

DAHOTRE & DAHOTRE
Chartered Accountants



Knowledge and Innovation Committee

Newsletter

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Editor-in-Chief's Message

Hello readers!

Welcome to the **15th** Newsletter Edition of 2026.

In this Issue, we will discuss SRS 4410, Critical assumptions in Advance Pricing Agreement, and the Tonnage Tax Scheme under the Income Tax Act, 1961.

Vedant Potdar
Editor-in-chief

Team's Message

“Strong teams are built on trust, support, and shared effort.”

Dipali Kalyankar
Knowledge Chairperson

Short Updates

Co-operative Society

- The Bombay High Court ruled that a co-operative housing society can legally refuse membership to a buyer if the builder has sold a designated “refuge area” as a residential flat, since such a sale violates the Maharashtra Co-operative Societies Act.
Key Points from the Judgment
Court’s Decision: Justice Firdosh P. Pooniwalla held that granting membership to such buyers would breach Section 154B-5 of the Maharashtra Co-operative Societies Act, 1960.
Reasoning: Refuge areas are meant for emergency use (like fire safety) and cannot be converted into residential flats.
Membership Issue: If a builder sells a non-existent or unauthorised flat (like one carved out of a refuge area), admitting the purchaser as a member would unlawfully increase the number of members beyond what is legally permissible.
Legal Principle: The Court emphasised that buyers of illegal or unauthorised flats cannot claim automatic membership rights in a co-operative society.

Indirect Tax

- Taxpayers are facing issues in filing appeals on the GST portal when demand orders show “NIL demand”, even though there is a dispute. This usually happens when payment is made during the Show Cause Notice stage without accepting liability, but the officer treats it as full settlement. As a result, the portal blocks appeal filing since the demand is shown as zero. However, such payment does not mean acceptance of liability, and the taxpayer still has the right to appeal. To resolve this, the taxpayer should request a rectification order from the authority to correct the demand amount, after which the appeal can be filed.

Direct Tax

- The TRACES portal website has been updated. The new URL is <https://traces.tdscpc.gov.in>. However, if you want to access forms related to the Income Tax Act, 1961, select “Compliance under Income Tax Act, 1961” after logging in.

01 Audit

SRS 4410 – Compilation Engagements



Sairaj Thombare

Introduction

Standard on Related Services (SRS) 4410, “Compilation Engagements”, issued by ICAI, deals with the professional responsibilities of a Chartered Accountant when engaged to compile financial information.

In such engagements, the practitioner applies accounting expertise to assist management in preparing and presenting financial information without providing assurance.

Objective of SRS 4410

The primary objective is:

- To assist management in the preparation and presentation of financial information.
- To ensure that the practitioner complies with ethical requirements and reporting standards.
- To clearly communicate that no assurance is provided on the compiled financial statements.

Key Features of Compilation Engagement

No audit or review is performed.

No assurance (positive or negative) is expressed.

Based on information provided by management.

Practitioner uses professional expertise, not verification procedures.

Scope of SRS 4410

SRS 4410 applies when:

- A Chartered Accountant is engaged to compile financial statements.
- The engagement does not involve audit or review.

Financial information may include:

- Financial statements
- Profit & Loss accounts
- Balance sheets
- Other financial data

Ethical Requirements

The practitioner must comply with:

- a) Integrity
- b) Objectivity
- c) Professional competence and due care
- d) Confidentiality
- e) Professional behavior
- f) Independence is not mandatory, but if not independent, it must be disclosed in the report.

Engagement Acceptance

Before accepting the engagement, the practitioner must ensure:

Clear understanding of the nature and scope of the work

Agreement on:

- Responsibilities of management
- Applicable financial reporting framework
- Intended use of financial information

Engagement Letter

A written engagement letter is mandatory, including:

- Objective and scope of engagement
- Responsibilities of management
- Responsibilities of the practitioner
- Identification of financial reporting framework
- Limitation that no assurance will be provided

Responsibilities of Management

Management is responsible for:

- a) Preparation and presentation of financial information
- b) Accuracy and completeness of data
- c) Selection of appropriate accounting framework
- d) Internal controls

Responsibilities of Practitioner

The practitioner shall:

1. Apply accounting and financial reporting expertise
2. Compile financial data into understandable form
3. Read compiled information for obvious errors or inconsistencies

The Compilation Report

The report must include:

