

DAHOTRE & DAHOTRE
Chartered Accountants



Knowledge and Innovation Committee

Newsletter

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Editor-in-Chief's Message

Hello readers!

Welcome to the **08**th Newsletter Edition of 2026.

In this Issue, we will discuss what hedge accounting is, whether recovery can be made from a dead person and tariff wars.

Vedant Potdar
Editor-in-chief

Team's Message

"A team is not a group of people that work together. A team is a group of people that trust each other."

Shivanjali Tambe
Senior Leader

Short Updates

General

- India's new labour codes have hit corporate profits, with 25 of the top 30 companies reporting a nearly ₹12,000 crore impact in the December quarter. IT majors such as TCS, Infosys, HCL Technologies, and Tech Mahindra accounted for the largest share due to higher gratuity and provident fund costs.

The rules require wages to be at least 50% of total remuneration, increasing social security payouts. While much of the impact is one-time, companies expect recurring cost pressures.

These higher wage bills may squeeze margins, reduce take-home pay, and lead to lower salary hikes in FY26.

- OpenAI is partnering with the Tata Group in India on artificial intelligence technologies, including data center infrastructure that could become one of the largest in the country.

TCS will develop a data center that may be expanded to 1 gigawatt and team up with OpenAI to build agentic solutions for specific industries.

OpenAI and TCS will also work together to provide AI training and resources for Indian youth and several thousand Tata Group employees will get access to the enterprise version of ChatGPT.

01 Accountancy Hedge Accounting



Vanshika Singh

Introduction

Hedge accounting is an accounting method used by companies to reduce the volatility in financial statements that happens when they use financial instruments (like derivatives) to manage risk.

Simple Meaning

When a business protects itself from risks such as:

- Foreign exchange changes
- Interest rate fluctuations
- Commodity price movements

It uses a hedging instrument (e.g., futures, options, swaps).

Hedge accounting makes sure the gain or loss from the hedge and the loss or gain from the risk item are recorded in the same period, so profits don't look unstable

Why It Is Used

Without hedge accounting:

Derivative gains/losses are recorded immediately in profit & loss

But the hedged item may affect profit later

This creates artificial volatility in financial results

Hedge accounting matches timing → gives a true picture of risk management.

Types of Hedge Accounting

Fair Value Hedge

Protects against changes in asset/liability value

Gain/loss of hedge and hedged item → profit & loss

Cash Flow Hedge

Protects against future cash flow changes

Effective gain/loss → Other Comprehensive Income (OCI)

Later transferred to profit & loss

Net Investment Hedge

Protects foreign investment in subsidiaries

Gains/losses → OCI until disposal

Key Requirements

For hedge accounting to apply:

Formal documentation of hedge relationship

Hedge must be effective

Must be regularly tested

Questions

1. What is hedge accounting?
2. Name the types of hedge accounting ?

Read next: Can Recovery Be Made From a Dead Person Under GST?

02 Indirect Tax

Can Recovery Be Made From a Dead Person Under GST?



Snehal Kulkarni

Introduction

Under GST, tax dues may arise due to:

- Non-payment of tax
- Short payment
- Wrong ITC claim

Under the Central Goods and Services Tax Act, 2017 (CGST Act), tax authorities are empowered to recover unpaid GST dues.

A key legal question arises: Can GST recovery proceedings continue or be initiated against a dead person?

Legal Framework Under GST

Relevant provisions under the CGST Act:

- Section 73 & 74 – Determination of tax not paid/short paid
- Section 79 – Recovery of tax
- Section 93 – Liability in special cases (death of a person)

Section 93 – Liability in Case of Death

Section 93 of the CGST Act provides:

Where a taxable person dies:

If business is continued by legal representative
→ Legal representative is liable to pay tax dues.

If business is discontinued

→ Legal representative is liable to pay dues

→ But only to the extent of the estate inherited

Liability is limited — not personal beyond inherited assets.

Can Notice Be Issued to a Dead Person?

A notice issued to a dead person is generally considered:

- Invalid
- Void ab initio (invalid from the beginning)
- Proceedings must be initiated against: Legal heirs

Judicial View (Principle from Case Laws)

Courts (including various High Courts under tax laws) have consistently held:

- Proceedings against a dead person are not sustainable.
- If the department was unaware of death → fresh notice can be issued to legal heirs.
- If aware of death → issuing notice in name of deceased is illegal.

