

DAHOTRE & DAHOTRE
Chartered Accountants



Knowledge and Innovation Committee

Newsletter

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Contents

01. [Short Updates](#)
02. [Transfer Pricing Regulations and Compliance.](#)
03. [GST Under RCM on Import of Services](#)
04. [Rise and Fall: Vijay Mallya](#)
05. [Statutory Due Dates](#)
06. [Amendment Summary](#)

Editor-in-Chief's Message

Hello readers!

Welcome to the **13th** Newsletter Edition of 2026.

In this Issue, we will discuss Regulation and Compliance of Transfer Pricing, GST under RCM on Import of Services and Rise and Fall of Indian Business Vijay Mallya

Vedant Potdar
Editor-in-chief

Team's Message

"Talent wins games, but teamwork and intelligence win championships."

Chitra Saraf
Senior Leader

Short Updates

Direct Tax

- The Finance Bill 2026, recently passed by the Lok Sabha, introduces several direct tax amendments aimed at simplifying compliance and reducing litigation. Reassessment notices and tribunal orders will now be fully electronic with fixed timelines, ensuring transparency. Buyback taxation has been clarified—share buybacks will be treated as capital gains with a flat 12% surcharge. The tax rate on unexplained credits has been reduced from 60% to 30% plus surcharge and cess, easing the taxpayer burden. Interest awarded by Motor Accident Claims Tribunals is fully exempt, with no TDS required, offering relief to claimants. TDS rules on manpower supply contracts have been streamlined, with clear rates of 1% for individuals/HUFs and 2% for others. A one-time foreign asset disclosure scheme provides settlement options and immunity for small taxpayers.

RoC

- Reservation & Incorporation (Company/LLP)
 - Uniqueness is Mandatory**
Proposed name must be distinct and not similar (even phonetically) to existing companies/LLPs or trademarks—minor changes won't work.
 - NOC Doesn't Guarantee Approval**
Even with a No Objection Certificate, similar or identical names can still be rejected by authorities.
 - Follow Strict Naming Rules & Restrictions**
Avoid:
Government-related words (unless approved)
Offensive terms
Mere plural/singular or translation changes
Restricted words like "Bank", "Insurance" without regulator approval
 - Trademark Check is Crucial**
Always verify registered trademarks in the same business class otherwise, name approval may be denied or require NOC.
 - Consistency in Documents & Objects**
Ensure:
NIC code matches business activity
Name aligns with business object

01 Direct Tax

Transfer Pricing Regulations and Compliance.



Sakshi Jadhav

Introduction

In today's globalised economy, multinational companies operate across multiple countries through subsidiaries, branches, and related entities. When these related entities transact with each other, the pricing of such transactions is known as transfer pricing.

Transfer pricing plays a crucial role in determining how profits are allocated among different countries. Because companies may try to shift profits to low-tax countries, governments have established strict transfer pricing regulations to ensure fairness and prevent tax avoidance.

What is Transfer Pricing?

Transfer pricing refers to the price charged for goods, services, or intangible assets exchanged between related entities of the same multinational enterprise (MNE).

Examples:

- A company in India selling goods to its subsidiary in Singapore
- A parent company charging royalties to its foreign branch
- Intercompany loans and interest payments

These transactions must be priced as if they were

conducted between unrelated parties.

The Arm's Length Principle

The foundation of transfer pricing regulations is the Arm's Length Principle.

Definition

It means that the price of transactions between related parties should be the same as the price that would be charged between independent (unrelated) parties under similar conditions.

This principle is globally accepted and recommended by the Organisation for Economic Co-operation and Development.

Transfer Pricing Regulations in India

In India, transfer pricing is governed by the Income Tax Act, 1961, particularly Sections 92 to 92F. The rules were introduced in 2001 to prevent tax evasion and ensure proper income reporting.

Key Authorities

- a) Central Board of Direct Taxes (CBDT)
- b) Indian Income Tax Department

Applicability

Transfer pricing regulations apply to:

- i. International transactions between associated enterprises
- ii. Certain domestic transactions (specified domestic transactions)

Transfer Pricing Documentation

Maintaining proper documentation is a mandatory compliance requirement.