- Title
- Addressee
- Statement that engagement was performed in accordance with SRS 4410
- Description of responsibilities:
 - Management
 - Practitioner
- Statement that:
 - No audit or review conducted
 - No assurance expressed
 - Disclosure of independence (if not independent)
- Date and signature

Questions

1. Why is no assurance provided in a compilation engagement?
2. Is the audit performed under SRS 4410?

Read next: Critical Assumption in Advance Pricing Agreement

02 Direct Tax

Critical Assumption in Advance Pricing Agreement



Bhavana Chitte

Introduction

Big company doing business in other country expect to work in neutral and transparent tax environment which provide a proactive, legally binding framework to determine transfer pricing methodologies for cross-border transactions, thereby eliminating uncertainty, reducing litigation, and preventing double taxation. The Advance Pricing Agreement (APA) mechanism in India, introduced in 2012, is a cornerstone of the government's strategy to attract Multinational Corporations (MNCs) by offering a stable, transparent, and non-adversarial tax environment to provide tax certainty to multinational corporations (MNCs) and reduce protracted litigation over transfer pricing issues. In layman's terms, an Advance Pricing Agreement (APA) is a "pre-approved tax deal" between a company and the government. Normally, companies and tax authorities might argue for years over whether the prices charged between international branches (like a US parent company selling parts to its Indian subsidiary) are fair or "at arm's length". An APA allows them to sit down beforehand and agree on a fixed pricing formula for these transactions. By establishing an agreed-upon "arm's length price" (ALP) in advance, APAs help MNCs manage tax risks, particularly in complex areas like intangibles, royalties, and inter-company services.

How the APA Mechanism Works

The process typically follows these simplified steps:

Pre-filing Consultation: The company and tax officials meet informally to see if an agreement is even possible.

Formal Application: The company submits a detailed plan showing how it intends to price its products or services. Application in prescribed form to DGIT-it or competent authority. Details in the form to include Business strategies, Financials and operating data ,Critical assumptions ,Details on other APAS/MAPs etc

Negotiation: APA Authority may conduct meetings with taxpayers, make field visits or call for additional documents of information. Competent authority negotiations and formalization in accordance with provisions of tax treaty. Both sides discuss the proposal. They might look at similar businesses to ensure the “Arm’s Length Price” (the market price unrelated parties would pay) is fair.

The Agreement: APA Authority and the taxpayers prepare a proposed mutually agreed draft agreement between CBDT and taxpayer on receipt of approval from central government .Once they agree on a formula, they sign a binding contract that usually lasts for 5 years.

Annual Check-ins: Instead of a full-blown audit every year, the company simply provides a “Compliance Report” to prove they are sticking to the agreed formula.

In advance Pricing Agreement (APA) critical assumptions are the bedrock of an APA, defining its scope and ensuring ongoing fairness and accuracy in transfer pricing, APA pricing is agreed based on specific facts and circumstances. Typical Areas Covered by Critical Assumptions are Business model, FAR profile, Nature of covered transactions ,Market and economic conditions ,Legal and regulatory framework, Volume or value thresholds ,Ownership of intangibles. Critical assumptions freeze these key facts. If they change materially, the agreed pricing may no longer be arm’s length.

Without critical assumptions, the APA would rest on uncertain ground. Critical Assumptions prevent

misuse of APA margins in situations never intended, such as: Change from captive service provider to entrepreneur, Acquisition or disposal of key intangibles, Entry into new high-risk functions This ensures pricing integrity. Critical assumptions define the boundary conditions of an APA, they define the conditions under which the agreed transfer pricing methodology remains valid. In simple terms, they protect both the taxpayer and the tax authority from unexpected business or economic changes.

Common & Practical Examples of Critical Assumptions in APA

Functional Profile Remains Unchanged

The Indian entity shall continue to operate as a routine captive service provider without assuming significant market, credit, or IP-related risks. Breach scenario : Indian entity starts: Owning IP ,Undertaking R&D ,Bearing market risk

No Ownership or Development of Intangibles

The taxpayer shall not own, develop, or economically control any unique or valuable intangibles during the APA term. Breach scenario: Development of proprietary software, Brand creation ,Filing of patents in India

Business Model Remains the Same

The nature of international transactions (IT services only) shall remain unchanged during the APA period. Breach scenario : Addition of Licensing ,Distribution ,Manufacturing