Scenario Analysis

Scenario 1: Death Before Issue of Notice
Notice issued in deceased's name → Invalid
Department must issue notice to legal heirs

Scenario 2: Death After Issue of Notice
Proceedings may continue
Legal representatives must be substituted

Extent of Liability of Legal Heirs

Legal heir is liable:

- Only for GST dues of deceased
- Only to the extent of inherited estate
- Not personally liable beyond estate assets

Practical Implications

For Tax Authorities:

- Must verify status of taxpayer before issuing notice

For Legal Heirs:

- Inform department about death
- Apply for cancellation of GST registration
- Ensure proper succession compliance

Important Compliance Steps

After death of a registered person:

- a) Intimate GST department
- b) Apply for cancellation of registration
- c) File pending returns
- d) Clear tax liabilities from estate assets

Conclusion

- Recovery cannot be made from a dead person directly
- Proceedings must be against legal representatives
- Liability is limited to inherited estate
- Notices issued to a dead person are legally invalid

Key Takeaway

Under GST, tax dues survive —but liability shifts to legal representatives, limited to the estate inherited.

Questions

1. GST Demand = Rs. 1200000 estate inherited = Rs. 700000 , Legal heirs personal property = Rs. 500000 How much amount can be department recover?
2. What if multiple legal heirs inherit the estate?
3. Under which provision is recovery from a deceased person governed

Read next: Tariffs War

03 General Tariffs War



Bhavana Chitte

Introduction

A tariff war happens when two or more countries start increasing taxes (tariffs) on each other's imported goods. These tariffs make foreign products more expensive, and each country keeps reacting to the other's moves—like a back and forth fight using taxes instead of weapons.

Why Do Tariff Wars Start?

Tariff wars usually begin because one country is unhappy about something in its trade relationship with another. Common reasons:

- a) Protecting Local Industries

Governments want to make foreign products expensive so that people buy local goods instead.

- b) Political or Geopolitical Pressure

Countries use tariffs to push another country to change behavior—political decisions, safety standards, or trade rules.

- c) National Security Concerns

Sometimes tariffs are used to protect industries important for national defense.

How Does a Tariff War Work?

Step 1: Country A imposes tariffs

Step 2: Country B retaliates with tariffs

Step 3: Both sides increase tariffs on more products

Step 4: The conflict expands, affecting businesses, consumers, and global markets

This back and forth cycle can continue for months or even years.

Effects of a Tariff War

Tariff wars have big economic consequences, as shown in PBS's analysis of U.S. tariff impacts.

Consumers Pay More

Tariffs make imported goods costlier.

PBS notes that they can drive up consumer prices, especially for food, cars, and electronics.

Businesses Face Higher Costs

Companies relying on imported materials pay more for production.

Bloomberg's research shows that companies heavily exposed to tariffs suffer in the stock market, while those insulated from trade risks perform better.

Supply Chains Get Disrupted

Many industries depend on cross border production.

PBS mentions higher costs in sectors like automobiles and energy due to tariff affected imports.

Countries' Economies Slow Down

Economists broadly agree that long term tariff wars:

- Reduce trade
- Slow economic growth
- Harm both sides more than they help

Types of Tariffs Used in Tariff Wars

According to Next IAS, the major tariff types include:

1. **Ad Valorem** – percentage of value (e.g., 10% of price)
2. **Specific Tariff** – fixed amount per unit (e.g., ₹50 per item)
3. **Compound Tariff** – combination of both
4. **Tariff Rate Quotas** – first part at low tariff, remainder at higher tariff
5. **Export Tariffs** – tax on goods leaving a country

Countries choose different types depending on their goals.

Major Examples of Tariff Wars

A. U.S.–China Tariff War (2018–Present)

One of the most well known modern tariff wars.

What Happened?

The U.S. imposed tariffs on Chinese goods, especially steel, technology products, and consumer items.

China retaliated with tariffs on U.S. agricultural goods, especially soybeans.

As a result, China placed a 25% tariff on U.S. soybean imports, causing Brazil (another exporter) to gain export advantage.

Impact

- Global supply chains disrupted
- U.S. farmers suffered export losses
- Prices rose for many U.S. consumer goods

B. U.S.–Canada–Mexico Tariff Conflict (2025)

A more recent tariff escalation involving major North American partners.

What Happened?

