

DAHOTRE & DAHOTRE
Chartered Accountants



Knowledge and Innovation Committee

Newsletter

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Editor-in-Chief's Message

Hello readers!

Welcome to the **17**th Newsletter Edition of 2026.

In this Issue, we will discuss SA 800, Base Erosion and Profit Shifting under Direct Taxes and a detailed comparison of NRE and NRO accounts

Vedant Potdar
Editor-in-chief

Team's Message

"A boat doesn't go forward if each one is rowing their own way."

Dipali Kalyanakar
KNI Chairperson

Short Updates

RoC

Objective of CCFS-2026

1. It is a special scheme by MCA to help companies complete pending filings and become legally compliant without heavy penalties.
2. Limited Time Window
The scheme is available for a fixed period (April to July 2026), so companies must act within this deadline.
3. Reduced Penalty Benefit
Big relief — companies need to pay only a small portion of late fees (around 10%), making compliance much cheaper.
4. Coverage of Forms
It includes important forms like AOC-4 (financials), MGT-7 (annual return), ADT-1, etc., covering major compliance requirements.

Direct Tax

- Notification No. 01/CPC(TDS)/2026 introduces a structured digital framework mandating UIN generation by payers such as banks and companies for

every Form 121 (Part A), ensuring inclusion of PAN. The prescribed UIN structure is a 26-character alphanumeric code comprising a 'D'-initiated sequence, relevant tax year, and payer's TAN, with the sequence resetting annually. Under the revised compliance process, Form 121 (Part B) is required to be filed quarterly on the e-filing portal with records maintained for 7 years. This transition replaces the earlier 15G/15H mechanism with a more efficient, real-time validated digital system, significantly improving transparency and minimising compliance gaps in cases of tax non-deduction.

Indirect tax

- The Invoice Management System (IMS) was introduced on the GST portal effective from the October 2024 tax period. The system enables recipient taxpayers to take actions on invoices uploaded by their suppliers through GSTR-1, GSTR-1A, or IFF, including accepting, rejecting, or keeping such records pending. The IMS Offline Tool is Excel based offline tool which has been now made available on GST

01 Audit

All About SA 800



Dipali Kalyankar

Introduction

SA 800 (Revised), "Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks," deals with auditing financial statements prepared under frameworks like contract terms or regulatory requirements. It requires auditors to consider special aspects in accepting, planning, and reporting, often requiring an Emphasis of Matter paragraph to describe the special purpose.

Scope of this SA

The Standards on Auditing (SAs) in the 100-700 series apply to an audit of financial statements. This SA deals with special considerations in the application of those SAs to an audit of financial statements prepared in accordance with a special purpose framework.

This SA is written in the context of a complete set of financial statements prepared in accordance with a special purpose framework. SA 805(Revised)¹, deals with special considerations relevant to an audit of a single financial statement or of a specific element, account or item of a financial statement.

This SA does not override the requirements of the other SAs; nor does it purport to deal with all special considerations that may be relevant in the circumstances of the engagement.

Objective

The objective of the auditor, when applying SAs in an audit of financial statements prepared in accordance with a special purpose framework, is to address

Appropriately, the special considerations that are relevant to:

- (a) The acceptance of the engagement;
- (b) The planning and performance of that

engagement; and

(c) Forming an opinion and reporting on the financial statements.

Requirements for the Auditor

1. Acceptance of Engagement

The auditor must obtain an understanding of:

The purpose of the financial statements.

The intended users.

The steps management took to determine the framework are acceptable in the circumstances.

2. Planning and Performance

Determine if the application of SAs requires special consideration.

Understand any significant interpretations of a contract made by management during preparation.

Materiality: Judgments are based on the needs of the intended users rather than a broad group of users.

3. Forming an Opinion & Reporting

- Description of Framework: Evaluate if the statements adequately describe the framework and any significant contract interpretations. Auditor's Report Content:

- a) Must describe the purpose and intended users.
- b) Must include an Emphasis of Matter paragraph alerting readers that the statements are prepared under a special purpose framework and may not be suitable for other purposes.

- Restriction on Use: The auditor may also choose to restrict the distribution or use of the report to specific users.

Questions

1. Can the auditor restrict who reads or uses the audit report?
2. Is it assumed that the financial statements of SA 800 are under for general purpose?

Read next: BEPS (Base Erosion and Profit Shifting)

02 Direct Tax

BEPS (Base Erosion and Profit Shifting)



Ishwari Kumbhakarna

Introduction

In today's connected world, many big companies operate in multiple countries. While this helps them grow, it also gives them opportunities to reduce the tax they pay. This is where Base Erosion and Profit Shifting (BEPS) comes into the picture.

What is BEPS?

BEPS (Base Erosion and Profit Shifting) is when companies shift their profits to countries with low or no taxes so that they can pay less tax overall, even if their actual business activity happens somewhere else.

In Simple words :

The name Base Erosion and Profit Shifting (BEPS) directly describes what is happening:

Base Erosion: The "tax base" (the total income on which a country charges tax) is reduced or "eroded" when companies claim high expenses (like royalties or interest) in high-tax countries.

Profit Shifting: The profits are then "shifted" to countries with low or zero tax rates where the company pays less tax.

So, the term combines both effects:

Eroding the tax base in one country + shifting profits to another country = BEPS

Examples :

Example 1: Royalty Payments Trick

A company in India sells branded products.

The brand name is owned by its own subsidiary in a low-tax country.

The Indian company pays high royalty fees to use that brand.

Result:

Profit in India reduces (because royalty is an expense)

Profit shifts to the low-tax country

Example 2: High Interest Loans

A multinational company sets up another company in a tax haven.

