny and Examination

- AO scrutinizes seized material, books of accounts, and returns filed.
- Statements recorded during search are examined.
- AO may call for further evidence or explanations from the assessee.

### 5. Assessment of Undisclosed Income

- AO determines undisclosed income based on seized material.

- Regular income already assessed earlier is not reopened unless incriminating evidence is found.
- Additions/disallowances are made for unexplained assets, cash, or bogus entries.

### 6. Passing of Order

- AO passes a block assessment order for the block period.

The order specifies:

- Assessed undisclosed income.
- Tax liability at special rates (usually 60% flat rate under old provisions).
- Penalties and interest, if applicable.

### 7. Timeline

- The AO must complete block assessment within 2 years from the end of the financial year in which the search was conducted.

For newer provisions under Section 153A, timelines are aligned with normal assessment rules (generally 21 months, subject to amendments).

*Read next: The Nirav Modi Scam: A Cautionary Tale for Indian Banking*

## 02 Genral

# The Nirav Modi Scam: A Cautionary Tale for Indian Banking



Prasad Bhasme

### Introduction

In the early 2010s, Nirav Modi was the face of modern Indian luxury. His diamond jewellery brands sparkled in high-end stores across Mumbai, New York, Hong Kong, and London. Bollywood celebrities wore his designs, global fashion events showcased his collections, and his rise was often described as an example of Indian entrepreneurship going global.

Behind the glamour, however, lay one of the biggest banking frauds in Indian history. What appeared to be a success story of ambition, branding, and international expansion eventually turned into a ₹13,000+ crore scam that shook India's banking system, exposed deep procedural lapses, and changed how banks monitor risk and accountability. This is not just the story of one individual, but a lesson on governance, controls, and the cost of complacency.

### The Man Behind the Brand

Nirav Modi was born into a family associated with the diamond trade. He learned the business early, understood the global supply chain of diamonds, and built strong relationships with overseas suppliers. Over time, he positioned himself not just as a trader, but as a luxury brand creator.

His companies, primarily Firestar Diamond International, Diamonds R Us, and Solar Exports, dealt in large volumes of diamond imports and exports. The diamond business, by its nature, involves high-value transactions, thin margins, and frequent reliance on bank credit. This environment requires strong trust between banks and borrowers—and that trust would later be misused.

### The Role of Punjab National Bank (PNB)

Punjab National Bank, one of India's oldest public sector banks, became the central institution in this episode. The fraud was concentrated at the Brady House branch in Mumbai, a branch that handled large corporate and trade finance transactions. Nirav Modi's firms regularly required Letters of Undertaking (LoUs) to import diamonds. An LoU is a bank guarantee issued to overseas branches of Indian banks, assuring repayment if the borrower fails to pay. In simple terms, it allows businesses to obtain short-term credit from foreign lenders based on the Indian bank's assurance. For years, LoUs were issued to Nirav Modi's companies without proper collateral, approvals, or entries in the bank's core banking system.

### How the Scam Actually Worked

The fraud did not happen overnight. It unfolded gradually and silently over several years. A few officials at the PNB Brady House branch allegedly issued unauthorised LoUs to Nirav Modi's firms. These LoUs were:

- Not recorded in PNB's core banking system
- Issued without sanctioned credit limits
- Rolled over repeatedly to repay earlier LoUs

Using these LoUs, Nirav Modi's companies obtained credit from overseas branches of Indian banks.

### Unravelling of the Fraud

The scam came to light in 2018, not because of an audit, but due to a routine operational issue. When a new set of bank officials refused to issue fresh LoUs without proper documentation, Nirav Modi's firms claimed that such guarantees had always been issued earlier. An internal investigation

followed. When PNB examined past records and cross-verified with overseas banks, the scale of the exposure became clear. The bank officially reported the fraud to regulators and investigating agencies, estimating losses of over ₹13,000 crore. By the time the news became public, Nirav Modi had already left India.

### Immediate Impact on the Banking Sector

- The disclosure sent shockwaves through the Indian financial system
- PNB's share price fell sharply, eroding investor confidence
- Questions were raised about governance in public sector banks
- Other banks began reviewing their exposure to similar trade finance instruments
- The scam highlighted a critical truth: even well-established systems can fail if controls are bypassed and accountability weakens.

### Regulatory and Systemic Failures

- Several systemic issues contributed to the success of the fraud:
- Over-reliance on manual processes
- Poor integration between SWIFT messaging system and core banking systems
- Lack of rotation of staff in sensitive positions
- Inadequate monitoring of off-balance-sheet exposures
- Complacency driven by long-standing relationships

The case showed that fraud risk is not only about bad intentions, but also about weak systems.