Volume / Scale of Operations

Revenue growth shall not exceed $\pm 30\%$ year-on-year compared to the base year. Breach scenario :Sudden spike due to Group restructuring ,New large customer

Market & Economic Conditions

No extraordinary economic circumstances (such as global financial crisis, pandemic, or sanctions) materially affecting the industry shall occur. Breach scenario :COVID-like disruption ,War or sanctions affecting supply chain

Comparable Set Remains Valid

Selected comparable companies shall continue to be functionally comparable and available in public databases. Breach scenario: Comparable become

Persistent loss-making Undergo mergers ,Change business model

Tax & Regulatory Framework

There shall be no material change in Indian tax law or transfer pricing regulations affecting the covered transactions. Breach scenario: Change in TP rules

No Business Restructuring

The taxpayer shall not undergo any merger, demerger, slump sale, or business restructuring during the APA term. Breach scenario: Entity merged, Activities transferred to another group company

Consistency in Accounting Policy

The taxpayer shall consistently follow the same accounting standards and cost allocation methodology during the APA period. Breach scenario: Change in depreciation method, new cost-sharing approach

Conclusion

Assesses should maintain documents like annual FAR analysis , APA Compliance report (Form 3CEF), Management representation letter, Board Notes on Business changes, Intercompany agreements (Unchanged) All APA assumptions should be reviewed line by line and in case of any deviation it should be documented and should be informed to APA Authority if breach is material as it can impact arms' length outcome as failure to disclosure may result cancellation of APA with retrospective effect.

Questions:

1. What is Advance pricing agreement?
2. Why does critical assumptions are important in APA?

Read next: Tonnage Tax Scheme (TTS)

03 Direct Taxes Tonnage Tax Scheme (TTS)



Maitreyee Kelkar

Introduction

The shipping industry plays a crucial role in global trade, as more than 80% of international trade is carried by sea. In order to strengthen India's shipping sector and make it competitive at the global level, the Government of India introduced the Tonnage Tax Scheme (TTS) . This scheme provides an alternative method of taxation for shipping companies, making compliance simpler and taxation more predictable.

What is the Tonnage Tax Scheme?

The Tonnage Tax Scheme is a special taxation system where shipping companies are taxed based on the size (net tonnage) of their ships, instead of their actual profits. This means that even if a company earns very high profits or incurs losses, the tax liability remains based on a fixed formula linked to the tonnage of ships. This concept is known as 'deemed income taxation'

Why was the Scheme Introduced.

The scheme was introduced to provide stability in taxation and encourage Indian shipping companies to expand. Before TTS, companies were taxed on actual profits, which fluctuated significantly due to market conditions. TTS ensures certainty, reduces disputes, and aligns India with global shipping tax practices.

Key Features of TTS

- Income is calculated on a deemed basis using tonnage.
- The scheme is optional for shipping companies.
- Once opted, it is applicable for a mandatory period of 10 years.
- Income from shipping business is computed separately.
- Governed by Sections 115V to 115VZC of the Income Tax Act.

Eligibility Criteria

To opt for the scheme, a company must be an Indian company engaged in the business of operating ships. It must own at least one qualifying ship and use it for commercial purposes such as carrying goods or passengers.

Qualifying Ships

Qualifying ships include sea-going vessels used for transporting goods or passengers. Certain vessels like dredgers and tugs are also included subject to conditions. However, fishing vessels, pleasure crafts, and offshore installations are not covered under the scheme.

Computation of Income

Under TTS, income is computed based on a fixed rate per 100 tons of the ship's net tonnage. This income is calculated daily for each ship and then aggregated for the year. This eliminates the need for complex profit calculations and reduces accounting disputes.

Advantages

1. Provides certainty in taxation.
2. Reduces compliance burden.
3. Makes Indian shipping globally competitive.
4. Encourages registration of ships in India.

Limitations

1. Not suitable for companies with low profits.
2. Mandatory lock-in period of 10 years.
3. Strict compliance requirements.

Conclusion

The Tonnage Tax Scheme is a significant step towards strengthening India's maritime sector. While it simplifies taxation and provides stability, companies must carefully evaluate its long-term impact before opting for it.

Questions

1. Is TTS beneficial for small shipping companies?
2. How does deemed taxation affect financial transparency?
3. Should the government relax the lock-in period?

Read next: Wall of wisdom.

WALL OF WISDOM (WOW):

- "Quality means doing it right when no one is watching."
- "Great teams build great results"

Read next: Do you know

DO YOU KNOW?

