

DAHOTRE & DAHOTRE
Chartered Accountants



Knowledge and Innovation Committee

Newsletter

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Editor-in-Chief's Message

Hello readers!

Welcome to the **11**th Newsletter Edition of 2026.

In this Issue, we will discuss the benefits and opportunities available to MSMEs in India and will discuss about Special audit provisions under Section 66 of GST act.

Vedant Potdar
Editor-in-chief

Team's Message

"Collabration allow us to know more than we are capable of knowing alone."

Dipali Kalyankar
Knowledge Chairperson

Short Updates

Indirect Tax

- India's GST collections in February 2026 rose 8.1% year-on-year to ₹1.83 lakh crore, showing strong economic activity and compliance.

For FY26 until February 28, total GST revenue reached ₹20.27 lakh crore, up 8.3% Refunds increased, while import tax gains supported the growth.

General

- EPFO retained the 8.25% interest rate for 2025 to 26, benefiting over 70 million subscribers. The decision awaits finance ministry approval.*

The board approved auto settlement of small inoperative accounts, a one time amnesty scheme for certain trusts, and notification of new social security schemes under the 2020 Code.

- War in West Asia just shook Indian markets.*

Rupee crashes to a record 92.30 against the dollar. Sensex falls 1,123 points and investors lose ₹9.8 lakh crore in a day. Rising crude prices, export risks and heavy foreign selling are spooking markets. If tensions escalate further, the pressure on rupee and stocks may only worsen.

- India's GST crackdown on banned real money gaming has hit a major flashpoint with the arrest of Fino Payments Bank CEO Rishi Gupta. Investigators allege ₹3,000 crore in suspect transactions routed through shell entities, with possible GST evasion crossing ₹5 crore, making the offence non bailable.

01 General

MSMEs in India – Benefits and Opportunities



Maitreyee Kelkar

Introduction

Micro, Small and Medium Enterprises (MSMEs) are widely regarded as the backbone of the Indian economy. These enterprises play a vital role in promoting industrial growth, generating employment, encouraging entrepreneurship, and contributing to exports. In a developing country like India, MSMEs help in achieving balanced regional development by promoting industrialization in rural and semi-urban areas. With strong support from the government and increasing opportunities in the market, MSMEs continue to drive economic progress and innovation.

Understanding MSMEs in India

MSMEs are businesses engaged in manufacturing, processing, production, or service activities that operate on a relatively smaller scale compared to large industries. The classification of MSMEs in India is based on investment in plant and machinery or equipment and annual turnover.

Micro Enterprise: Investment up to ₹1 crore and turnover up to ₹5 crore.

Small Enterprise: Investment up to ₹10 crore and turnover up to ₹50 crore.

Medium Enterprise: Investment up to ₹50 crore and turnover up to ₹250 crore.

These enterprises operate in sectors such as manufacturing, textiles, food processing, retail trade, IT services, handicrafts, and engineering goods. Millions of small businesses across India fall under this category and collectively contribute significantly to the country's GDP and employment.

Importance of MSMEs in the Indian Economy

MSMEs play a major role in strengthening the economic structure of India. They contribute to industrial production, employment generation, and exports. One of the key strengths of MSMEs is their ability to operate with relatively low investment while creating large employment opportunities. Unlike large corporations that are usually concentrated in major cities, MSMEs are spread across the country, including rural and semi-urban areas. This helps reduce regional economic disparities and improves income distribution.

Key Benefits Available to MSMEs

Easier Access to Finance: MSMEs receive loans from banks and financial institutions under priority sector lending. Many schemes allow businesses to obtain collateral-free loans, helping entrepreneurs start or expand their business operations.

Simple Registration Process: Businesses can register online under the Udyam Registration system and receive official MSME recognition. This registration allows them to access various government schemes and financial benefits.

Protection from Delayed Payments: Under the MSME Development Act, buyers must make payments to MSMEs within 45 days. This protects small businesses from cash-flow problems caused by delayed payments.

Government Subsidies and Incentives: MSMEs can receive subsidies for technology upgradation, quality certification, and skill development. These incentives help businesses modernize their operations and improve productivity.

Priority in Government Procurement: Government departments and public sector enterprises are encouraged to purchase goods and services from MSMEs, creating reliable market opportunities.

Opportunities for MSMEs in India

Expansion of the Domestic Market: Rising consumer demand in India provides many opportunities for MSMEs in sectors like manufacturing, food processing, retail, and services.

Digitalization and E-Commerce: With the growth of digital platforms, MSMEs can sell products online and reach customers across the country and globally.

Export Opportunities: Many MSME products such as textiles, handicrafts, leather goods, and engineering products have strong demand in international markets.

Startup and Innovation Ecosystem: Government initiatives supporting startups encourage innovation and entrepreneurship, creating new opportunities for MSMEs.

Challenges Faced by MSMEs

Despite many opportunities, MSMEs face challenges such as limited access to finance, technological gaps, strong competition, delayed payments, and regulatory compliance requirements.