Key Documents:

- a) Local File
 - Details of transactions, pricing analysis, financials
- b) Master File
 - Overview of global business operations
- c) Country-by-Country Report (CbCR)
 - Financial data of all group entities worldwide

Compliance Requirements in India

Companies must comply with several rules:

1. Filing of Form 3CEB

- Certified by a Chartered Accountant
- Must be filed along with income tax return

2. Maintenance of Records

- Documentation must be maintained for 8 years

3. Transfer Pricing Audit

- Conducted by tax authorities to verify compliance

4. Timely Reporting

- Non-compliance can lead to penalties

Penalties for Non-Compliance

Failure to comply with transfer pricing regulations can result in heavy penalties:

- ❖ 2% of transaction value for incorrect documentation
- ❖ ₹1,00,000 for failure to furnish reports
- ❖ Additional penalties for misreporting income

This makes compliance extremely important for multinational companies.

Challenges in Transfer Pricing

Transfer pricing is complex and involves several challenges:

- Difficulty in finding comparable data
- Frequent changes in regulations
- Risk of double taxation
- Complex documentation requirements
- Disputes with tax authorities

Conclusion

Transfer pricing is a critical area of international taxation that ensures fair distribution of profits among countries. With increasing globalization, governments are tightening regulations to prevent tax avoidance.

For businesses, proper transfer pricing compliance is not just a legal requirement but also a strategic necessity. Companies must maintain accurate documentation, follow the arm's length principle, and stay updated with changing regulations to avoid penalties and ensure smooth operations.

Questions

1. What is Transfer Pricing?
2. What are the penalties for non-compliance?

Read next: GST Under RCM on Import of Services

02 Indirect Tax

GST Under RCM on Import of Services



Yashraj Bhutada

The 3 Golden Conditions for "Import of Service"

Before determining any tax liability, a transaction must legally qualify as an "Import of Service" under Section 2(11) of the IGST Act. It must pass this strict three-part test:

- 1) **Supplier Location:** The supplier of the service is located outside India.
- 2) **Recipient Location:** The recipient of the service is located inside India.
- 3) **Place of Supply:** The place of supply of the service is inside India.

Rule of Thumb: If all three conditions are met, the transaction is an import of service. If any one condition fails, the GST applicability changes completely.

The General Rule: When RCM Applies

By default, for most standard cross-border business services (e.g foreign legal advisors, US marketing consultants), the Place of Supply is determined by the location of the recipient (Section 13(2) of the IGST Act).

Because the recipient is in India, the Place of Supply is in India. This fulfills all 3 conditions for an Import of Service.

The Tax Implication: Under Section 5(3) of the IGST Act, the liability to pay GST shifts from the foreign supplier to the Indian recipient.

Action Required: The Indian business must self-assess and pay 18% IGST under the Reverse Charge Mechanism (RCM).

The Major Exception: When RCM Does NOT Apply

Services imported by Central and state governments, local authorities or any individual for their personal purpose.

OIDAR Services (i.e., online information and database access or retrieval) such as online movie subscriptions, e-books or cloud services. If these services are provided by a foreign supplier, then such a foreign supplier shall be liable to register and pay under GST.

Intermediary Services : M/s. XYZ receives service from M/s. ABC (US based company) towards procurement of customer orders for business. M/s. ABC charges commission of 10% on all payments received from the prospect for services provided by M/s. XYZ to such customer. In the above case, M/s. ABC is acting as an agent between M/s. XYZ and the customer. Service would fall within the meaning of 'Intermediary services'. Hence, the place of supply shall be location of the supplier of service i.e. M/s. ABC as per section 13(8)(b) of IGST Act. Service provider (M/s. ABC) and the place of supply (US) is located in non-taxable territory, IGST is not required to be discharged under RCM. Because your commission agent is located outside India, the Place of Supply is outside India.

Compliance and ITC Rules

Self-Invoicing: Since foreign suppliers do not issue Indian GST invoices, the Indian recipient must raise a "Self-Invoice" to document the transaction.

Payment Method (Cash is Mandatory): You cannot use your existing Input Tax Credit (ITC) balance to settle an RCM liability. The IGST must be paid in cash via the Electronic Cash Ledger.

Input Tax Credit (ITC) Availability

Questions

1. What are the three conditions required for a service to qualify as Import of Services under the Integrated Goods and Services Tax Act, 2017?
2. Will RCM be applicable if an Indian company pays professional fees to a Dubai-based interior designer for interior design work related to a property situated in Dubai?

Read next: Rise and Fall: Vijay Mallya

03 General

Rise and Fall: Vijay Mallya



Sakshi Pawar

Introduction

Vijay Mallya is one of the most talked-about businessmen in modern Indian history. Once known as the “King of Good Times,” he was admired for his luxurious lifestyle, bold business decisions, and rapid growth in multiple industries. However, his success story eventually turned into one of the biggest financial scandals in India.