1. Bones are stronger than steel (for their size!)?
2. There are more atoms in a glass of water than stars in the Milky Way?

What else do You Know?

Let us know.

Read next: Motivational Quote.

MOTIVATIONAL QUOTE:

"Ups and downs in life are very important to keep us going"

— Sir 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. Base erosion and profit shifting (BEPS)
2. GST on Transport Services: Why Consignment Note Determines GTA Status
3. GeM Registration: Selling to Government Agencies in India

Statutory Due Dates Calendar

INCOME TAX

Due Dates in the Month of	Particulars	For the Period	Due Date
April-2026	1 TDS/TCS Payment	March 2026	TDS 30/04/2026 and TCS 07/04/2026
May-2026	1 TDS/TCS Payment	April 2026	07/05/2026
	2 TDS Statement for Form 138/140	Q4 TY 2026-27	31/05/2026
	3 TCS Statement– for Form 143	Q4 TY 2026-27	15/05/2026
	4 Statement of Financial Transactions (SFT) Compliance Form 61A	TY 2025-26	31/05/2026
June-2026	1 TDS/TCS Payment	May 2026	07/06/2026
	2 Advance Tax	1st Instalment of TY 2026-27	15/06/2026
	3 Issue TDS Certificates Form 130/131	Annual/Q4 TY 2025-26	15/06/2026
July-2026	1 TDS/TCS Payment	June 2026	07/07/2026
	2 TDS Statement for Form 138/140	Q1 TY 2026-27	31/07/2026
	3 TCS Statement– for Form 143	Q1 TY 2026-27	15/07/2026
	4 ITR Filing (Salaried & Non-Business Individual)	ITR-1 / 2	31/07/2026
August-2026	1 TDS/TCS Payment	July 2026	07/08/2026
	2 ITR Filing (Non-Audit Business/Profession)	ITR-3 / 4	31/08/2026
September-2026	1 TDS/TCS Payment	August 2026	07/09/2026
	2 Advance Tax	2 nd Instalment TY 2026-27	15/09/2026
	3 Tax Audit Report Submission Form No. 26 is required to be furnished by a person carrying on business or profession whose accounts are required to be audited under Section 63 of the Income-tax Act, 2025. This includes: (a) Business cases where total sales, turnover or gross receipts exceed ₹1 crore (threshold increases to ₹10 crore where cash	Form 26	30/09/2026

receipts and cash payments each do not exceed 5% of total receipts and payments respectively);

(b) Profession cases where gross receipts exceed ₹50 lakh;

(c) Presumptive taxation cases under sections 58(2) or 61(2) (Table: Sl. Nos. 4 and

5) where income declared is lower than the deemed income.

(d) Presumptive Taxation cases: When a taxpayer opts out of a presumptive scheme in any of the five consecutive years (the "lock-in period"), and their income exceeds the basic exemption limit.

October-2026	1	TDS/TCS Payment	September 2026	07/10/2026
	2	ITR Filing of A) Form ITR-5 (Partnership Firms, LLPs, Association of Persons (AOPs), and Body of Individuals (BOIs) that are subject to audit.) B) Form ITR-6 (All Companies (except those claiming exemption under Section 11). C) (Persons including companies required to furnish return under sections 139(4A), 139(4B), 139(4C), or 139(4D) (Trusts/Political Parties/Institutions).	TY 2025-26	31/10/2026
	3	TDS Statement for Form 138/140	Q2 FY 2026-27	31/10/2026
	4	TCS Statement– for Form 143	Q2 FY 2026-27	15/10/2026
November-2026	1	TDS/TCS Payment	October 2025	07/11/2026
	2	Transfer Pricing Report/ITR	Form 3CEB / ITR	30/11/2026
December-2026	1	TDS/TCS Payment	November 2026	07/12/2026
	2	Advance Tax	3rd 3 rd Installment TY 2026-27	15/12/2026
	3	Filing of belated/revised return of income for the assessment year 2026-27 for all assessee.	TY 2025-26	31/12/2026
January-2027	1	TDS/TCS Payment	December 2026	07/01/2027
	2	TDS Statement – For Form 138/140	Q3 FY 2026-27	31/01/2027
	3	TCS Statement– for Form 143s	Q3 FY 2026-27	15/01/2027
February-2027	1	TDS/TCS Payment	January 2027	07/02/2027
March-2027	1	Advance Tax (Final Installment)	4th Instalment of FY 2026-27	15/03/2027