Conclusion

MSMEs are a powerful engine of economic development in India. They generate employment, encourage entrepreneurship, and contribute significantly to economic growth. With supportive government policies, better access to finance, and digital transformation, the MSME sector has strong potential for future growth.

Questions

1. Why are MSMEs considered the backbone of the Indian economy?
2. What are the major benefits provided by the government to MSMEs in India?
3. What opportunities and challenges do MSMEs face in the current economic environment?

Read next: Special Audit Provisions Under Section 66

02 Indirect Tax

Special audit provisions under Section 66



Mayuri Agwal

Introduction

Section 66 of the CGST Act 2017 allows an Assistant Commissioner, with Commissioner approval, to order a special audit by a nominated CA/CMA if, during investigation/scrutiny, they suspect incorrect value declaration or improper input tax credit. The audit must be completed within 90 days, with potential 90-day extension, covering records despite prior audits.

Key provisions of the special audit under Section 66 include

Authority & Initiation: An officer not below the rank of Assistant Commissioner can order the audit during any stage of scrutiny, inquiry, or investigation.

Approval & Appointment: Prior approval from the Commissioner is required. The Commissioner nominates the chartered accountant or cost accountant to conduct the audit.

Timeline: The audit report must be submitted within 90 days.

Extension: The Assistant Commissioner may extend this period by another 90 days upon application or for sufficient reasons.

Scope & Applicability: Applies even if accounts have already been audited under other provisions.

Findings & Action: The findings are communicated via FORM GST ADT-04. If tax is found unpaid, short-paid, or wrongly refunded, the officer can initiate recovery proceedings under Section 73 or 74.

Expenses: Remuneration and expenses for the audit are determined and paid by the Commissioner.

Opportunity of Being Heard: The registered person must be given a chance to respond to findings before they are used in proceedings.

Key Precautions to Avoid Section 66 Audit

To avoid a special audit under Section 66 of the CGST Act, 2017, maintain accurate, up-to-date documentation, ensure strict compliance with ITC limits, and reconcile financial statements with GST returns regularly.

Accurate Valuation: Ensure that the value of goods or services declared is accurate and in line with GST laws to avoid suspicions of under-valuation.

Input Tax Credit (ITC) Monitoring: Keep ITC within normal, justifiable limits. Unusually high input tax credit relative to turnover is a major trigger for a special audit.

Robust Documentation & Record-Keeping: Maintain meticulous records, invoices, and supporting documents for all transactions.

Regular Reconciliations: Frequently reconcile GSTR-2B with purchase registers and GSTR-1/3B with sales registers to identify and fix discrepancies early.

Conduct Internal Audits: Perform internal audits to identify potential non-compliance issues before they are noticed by tax authorities.

Prompt Response to Department Queries: Address any queries or notices from the GST department promptly, ensuring all submissions are in writing and acknowledged.

Who Can Order a Special Audit?

A special audit is not a routine procedure. Only Deputy Commissioners (DC) along with Assistant Commissioners (AC) and officers ranking above them can launch this investigation upon obtaining permission from the Commissioner.

The audit begins when an officer chosen by approval undertakes the responsibility of nominating either a Chartered Accountant or Cost Accountant to perform audits and prepare reports within a scheduled deadline.

Step-by-Step Process of Special Audit Under GST

Step 1: Identification

The GST officer, during scrutiny, assessment, or investigation, finds:

- Unusual transactions,
- Suspicious input tax credit claims,
- Complex financial data needing expert analysis.

Step 2: Approval from Commissioner

The officer must submit a detailed report justifying the need for a special audit. The Commissioner reviews the facts and grants approval if satisfied.

Step 3: Nomination of Auditor

The Commissioner nominates a CA or CMA, independent of the taxpayer, to carry out the audit.

Step 4: Issuance of Audit Order (Form GST ADT-03) -

The taxpayer is served with an audit order (Form GST ADT-03) mentioning:

- Name of the auditor
- Scope of audit
- Date of commencement
- Documents to be produced

Step 5: Conducting the Audit

The auditor examines:

- Books of accounts
- Returns filed
- Tax invoices
- ITC claims
- Financial statements
- Relevant documents

Read next: Wall of wisdom.

Step 6: Submission of Audit Report (Form GST ADT-04)

The submission of audit reports in Form GST ADT-04 happens to the concerned officer within 90 days, with an additional 90 days extension available.

Step 7: Post-Audit Action

Based on findings:

Assessment may be finalized.

Additional tax and interest charges alongside penalties may be imposed on the taxpayer by the tax authorities.

The taxpayer could receive a show cause notification (SCN) according to Section 73 or 74 when needed.