In February 2025, the U.S. imposed:

25% tariffs on goods from Canada and Mexico

10% tariffs on imports from China

These actions aimed at pressuring partners on migration, drug trafficking, and fentanyl chemical control

Impact (as per PBS analysis):

- Nearly half of U.S. imports come from these countries, so tariffs could reduce total U.S. imports by 15%.
- Consumer prices expected to rise; car prices could increase by up to \$3,000 due to higher costs of imported auto parts.
- Gas prices in the Midwest could rise by 50 cents per gallon.

C. U.S.–Global Tariff Announcements (2025–2026)

According to Next IAS, President Trump announced sweeping tariffs of up to 50% on goods from multiple countries. These were intended to protect U.S. jobs and industries.

Impact

- Triggered fears of broad retaliation
- Contributed to global uncertainty in supply chains
- Increased cost of several imported goods, affecting domestic business operations

Questions

1. What is Trade deficit?
2. Why did Donald Trump prioritize making promises to farmers during the election campaign?

Read next: Wall of wisdom.

sWALL OF WISDOM (WOW):

- “Do your duty without attachment to the result”
- “Professionalism is not a skill; it's an attitude”

Read next: Do you know?

DO YOU KNOW?

1. Do you know A cloud can weigh more than a million kilograms?
2. Do you know our nose can remember 50,000+ different scents?

What else do You Know?

Let us know.

Read next: Motivational Quote.

MOTIVATIONAL QUOTE:

“I don't believe in making the right decisions. I take decisions and then make them right”

— Ratan Tata

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

Upcoming Newsletter

1. Income Tax Act, 1961 vs Income Tax Act, 2025
2. Peer review findings: common mistakes firms make.
3. Bull run in Metals

Statutory Due Dates Calendar

INCOME TAX

Due Dates in the Month of	Particulars	For the Period	Due Date
April-2025	1 TDS/TCS Payment	March 2025	TDS 30/04/2025 and TCS 07/04/2025
May-2025	1 TDS/TCS Payment	April 2025	07/05/2025
	2 TDS Statement for Form 24Q, 26Q and 27Q	Q4 FY 2025-26	31/05/2025
	3 TCS Statement– for Form 26QB, 26QC, 26QD	Q4 FY 2025-26	15/05/2025
	4 Statement of Financial Transactions (SFT) Compliance	FY 2024-25	31/05/2025
June-2025	1 TDS/TCS Payment	May 2025	07/06/2025
	2 Advance Tax	1st Instalment of FY 2025-26	15/06/2025
	3 Form 16/ 16A	Q4 FY 2024-25	15/06/2025
July-2025	1 TDS/TCS Payment	June 2025	07/07/2025
	2 TDS Statement for Form 24Q	Q1 FY 2025-26	31/07/2025
	3 TCS Statement– for Form 26QB, 26QC, 26Q	Q1 FY 2025-26	15/07/2025
August-2025	1 TDS/TCS Payment	July 2025	07/08/2025
September-2025	1 TDS/TCS Payment	August 2025	07/09/2025
	2 Advance Tax	2 nd Instalment FY 2025-26	15/09/2025
	3 Due date for filing of audit report under Section 44AB for AY 2025-26 in the case of a corporate- assessee or non-corporate assessee (who is required to submit their/its return of income on October 31, 2025)	FY 2024-25	31/10/2025
	4 TDS Statement for Form 26Q and 27Q	Q1 FY 2025-26	30/09/2025
	4 Income tax Return for A.Y. 2024-25 for all assesses other than : (a) Assessee whose accounts are required to be audited (b) Partner of a firm whose accounts are required to	FY 2025-26	15/09/2025

be audited

(c) An assessee who is required to furnish a report under Section 92E.