### Legal Action and Current Status

• After the scam was exposed, multiple agencies including the CBI, ED, and SFIO initiated investigations. Assets worth thousands of crores were attached in India and abroad.

• Nirav Modi was arrested in the United Kingdom in 2019 and has been fighting extradition to India. The legal process has been lengthy, involving appeals and counter-appeals, reflecting the complexity of international financial crime enforcement.

• While recovery of funds is ongoing, the case continues to remind stakeholders that justice in large financial frauds often takes time

### Key Lessons for Professionals and Organisations

This case offers valuable lessons for everyone working in finance, audit, compliance, and management:

- Trust must always be supported by verification
- Systems are only as strong as the people operating them
- Ignoring small deviations can lead to massive failures
- Ethical culture is as important as technical controls

Fraud is rarely the result of a single action—it grows where silence, familiarity, and weak oversight coexist.

### Conclusion: Beyond the Headlines

- The Nirav Modi scam is often discussed in terms of numbers, arrests, and headlines. But its real significance lies deeper. It forced India's banking system to confront uncomfortable truths about process gaps, governance failures, and risk management.
- For offices, professionals, and institutions, this story serves as a reminder that vigilance is not optional. In a world of complex financial instruments and fast-moving transactions, integrity, transparency, and accountability remain the strongest safeguards.

- The sparkle of diamonds may attract attention, but it is discipline and control that sustain trust.

### Questions

1. If the Nirav Modi PNB scam began in 2011, how did Punjab National Bank fail to detect the fraud for nearly seven years?
2. When Axis Bank was transferring funds through PNB's NOSTRO accounts with overseas banks, how did Punjab National Bank fail to reconcile or review its NOSTRO accounts even once over a seven year period?
3. When SWIFT transactions were continuously generated, how did PNB's management, internal audit, and concurrent auditors overlook the absence of SWIFT reconciliations for seven years?

*Read next: Tiger Global Holdings – Legal & Tax Analysis*

## 03 Genral

### Tiger Global Holdings – Legal & Tax Analysis



Yashraj Bhutada

### Introduction

Tiger Global Management is a global investment firm that invested heavily in Indian e-commerce company Flipkart. The dispute arose when Tiger Global sold its stake and claimed that the capital gain was not taxable in India because the transaction was routed through foreign entities located in tax-treaty countries like Mauritius and Singapore. However, the Indian Income Tax Department challenged this claim, and the matter ultimately reached the Supreme Court of India (2026).

### Facts of the Case

#### Investment Structure

- Tiger Global invested in Flipkart through foreign holding companies.
- These holding companies were registered in Mauritius/Singapore.
- India has Double Taxation Avoidance Agreements (DTAA) with these countries.

#### Exit Transaction

In 2018, Walmart acquired Flipkart.

Tiger Global sold its shares and earned huge capital gains.

### Tiger Global claimed

- Transaction occurred between two foreign entities.
- DTAA benefits applied.
- Hence, no tax payable in India.

### Department's Stand

The Income Tax Department argued:  
The foreign holding companies were shell or conduit entities.  
Actual value was derived from an Indian company.  
Therefore, the gain should be taxable in India.

### Key Legal Issues

- Issue 1 – Whether DTAA Benefit is Automatically Available?  
Tiger Global relied on Tax Residency Certificate (TRC) from Mauritius/Singapore.
- Issue 2 – Whether Transaction is Indirect Transfer?  
Income Tax Act taxes offshore transactions if:  
Shares derive value from Indian assets.
- Issue 3 – Whether GAAR Applies?  
GAAR allows tax authorities to:  
Ignore artificial arrangements  
Tax transactions done mainly to avoid tax

### Arguments of Tiger Global

Tiger Global argued:

- They were legal residents of treaty countries
- TRC proves residency
- Transaction occurred outside India
- DTAA protects capital gains
- Investment structure was common global practice

### Arguments of Income Tax Department

Department argued:

- Entities lacked commercial substance

- Structure created only for tax avoidance
- Actual control and decision making was outside Mauritius
- Value of shares came from Indian business

### Supreme Court Decision

The Supreme Court ruled in favour of the Income Tax Department.