2 TDS/TCS Payment

February 2027

07/03/2027

GOODS AND SERVICES TAX ACT

Due Dates in the Month of	Particulars	For the Period	Due Date	
April-2026	1	GSTR 1 (Regular Taxpayers)	March 2026	11/04/2026
	2	GSTR 1 (Quarterly Taxpayers)	March 2026	13/04/2026
	3	GSTR 3B (Monthly Return)	March 2026	20/04/2026
	3	GSTR 3B (Quarterly Return)	Jan to Mar 2026	22/04/2026
	4	CMP 08	Jan to Mar 2026	18/04/2026
	5	GSTR 4(Annual Return under Composition scheme)	Apr 2025 to Mar 2026	30/04/2026
May-2025	1	GSTR 1 (Regular Taxpayers)	April 2026	11/05/2026
	2	GSTR 3B (Monthly Return)	April 2026	20/05/2026
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	April 2026	25/05/2026
June-2025	1	GSTR 1 (Regular Taxpayers)	May 2026	11/06/2026
	2	GSTR 3B (Monthly Return)	May 2026	20/06/2026
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	May 2026	25/06/2026
July-2025	1	GSTR 1 (Regular Taxpayers)		11/07/2026
	2	GSTR 1 (Quarterly Taxpayers)	June 2026	13/07/2026
	3	GSTR 3B (Monthly Return)	June 2026	20/07/2026
	4	GSTR 3B Quarterly Return)	June 2026	22/07/2026
	5	CMP-08	Apr to June 2026	18/07/2026
	1	GSTR 1 (Regular Taxpayers)	July 2026	11/08/2026
	2	GSTR 3B (Monthly Return)	July 2026	20/08/2026

August-2025	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	July 2026	25/08/2026
	1	GSTR 1 (Regular Taxpayers)	August 2026	11/09/2026
September-2025	2	GSTR 3B (Monthly Return)	August 2026	20/09/2026
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	August 2026	25/09/2026
October-2025	1	GSTR 1 (Regular Taxpayers)	September 2026	11/10/2026
	2	GSTR 1 (Quarterly Taxpayers)	July to Sept 2026	13/10/2026
	3	GSTR 3B (Monthly Return)	September 2026	20/10/2026
	4	GSTR 3B (Quarterly Return)	July to Sept 2026	22/10/2026
	5	CMP-08	July to Sept 2026	18/10/2026
November-2025	1	GSTR 1 (Regular Taxpayers)	October 2026	11/11/2026
	2	GSTR 3B (Monthly Return)	October 2026	20/11/2026
	3	Monthly Tax Payment under ORMP Scheme(PMT 06)	October 2026	25/11/2026
December-2025	1	GSTR 1 (Regular Taxpayers)	November 2026	11/12/2026
	2	GSTR 3B (Monthly Return)	November 2026	20/12/2026
	3	Monthly Tax Payment under ORMP Scheme(PMT 06)	November 2026	25/12/2026
	4	GSTR-9(Annual Return)	FY 2025-26	31/12/2026
January-2026	1	GSTR 1 (Regular Taxpayers)	December 2026	11/01/2027
	2	GSTR 1 (Quarterly Return)	Oct to Dec 2026	13/01/2027
	3	GSTR 3B (Monthly Return)	December 2026	20/01/2027
	4	GSTR 3B Quarterly Return)	Oct to Dec 2026	22/01/2027
	5	CMP-08	Oct to Dec 2026	18/01/2027
February-2026	1	GSTR 1 (Regular Taxpayers)	January 2027	11/02/2027
	2	GSTR 3B (Monthly Return)	January 2027	20/02/2027
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	January 2027	25/02/2027

March-2026	1	GSTR 1 (Regular Taxpayers)	February 2027	11/03/2027
	2	GSTR 3B (Monthly Return)	February 2027	20/03/2027
	3	Monthly Tax Payment under QRMP Scheme(PMT 06)	February 2027	25/03/2027
April-2026	1	GSTR 1 (Regular Taxpayers)	March 2027	11/04/2027
	2	GSTR 1 (Quarterly Return)	Jan to Mar 2027	13/04/2027
	3	GSTR 3B (Monthly Return)	March 2027	20/04/2027
	4	GSTR 3B Quarterly Return)	Jan to March 27	22/04/2027
	5	CMP-08	Jan to March 27	18/04/2027
	6	GSTR 4(Annual Return under Composition scheme)	Apr 2026 to Mar 2027	30/04/2027