October-2025	1	TDS/TCS Payment	September 2025	07/10/2025
	2	Due date for filing of return of income for AY 2024-25 if the assessee is (a) Corporate-assessee (b) Non-corporate assessee (whose books of account are required to be audited) (c) Partner of a firm whose accounts are required to be audited (d) An assessee who is required to furnish a Report u/s 92 E	FY 2024-25	31/10/2025
	3	TDS Statement for Form 24Q, 26Q and 27Q	Q2 FY 2025-26	31/10/2025
	4	TCS Statement– for Form 26QB, 26QC, 26QD	Q2 FY 2025-26	15/10/2025
November-2025	1	TDS/TCS Payment	October 2025	07/11/2025
December-2025	1	TDS/TCS Payment	No November 2025	07/12/2025
	2	Advance Tax	3rd 3 rd Installment FY 2025-26	15/12/2025
	3	Filing of belated/revised return of income for the assessment year 2024-25 for all assessee.	FY 2024-25	31/12/2025
January-2026	1	TDS/TCS Payment	December 2025	07/01/2026
	2	TDS Statement for Form 24Q, 26Q and 27Q	Q3 FY 2025-26	31/01/2026
	3	TCS Statement– for Form 26QB, 26QC, 26QD	Q3 FY 2025-26	15/01/2026
February-2026	1	TDS/TCS Payment	January 2026	07/02/2026
March-2026	1	Advance Tax	4th Instalment of FY 2025-26	15/03/2026
	2	TDS/TCS Payment	February 2026	07/03/2026

GOODS AND SERVICES TAX ACT

Due Dates in the Month of	Particulars	For the Period	Due Date	
April-2025	1	GSTR 1 (Regular Taxpayers)	March 2025	11/04/2025
	2	GSTR 1 (Quarterly Taxpayers)	March 2025	13/04/2025
	3	GSTR 3B (Monthly Return)	March 2025	20/04/2025
	3	GSTR 3B (Quarterly Return)	Jan to Mar 2025	22/04/2025
	4	CMP 08	Jan to Mar 2025	18/04/2025
	5	GSTR 4(Annual Return under Composition scheme)	Apr 2024 to Mar 2025	30/04/2025
May-2025	1	GSTR 1 (Regular Taxpayers)	April 2025	11/05/2025
	2	GSTR 3B (Monthly Return)	April 2025	20/05/2025
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	April 2025	25/05/2025
June-2025	1	GSTR 1 (Regular Taxpayers)	May 2025	11/06/2025
	2	GSTR 3B (Monthly Return)	May 2025	20/06/2025
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	May 2025	25/06/2025
July-2025	1	GSTR 1 (Regular Taxpayers)	June 2025	11/07/2025
	2	GSTR 1 (Quarterly Taxpayers)		Apr to June 2025
	3	GSTR 3B (Monthly Return)	June 2025	20/07/2025
	4	GSTR 3B Quarterly Return)	June 2025	22/07/2025
	5	CMP-08	Apr to June 2025	18/07/2025
	1	GSTR 1 (Regular Taxpayers)	July 2025	11/08/2025
	2	GSTR 3B (Monthly Return)	July 2025	20/08/2025

August-2025	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	July 2025	25/08/2025
	1	GSTR 1 (Regular Taxpayers)	August 2025	11/09/2025
September-2025	2	GSTR 3B (Monthly Return)	August 2025	20/09/2025
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	August 2025	25/09/2025
October-2025	1	GSTR 1 (Regular Taxpayers)	September 2025	11/10/2025
	2	GSTR 1 (Quarterly Taxpayers)	July to Sept 2025	13/10/2025
	3	GSTR 3B (Monthly Return)	September 2025	20/10/2025
	4	GSTR 3B (Quarterly Return)	July to Sept 2025	22/10/2025
	5	CMP-08	July to Sept 2025	18/10/2025
November-2025	1	GSTR 1 (Regular Taxpayers)	October 2025	11/11/2025
	2	GSTR 3B (Monthly Return)	October 2025	20/11/2025
	3	Monthly Tax Payment under ORMP Scheme(PMT 06)	October 2025	25/11/2025
December-2025	1	GSTR 1 (Regular Taxpayers)	November 2025	11/12/2025
	2	GSTR 3B (Monthly Return)	November 2025	20/12/2025
	3	Monthly Tax Payment under ORMP Scheme(PMT 06)	November 2025	25/12/2025
	4	GSTR-9(Annual Return)	FY 2024-25	31/12/2025
January-2026	1	GSTR 1 (Regular Taxpayers)	December 2025	11/01/2026
	2	GSTR 1 (Quarterly Return)	Oct to Dec 2025	13/01/2026
	3	GSTR 3B (Monthly Return)	December 2025	20/01/2026
	4	GSTR 3B Quarterly Return)	Oct to Dec 2025	22/01/2026
	5	CMP-08	Oct to Dec 2025	18/01/2026
February-2026	1	GSTR 1 (Regular Taxpayers)	January 2026	11/02/2026
	2	GSTR 3B (Monthly Return)	January 2026	20/02/2026
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	January 2026	25/02/2026