Early Life and Background

Vijay Mallya was born on 18 December 1955 in Kolkata. He was the son of businessman Vittal Mallya, who was the chairman of the United Breweries Group.

Mallya studied at St. Xavier’s College in Kolkata, where he earned a degree in commerce. From a young age, he was exposed to the business world through his father’s company. When his father passed away in 1983, Vijay Mallya became the chairman of the United Breweries Group at just 28 years old.

This marked the beginning of his rise in the corporate world.

Under Vijay Mallya’s leadership, the United Breweries Group grew rapidly. He focused strongly on the liquor industry and turned Kingfisher Beer into one of the most popular beer brands in India. Soon, Kingfisher became the market leader and was recognized internationally as well.

Mallya was not satisfied with just one successful business. He began expanding the company into various sectors such as:

- Alcohol and beverages
- Pharmaceuticals
- Fertilizers
- Aviation
- Real estate
- Media and entertainment

Because of his bold style and luxurious image, the media started calling him the “King of Good Times.”

Entry into the Aviation Industry

One of the biggest turning points in Mallya’s career was the launch of Kingfisher Airlines in 2005. His vision was to create a luxury airline that would provide world-class services. The airline became popular very quickly because of:

- Comfortable seats
- Attractive cabin crew
- High-quality food
- Entertainment systems
- Premium customer service

For a few years, Kingfisher Airlines was considered one of the best airlines in India. Mallya became one of the most famous businessmen in the country.

His lifestyle – private jets, luxury yachts, expensive cars, and international parties – made headlines everywhere.

Political Career

Apart from business, Vijay Mallya also entered politics. He became a Member of Parliament (Rajya Sabha) and maintained strong connections with influential political leaders.

The Beginning of the Fall

Although Kingfisher Airlines became popular, it was not financially successful. The airline industry requires huge investment, and the company started facing heavy losses. Instead of reducing expenses, Mallya continued spending large amounts of money on luxury branding and expansion.

Gradually, Kingfisher Airlines began to struggle because of:

- High fuel prices
- Heavy loans from banks
- Poor financial management
- Over-expansion
- Increasing operational costs

To keep the airline running, Mallya took large loans from several Indian banks. Over time, the total debt crossed ₹9,000 crore.

Collapse of Kingfisher Airlines

By 2012, the situation became very serious. The airline was unable to pay salaries to its employees for several months. Flights were cancelled regularly, and passengers lost trust in the airline. Eventually, Kingfisher Airlines stopped operating completely.

The biggest shock came when it was discovered that the loans taken from banks had not been repaid. This led to a massive financial scandal. Vijay Mallya was accused of:

- Loan default
- Financial fraud
- Money laundering
- Misuse of public money

Banks declared him a “wilful defaulter.”

Leaving India and Legal Troubles

In 2016, Vijay Mallya left India and moved to the United Kingdom. After that, Indian authorities began legal proceedings against him. The government tried to bring him back to India through extradition. The case continued in international courts for several years.

Many of his properties were seized, including luxury cars, houses, and other assets. His image changed completely – from a glamorous businessman to a controversial figure.

Lessons from His Rise and Fall

The story of Vijay Mallya teaches several important lessons:

- Success without financial discipline cannot last long.
- Over-confidence and luxury spending can destroy even a powerful business.
- Proper management is more important than popularity.
- Business leaders must be accountable for public money.
- Rapid growth without planning can lead to collapse.

Conclusion

Vijay Mallya’s life is a classic example of how success can turn into failure when ambition is not supported by responsibility. He built one of India’s most famous business empires and enjoyed a luxurious lifestyle that many admired. But poor financial decisions and

massive unpaid loans led to his downfall.

Today, Vijay Mallya is remembered not only for his success but also for one of the biggest financial controversies in India. His story remains an important lesson for students, entrepreneurs, and future business leaders.

Read next: Wall of wisdom.

WALL OF WISDOM (WOW):

- "In the middle of every difficulty lies opportunity."
- "Knowing yourself is the beginning of all wisdom"

Read next: Do you know

DO YOU KNOW?

1. Do you know your brain generates enough electricity to power a light bulb?
2. Do you know the Mona Lisa has no eyebrows?

What else do You Know?

Let us know.

Read next: Motivational Quote.