COMPANIES ACT

Due Dates in the Month of	Particulars	Description	Due Date
April-2026	Form MSME (outstanding payments to MSMEs)	The return is to be filed by any company that gets supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty-five days from the date of acceptance or the date of deemed acceptance of the goods or services.	30th April 2026 (For the period of October'25 – March '26)
May-2026	LLP FORM-11	Annual Return (to be filed by all LLPs irrespective of turnover)	30th May 2026
June-2026	DPT-3	To be filed in case the company has a deposit or an exempted deposit.	30th June 2026
September-2026	DIR-3 KYC	Form for Director KYC. Need to be filed mandatorily for every director on the Board	30th September 2026
October-2026	ADT-1	Form for Auditor Appointment	15th October 2026
	AOC-4	Form for filing Financials, Auditors' Report, Directors' Report, etc.	30th October 2026
	Form MSME (outstanding payments to MSMEs)	The return is to be filed by any company that gets supplies of goods or services from micro and small enterprises and whose payments to micro and small enterprise suppliers exceed forty-five days from the date of acceptance or the date of deemed acceptance of the goods or services.	31st October 2026 (For the period of April'25 – September'25)
November-2026	MGT-7	ROC Annual Return (Details of Shareholding, etc.)	29th November 2026
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-2026	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)	30/06/2026
		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/-	31/03/2026
		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 2026	1 Monthly Return (VAT payment)	March 2026	21/04/2026
	2 Quarterly Return (VAT payment)	January 2026 to March 2026	21/04/2026
May 2026	1 Monthly Return (VAT payment)	April 2026	21/05/2026
June 2026	1 Monthly Return (VAT payment)	May 2026	21/06/2026
July 2026	1 Monthly Return (VAT payment)	June 2026	21/07/2026
	2 Quarterly Return (VAT payment)	April 2026 to June 2026	21/07/2026
August 2026	1 Monthly Return (VAT payment)	July 2026	21/08/2026
September 2026	1 Monthly Return (VAT payment)	August 2026	21/09/2026
	1 Monthly Return (VAT payment)	September 2026	21/10/2026
October 2026	2 Quarterly Return (VAT payment)	July 2026 to September 2026	21/10/2026
	1 Monthly Return (VAT payment)	October 2026	21/11/2026
November 2026	1 Monthly Return (VAT payment)	November 2026	21/12/2026
	1 Monthly Return (VAT payment)	December 2026	21/01/2027
January 2027	2 VAT Audit (Form 704)	F.Y. 2024-2026	15/01/2027
	3 Quarterly Return (VAT payment)	October 2026 to December 2026	21/01/2027
February 2027	1 Monthly Return (VAT payment)	January 2027	21/02/2027
March 2027	1 Monthly Return (VAT payment)	February 2027	21/03/2027

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

March 2026						
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20 Direct Tax	21	22
23	24	25	26	27	28	29
30 Direct Tax	31					

Sr. No.	Date	Area of Knowledge (AOK)	Notification/ Circular/ Press Release	Short Description
1	20th Mar 2026	Direct Tax	CBDT Notification – Income-tax Rules, 2026 (G.S.R. 198(E))	CBDT notified new Income-tax Rules, 2026 under the Income-tax Act, 2025. Effective from 1 April 2026, these rules define compliance procedures, authorised banks, and updated forms in Appendix III.
2	30th Mar 2026	Direct Tax	BDT Notification No. 47/2026 – Income-tax (Fourth Amendment) Rules, 2026	Revised ITR-3 form notified for AY 2026–27. Changes include streamlined disclosure requirements, improved reporting formats, and alignment with evolving compliance needs. Effective 31 March 2026.
3	Mar 2026 (Lok Sabha introduction)	Direct Tax	Finance Bill, 2026 (Bill No. 3 of 2026)	Introduced in Lok Sabha, the Finance Bill, 2026 proposes amendments to multiple sections of the Income-tax Act, 1961 and 2025. Key updates include new section 147A, insertion of section 234-I, and substitution of penalty/prosecution provisions under sections 276B–276D.

Rectifications in the previous Newsletter:

No Rectifications about the previous Newsletter(s).

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