March-2026	1	GSTR 1 (Regular Taxpayers)	February 2026	11/03/2026
	2	GSTR 3B (Monthly Return)	February 2026	20/03/2026
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	February 2026	25/03/2026
April-2026	1	GSTR 1 (Regular Taxpayers)	March 2026	11/04/2026
	2	GSTR 1 (Quarterly Return)	Jan to Mar 2026	13/04/2026
	3	GSTR 3B (Monthly Return)	March 2026	20/04/2026
	4	GSTR 3B Quarterly Return)	Jan to Mar 2026	22/04/2026
	5	CMP-08	Jan to Mar 2026	18/04/2026
	6	GSTR 4(Annual Return under Composition scheme)	Apr 2025 to Mar 2026	30-04-2026

COMPANIES ACT

Due Dates in the Month of	Particulars	Description	Due Date
April-2025	Form MSME (outstanding payments to MSMEs)	The return is to be filed by any company that gets supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty-five days from the date of acceptance or the date of deemed acceptance of the goods or services.	30 th April 2025 (For the period of October'23 – March '24)
May-2025	LLP FORM-11	Annual Return (to be filed by all LLPs irrespective of turnover)	30 th May 2025
June-2025	DPT-3	To be filed in case the company has a deposit or an exempted deposit.	30th June 2025
September-2025	DIR-3 KYC	Form for Director KYC. Need to be filed mandatorily for every director on the Board	30 th September 2025
October-2025	ADT-1	Form for Auditor Appointment	15 th October 2025
	AOC-4	Form for filing Financials, Auditors' Report, Directors' Report, etc.	30 th October 2025
	Form MSME (outstanding payments to MSMEs)	The return is to be filed by any company that gets supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty-five days from the date of acceptance or the date of deemed acceptance of the goods or services.	31 st October 2025 (For the period of April'24 – September'24)
November-2025	MGT-7	ROC Annual Return (Details of Shareholding, etc.)	29 th November 2025
Event Based	CHG FORMS	Form for charge creation, modification, and satisfaction	Within 30 days of any charge occurring
	DIR-12	Form for Director Changes (Appointment/Resignation/Death)	Within 30 days of any charge occurring

PTRC and PTEC Compliance

Due Dates in the Month of	Particulars	Description	Due Date
June-2025	PTEC	A person who stands enrolled before the commencement of a year or is enrolled on or before 31st May of a year (F.Y. 2023-24)	30/06/2025
		A person who is enrolled after 31st May of a year	Within one month of the date of enrolment
		The person who is enrolled and the rate of tax at which he is liable to pay tax are revised.	Within one month of the date of such revision
March-2026	PTRC	Yearly - Tax Liability is less than INR 1,00,000/-	31/03/2025
		Monthly - Tax Liability is equal to or more than INR 1,00,000/-	The last date of the month to which the return relates

VAT

Due Dates in the Month of	Particulars	For the Period	Due Date
April 2025	1 Monthly Return (VAT payment)	March 2025	21/04/2025
	2 Quarterly Return (VAT payment)	January 2025 to March 2026	21/04/2025
May 2025	1 Monthly Return (VAT payment)	April 2025	21/05/2025
June 2025	1 Monthly Return (VAT payment)	May 2025	21/06/2025
July 2025	1 Monthly Return (VAT payment)	June 2025	21/07/2025
	2 Quarterly Return (VAT payment)	April 2025 to June 2026	21/07/2025
August 2025	1 Monthly Return (VAT payment)	July 2025	21/08/2025
September 2025	1 Monthly Return (VAT payment)	August 2025	21/09/2025
	1 Monthly Return (VAT payment)	September 2025	21/10/2025
October 2025	2 Quarterly Return (VAT payment)	July 2025 to September 2025	21/10/2025
	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

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 st 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	2 nd 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	4 th 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	5 th Dec, 2025	Indirect Tax	BDO Indirect Tax Digest	Legislative/judicial GST, Customs, VAT updates (Goa/Haryana changes, metro project customs duty).
5	16 th Dec, 2025	Indirect Tax	GSTN Advisory	Auto-suspension of GST registration for non-submission of bank details under Rule 10A.
6.	31 st Dec, 2025	Audit	Amendment to Rule 12A	Director KYC filing changed to once every three years; effective 31 Mar 2026.
6.	31 st 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).

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