That company gives a loan to its Indian branch at a very high interest rate.

The Indian company pays heavy interest every year.

Result:

Indian profits go down due to interest expense

Money moves to the low-tax country

Example 3: Transfer Pricing Manipulation

A company has two branches:

One in India (high tax)

One in a low-tax country

The low-tax branch sells goods to the Indian branch at a very high price.

Result:

Indian branch shows low profit (high cost)

Low-tax branch shows high profit

Why is BEPS a Problem?

Governments lose huge amounts of tax revenue

Smaller local businesses end up paying more taxes compared to big companies

It creates a sense of unfairness in the system

What is Being Done?

To solve this issue, global organizations like the Organisation for Economic Co-operation and Development and the G20 have created rules and guidelines.

These rules aim to make sure that:

Companies pay tax where they actually do business

Profit shifting is reduced

Tax systems become fairer

Conclusion :

Base Erosion and Profit Shifting (BEPS) shows how gaps in global tax systems can be used by multinational companies to legally reduce their tax burden, often in ways that don't reflect where real

economic activity happens. While these strategies may benefit companies in the short term, they create long-term challenges for governments, local businesses, and overall economic fairness. Efforts led by organizations like the OECD and the G20 are helping bring more transparency and balance to international taxation. As these rules evolve, the goal is clear: ensure that profits are taxed where value is truly created

Questions

1. Why do companies use BEPS strategies?
2. What is a key method used in BEPS?
3. Who is most affected by BEPS unfairness?

Read next: NRE vs NRO Account – Detailed Comparison

03 Direct Taxes

NRE vs NRO Account Detailed Comparison



Yashraj Bhutada

Introduction

Meaning of NRE and NRO Accounts

NRE Account (Non-Resident External Account)

An NRE account is a bank account opened by an NRI (Non-Resident Indian) to park foreign income in India.

Money deposited is converted into Indian Rupees (INR).

Main Purpose:

To manage foreign earnings in India and freely send money back abroad.

NRO Account (Non-Resident Ordinary Account)

An NRO account is used by NRIs to manage income earned in India such as:

- a) Rent
- b) Interest
- c) Dividend
- d) Pension
- e) Salary earned in India

Main Purpose:

To manage Indian income while living abroad.

Full Form

NRE Account: Non-Resident External Account

NRO Account: Non-Resident Ordinary Account

Purpose

NRE Account: To park foreign income in India
NRO Account: To manage income earned in India

Source of Deposit

NRE Account: Foreign income only
NRO Account: Indian income and foreign income

Currency

NRE Account: Maintained in Indian Rupees (INR)
NRO Account: Maintained in Indian Rupees (INR)

Repatriation (Sending Money Abroad)

NRE Account: Fully repatriable (no limit)
NRO Account: Limited repatriation up to USD 1 million per financial year

Tax on Interest

NRE Account: Interest is tax-free in India
NRO Account: Interest is taxable in India

Joint Account Facility

NRE Account: Can be opened only with another NRI
NRO Account: Can be opened with NRI or Resident Indian

Exchange Rate Risk

NRE Account: Yes
NRO Account: Yes

Best Use

NRE Account: Saving foreign earnings
NRO Account: Handling Indian income

Taxation Difference

NRE Account Taxation

- Interest earned → Fully Tax-Free in India ✓
- Balance → Exempt from Wealth Tax
- No TDS deducted

Best for tax-free savings of foreign income

NRO Account Taxation

- Interest earned → Taxable in India
- TDS deducted → 30% + surcharge + cess
- Rental income, pension, etc. → Taxable

Used when income arises in India

Repatriation Rules

NRE Account

- Full amount can be sent abroad
- No restriction
- Both principal & interest repatriable

NRO Account

Repatriation allowed

Limit: Up to USD 1 million per financial year

Requires documents like:

- a) Form 15CA
- b) Form 15CB
- c) Chartered Accountant certificate

Types of Accounts Available

Both NRE and NRO accounts can be opened as:

- a) Savings Account
- b) Current Account
- c) Fixed Deposit (FD)
- d) Recurring Deposit (RD)

Who Can Open These Accounts?

Eligible Persons

- NRIs (Non-Resident Indians)
- PIOs (Persons of Indian Origin)
- OCIs (Overseas Citizens of India)

Read next: Wall of wisdom.

WALL OF WISDOM (WOW):

- "The path to light is through the darkness."
- "A man is great by deeds, not by birth"

Read next: Do you know

DO YOU KNOW?

1. Do you know Coca-Cola was originally green.?
2. Do you know It takes eight minutes for light to travel from the sun to Earth?

What else do You Know?

Let us know.

Read next: Motivational Quote.

MOTIVATIONAL QUOTE:

"Life is like a game of cards. The hand that is dealt you is determinism; the way you play it is free will."

— Dr. Sarvepalli Radhakrishnan

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. GST 0.1% Export Benefit Denied Due to Route Deviation Despite Actual Export

2. IND AS 21

3. Section 43B(h) of Income Tax Act

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
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 receipts and cash payments each do not exceed 5%	Form 26	30/09/2026

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 TY 2026-27	31/10/2026
	4	TCS Statement– for Form 143	Q2 TY 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.	FY 2025-26	31/12/2026
January-2027	1	TDS/TCS Payment	December 2026	07/01/2027
	2	TDS Statement – For Form 138/140	Q3 TY 2026-27	31/01/2027
	3	TCS Statement– for Form 143s	Q3 TY 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 TY 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
December 2026	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
January 2027	1 Monthly Return (VAT payment)	January 2027	21/02/2027
February 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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