MOTIVATIONAL QUOTE:

"Learn from the mistakes of others. You cannot live long enough to make them all yourself"

— Chanakya

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. Duties and Taxes on Imports in India
2. Business Responsibility and Sustainability Report
3. GST FY 2026–27 Compliance Checklist: 10 Key Actions for Businesses

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
October 2025	1 Monthly Return (VAT payment)	September 2025	21/10/2025
	2 Quarterly Return (VAT payment)	July 2025 to September 2025	21/10/2025
November 2025	1 Monthly Return (VAT payment)	October 2025	21/11/2025
December 2025	1 Monthly Return (VAT payment)	November 2025	21/12/2025
	1 Monthly Return (VAT payment)	December 2025	21/01/2026
January 2026	2 VAT Audit (Form 704)	F.Y. 2024-2025	15/01/2026
	3 Quarterly Return (VAT payment)	October 2025 to December 2025	21/01/2026
February 2026	1 Monthly Return (VAT payment)	January 2026	21/02/2026
March 2026	1 Monthly Return (VAT payment)	February 2026	21/03/2026

Summary of Penalties of Income Tax

Particulars	Description	Amount/ Interest rate
1. Default in making payment of tax.	The amount of penalty leviable will be as determined by the Assessing Officer. However, the amount will not exceed the amount of tax in arrears for 2023	Penalty determined by the assessing officer
2. Under-reporting of income.	1. If the income assessed/ re-assessed exceeds the income declared by the assessee, or in cases where a return has not been filed and income exceeds the basic exemption limit, a penalty of 50% of the tax payable on such under-reported income shall be levied.	50% of tax payable under-reported Income, OR 200% of tax payable from misreporting of income
	2. 200% of the tax is payable if under-reporting results from the misreporting of income	
3. Failure to maintain books of accounts and other documents	1. Normally, the amount of penalty leviable is INR25,000	INR 25000 OR 2% of the value of the International transaction
	2. In case the assessee is a person who has entered into an international transaction, the penalty will be 2% of the value of such international transactions or specified domestic transactions	
4. Penalty for false entry, such as fake invoices	1. The assessee might have to pay a penalty equal to the sum of such false or omitted entries.	Amount equal to such false or omitted entries
5. Undisclosed income	1. If undisclosed income is admitted during the Search and the assessee pays tax and interest and files a return, a penalty @ 30% of such undisclosed income is payable.	30% OR 60%
	2. In all other cases, the penalty is leviable @ 60%	
6. Audit and Audit Report	1. If the assessee fails to get his accounts audited, obtain an audit report, or furnish a report of such auditor, a penalty will be leviable at INR 1,50,000 or 0.5% of the total sale/ Turnover/ gross receipts, whichever is lesser.	INR 150000/- OR 0.5% of total sale, turnover/gross receipt
	2. Failure of the assessee to furnish the Audit report related to foreign transaction, a penalty @ INR 1,00,000 will be payable	
7. TDS/TCS	1. Where a person fails to deduct tax at source, he will be liable to pay a penalty equal to the amount of tax which he has failed to deduct/ pay.	Penalty equal to the amount of Tax,

	2. Where a person fails to collect tax at source, he will be liable to pay a penalty equal to the amount of tax which he has failed to collect.	
	3. Failure to furnish TDS/TCS statement or furnishing incorrect statements shall attract a penalty ranging from 10,000 to 1,00,000	INR 10000/-to INR 100000/-
	4. Non-Deduction of TDS, either in whole or in part	1% per month
	5. Non-payment of TDS (after deduction), either in whole or in part	1.5% per month
	6. Failure to furnish information/ furnishing inaccurate information related to TDS deduction regarding Non-residents shall attract a penalty of 100,000	INR 100000/-
8. Penalty for using modes other than Account payee cheque/ draft/ ECS	1. If a person takes/ accepts a loan/ deposit except by way of Account payee cheque/ account payee draft/ ECS, and if the aggregate amount exceeds INR20,000, he shall be liable to pay a penalty of an amount equal to such loan/ deposit.	Penalty amount equals such loan/deposit.
	2. If an amount of INR 2,00,000 or more is received in aggregate from a person in a day/ single transaction/ relating to one event, a penalty equal to such amount will be payable.	
	3. If a person repays a loan/ deposit and such amount so repaid exceeds INR20,000 and such amount has been repaid except by way of Account payee cheque/ account payee draft/ ECS, an amount equal to such loan/ deposit shall be payable.	
9. Others	1. Failure to apply/quote/ intimate PAN/ quoting false PAN shall attract a penalty of INR 10,000	INR 10000/-
	2. Failure to apply/quote a TAN/ quoting A false TAN shall attract a penalty of INR10,000	
	In case of the following defaults, INR 10,000 will be the penalty leviable.	
	1. Refusal to answer questions put by the department	
	2. Refusal to sign statements made in income tax proceedings	

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

Read next: Amendment Summary

Amendment Summary

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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