Documents Typically Required During Special Audit

- GSTR-1, GSTR-3B, and annual returns
- Books of accounts (purchase/sales registers, ledgers)
- Trial balance and financial statements
- ITC reconciliation statements
- Payment vouchers and debit/credit notes
- Stock registers

Difference Between Regular Audit and Special Audit

| Feature | Regular Audit | Special Audit |
|-----------|---------------------------------|---|
| Authority | Conducted by the GST Department | Ordered by the GST Officer with the Commissioner's approval |
| Auditor | Government audit team | External CA/CMA appointed |
| Scope | General compliance | Specific concerns or discrepancies |
| Cost | Borne by the taxpayer | Borne by the government |
| Frequency | Maybe routine | Based on red flags |

WALL OF WISDOM (WOW):

- “Great achievements start with a simple decision to try”
- “The whole secret of existence is to have no fear”

Read next: Do you know

DO YOU KNOW?

1. Music can change your mood instantly.?
2. An ant can carry 50 times its body weights?

What else do You Know?

Let us know.

Read next: Motivational Quote.

MOTIVATIONAL QUOTE:

**“If you don’t build your dream,
someone else will hire you to help build
theirs”**

— **Dhirubhai Ambani**

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-

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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. Equalisation Levy
2. All about Companies (Accounting Standards) Rules, 2021
3. Israel Iran conflict and its impact

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 |
| | Income tax Return for A.Y. 2024-25 for all assesses other than : (a) Assessee whose accounts are required to be | FY 2025-26 | 15/09/2025 |

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 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 |

| | | | | |
|----------------|--------------------------|---|-------------------|------------|
| August-2025 | 2 | GSTR 3B (Monthly Return) | July 2025 | 20/08/2025 |
| | 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 |
| | 1 | GSTR 1 (Regular Taxpayers) | September 2025 | 11/10/2025 |
| October-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 |
| | 1 | GSTR 1 (Regular Taxpayers) | October 2025 | 11/11/2025 |
| November-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 |
| | 1 | GSTR 1 (Regular Taxpayers) | November 2025 | 11/12/2025 |
| December-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 |
| | 1 | GSTR 1 (Regular Taxpayers) | December 2025 | 11/01/2026 |
| January-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 |
| | 1 | GSTR 1 (Regular Taxpayers) | January 2026 | 11/02/2026 |
| 2 | GSTR 3B (Monthly Return) | January 2026 | 20/02/2026 | |

| | | | | |
|---------------|---|--|----------------------|------------|
| February-2026 | 3 | Monthly Tax Payment under QRMP Scheme(PMT 06) | January 2026 | 25/02/2026 |
| | 1 | GSTR 1 (Regular Taxpayers) | February 2026 | 11/03/2026 |
| March-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 | Penalty amount equals such loan/deposit. |
| | 1. If a person takes/ accepts a loan/ deposit except by way of Account payee cheque/ account payee draft/ ECS, and if the aggregate amount exceeds INR20,000, he shall be liable to pay a penalty of an amount equal to such loan/ deposit. | |
| | 2. If an amount of INR 2,00,000 or more is received in aggregate from a person in a day/ single transaction/ relating to one event, a penalty equal to such amount will be payable. | |
| | 3. If a person repays a loan/ deposit and such amount so repaid exceeds INR20,000 and such amount has been repaid except by way of Account payee cheque/ account payee draft/ ECS, an amount equal to such loan/ deposit shall be payable. | |
| 9. Others | 1. Failure to apply/quote/ intimate PAN/ quoting false PAN shall attract a penalty of INR 10,000 | INR 10000/- |
| | 2. Failure to apply/quote a TAN/ quoting A false TAN shall attract a penalty of INR10,000 | |
| | In case of the following defaults, INR 10,000 will be the penalty leviable. | |
| | 1. Refusal to answer questions put by the department | |
| | 2. Refusal to sign statements made in income tax proceedings | |

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

Read next: Amendment Summary

Amendment Summary

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

| Sr. No. | Date | Area of Knowledge (AOK) | Notification/ Circular/ Press Release | Short Description |
|---------|---------------------------|-------------------------|--|---|
| 1 | 01 st Feb 2026 | Direct Tax | Union Budget 2026 - (vjmglobal.com in Bing) | Union Budget 2026 introduced reforms under the new Income Tax Act, 2025 (effective April 2026). Key changes: buy-back proceeds taxed as capital gains, MAT reduced to 14%, unexplained income tax lowered to 30%, DTAA clarifications, reduced TCS rates on overseas tour packages and LRS remittances for education/medical. |
| 2 | 07 th Feb 2026 | Direct Tax | Draft Income Tax Rules 2026 – ClearTax (cleartax.in in Bing) | CBDT released Draft Income Tax Rules, 2026 for stakeholder comments. Simplified ITR forms, revised compliance requirements, streamlined reporting formats. Feedback invited until 22 Feb 2026. |
| 3 | 22 rd Feb 2026 | Audit | ClearTax – Income Tax Changes from 1 April 2026 (cleartax.in in Bing) | Draft Income Tax Rules, 2026 released for stakeholder feedback. Simplified language, revised reporting formats, elimination of redundancies, new forms for compliance. |

Rectifications in the previous Newsletter:

No Rectifications about the previous Newsletter(s).

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