Court Observations

- TRC alone is not enough  
The court said: Tax residency certificate is only one document. Real business substance must exist.
- Substance Over Form Principle Court looked at:
  - 1) Actual operations
  - 2) Management decisions
  - 3) Commercial purpose
  - 4) If structure exists only for tax benefit → treaty benefits can be denied.
- Indirect Transfer Taxable Court held:
  - 1) Flipkart is an Indian company
  - 2) Value of shares derived from Indian assets
  - 3) Hence gains are taxable in India

### Relevant Legal Provisions

- Income Tax Act: Section 9(1)(i) → Income deemed to accrue in India
- Indirect Transfer Rules
- GAAR provisions
- International Taxation
- DTAA with Mauritius and Singapore
- Limitation of Benefits (LOB)
- Anti-treaty shopping principles

### Importance of the Judgment

- Positive:
  - 1) Prevents tax avoidance
  - 2) Increases government revenue

- Negative:
  - 1) May create investor uncertainty

### Questions

1. Why did Tiger Global claim that capital gains from selling Flipkart shares were not taxable in India?
2. What is TRC and DTAA?

*Read next: Wall of wisdom.*

**WALL OF WISDOM (WOW):**

- "A calm mind is the highest form of strength"
- "Ego fades when purpose becomes clear."

*Read next: Do you know?*

**DO YOU KNOW?**

1. Listening to light instrumental music can improve concentration?
2. Smiling—even when forced—can actually trick your brain into feeling happier?

**What else do You Know?**

**Let us know.**

*Read next: Motivational Quote.*

**MOTIVATIONAL QUOTE:**

**"Education is not the mere acquisition of knowledge but the cultivation of intelligence and sensitivity."**

**— Jiddu Krishnamurti**

**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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**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. How are gains taxed when you buy Unlisted Shares and Sell after Listing?
2. Inverted duty structure under GST
3. How data analytics is transforming audit procedures

*Read next: Statutory Due Date.*

## 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 <sup>nd</sup> 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 :	FY 2025-26	15/09/2025
	(a) Assessee whose accounts are required to be audited		
	(b) Partner of a firm whose accounts are required to		

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 <sup>rd</sup> Installment FY 2025-26	15/12/2025
	3	<b>Filing of belated/revised return of income for the assessment year 2024-25 for all assessee.</b>	<b>FY 2024-25</b>	<b>31/12/2025</b>
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)		
	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 <sup>th</sup> 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 <sup>th</sup> May 2025
June-2025	DPT-3	To be filed in case the company has a deposit or an exempted deposit.	30 <sup>th</sup> June 2025
September-2025	DIR-3 KYC	Form for Director KYC. Need to be filed mandatorily for every director on the Board	30 <sup>th</sup> September 2025
October-2025	ADT-1	Form for Auditor Appointment	15 <sup>th</sup> October 2025
	AOC-4	Form for filing Financials, Auditors' Report, Directors' Report, etc.	30 <sup>th</sup> 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 <sup>st</sup> October 2025 (For the period of April'24 – September'24)
November-2025	MGT-7	ROC Annual Return (Details of Shareholding, etc.)	29 <sup>th</sup> 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	<b>Yearly</b> - Tax Liability is less than INR 1,00,000/-	31/03/2025
		<b>Monthly</b> - 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
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-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
8. Penalty for using modes other than Account payee cheque/ draft/ ECS	6. Failure to furnish information/ furnishing inaccurate information related to TDS deduction regarding Non-residents shall attract a penalty of 100,000	INR 100000/-
	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.	
9. Others	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.	
	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	1 <sup>st</sup> Dec, 2025	Audit	<a href="#">Companies (Specification of Definition Details) Amendment Rules, 2025</a>	Increased thresholds for 'small company': Paid-up capital ₹10 cr, turnover ₹100 cr.
2	2nd Dec, 2025	Direct Tax	<a href="#">Notification No. 166/2025 (SO 5551 E)</a>	Temple in Mumbai notified under Sec 80G (2)(b); donations up to ₹50 cr eligible for deduction.
3	4 <sup>th</sup> Dec, 2025	Direct Tax	<a href="#">Notification Nos. 167, 168, 169/2025</a>	Jalandhar & Ajmer Development Authorities and TN Pollution Control Board exempt under Sec 10 (46A), retrospective effect.
4	5 <sup>th</sup> Dec, 2025	Indirect Tax	<a href="#">BDO Indirect Tax Digest</a>	Legislative/judicial GST, Customs, VAT updates (Goa/Haryana changes, metro project customs duty).
5	16th Dec, 2025	Indirect Tax	<a href="#">GSTN Advisory</a>	Auto-suspension of GST registration for non-submission of bank details under Rule 10A.
6.	31 <sup>st</sup> Dec, 2025	Audit	<a href="#">Amendment to Rule 12A</a>	Director KYC filing changed to once every three years; effective 31 Mar 2026.
6.	31 <sup>st</sup> Dec, 2025	Audit	<a href="#">MCA Circular</a>	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).

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