INCOME TAX COMPLIANCES FY 2024-2025

CA MEENU AGARWAL

CHARTERED ACCOUNTANT

26AS/AIS/TIS VS BOOKS OF ACCOUNTS

Discrepancies between 26AS vs AIS vs TIS on the income tax portal

Reconciliation of the income appearing in the books of accounts with 26AS - lookout for the following:

- Non-filing of TDS return by the payer
- Quoting WRONG PAN by the payer in TDS return
- Wrong amount mentioned while filing TDS return
- Quoting wrong Assessment Year in TDS return

Section 155(20) r/w Rule 134 and Form 71 –

- Rectify the assessment or intimation order to allow the TDS credit
- by filing Form 71 to claim the credit.
- within a period of 2 yrs from the end of FY in which TDS has been deducted

43B(H) OF INCOME TAX ACT

Any sum payable to Micro or small enterprise, is allowed on actual payment basis under income tax act

In case of agreement –

If not in written - payment to be made within 15days

If in written – payment to be made within 45 days

Consequences:

will be treated as part of taxable income

compound interest at three times as prescribed by RBI

Interest on delayed payments is disallowed under section 37

CLASSIFICATION OF MSME

w.e.f April 2025, there is change in the classification criteria for MSME

	Up to 31st March 2024		**w.e.f 1st April 2025**	
Enterprises	Investment	Turnover	Investment	Turnover
Micro	₹1 cr	₹5 cr	₹2.5 cr	₹10 cr
Small	₹10 cr	₹50 cr	₹25 cr	₹100 cr
Medium	₹50 cr	₹250 cr	₹125 cr	₹500 cr

PF AND ESI

Particulars	Employer contribution	Employee contribution
Due date as per respective act (PF and ESI)	15 days from the end of the month	15 days from the end of the month
Disallowance u/s	43B	36(i)(va)
Detailed understanding of allowance	Allowed even if the payment is made before filing of return	Allowed only when the payment is made as per the due dates as specified in the respective act (PF and ESI Act).

TAX DEDUCTION AT SOURCE (TDS)

- TDS rates from October 1, 2024

Section	**TDS rate upto 30th September 2024**	**TDS rate w.e.f 1st October 2024**
194DA – payment in respect of life insurance policy	5%	2%
194G – commission etc on sale of lottery tickets	5%	2%
194IB – Payment of rent by certain individuals or HUF	5%	2%
194M - Payment of certain sums by certain individuals or HUF	5%	2%

TAX DEDUCTION AT SOURCE (TDS)

Section	TDS rate upto 30th September 2024	TDS rate w.e.f 1st October 2024
194-O – Payment of certain sums by e-commerce operator to e-commerce participant	1%	0.1%
194F- Payment on account of repurchase of units by MF or UTI	20%	Omitted
194H – Payment of commission/ brokerage	5%	2%

194Q AND 206C(IH)

194Q applies to purchase of revenue and capital goods, TDS to be deducted @ 0.1% exceeding Rs 50 lakhs. In case of non- furnishing of PAN, TDS to be @ 5%

194Q overrides 206C(1H) in case the transaction is covered under both section.

194Q and 206C(1H) is not applicable on purchase of goods from non-residents or sale of goods to non-residents or with respect to services

206C(1H) is not applicable w.e.f 1st April 2025, only 194Q is applicable on purchase of goods

OTHER PROVISIONS

Introduction of Section 194T - TDS at the rate of 10% on payment of salary, remuneration, interest, bonus, or commission by partnership firm to partners, if it exceeds Rs 20000 in the financial year – effective **1st April 2025**

Exclude sums paid u/s 194J – TDS on payment for professional fee and fees for technical services are expressly excluded from Section 194C – payment to contractors w.e.f **1st October 2024**

TCS can be claimed as credit by the employees while computing TDS on salary income u/s 192 of the Act w.e.f **1st October 2024**

W.e.f **1st October 2024**, certificate u/s 197 for lower TDS/TCS can be applied for Sec 194Q and 206C as well.

DUE DATES FOR PAYMENT OF TDS/TCS

Quarter	Period	Last date of filing
4	1st January to 31st March 2025	TDS – 30th April 2025 TCS – 7th April 2025

DUE DATES FOR FILING OF TDS/TCS RETURNS

Quarter	Period	Last date of filing
4	1st January to 31st March 2025	TDS – 31st May 2025 TCS – 15th May 2025

TDS/ TCS RETURNS

Form Type	Type of transactions	Certificate to be issued
26Q	TDS on all payments except salaries	Form 16A
27Q	TDS on payment made to non-resident except salaries	Form 16A
24Q	TDS on salary	Form 16
26QB	TDS on sale of property	Form 16B
26QC	TDS on rent u/s 194IB	Form 16C
27EQ	TCS	Form 27D

CONSEQUENCE OF NON-DEDUCTION / PAYMENT

Sec 40(a)(ia) – disallowance of 30% of the purchase/expenses, as the case may be

Sec 234E – penalty for late submission of quarterly TDS/TCS return: Rs 200 per day up to the date of filing limited to the TDS liability.

Interest **u/s 201A/ 206C (7)** –

- if the part or whole of the amount is non-deducted at source, interest @ 1% per month or part of the month from the date the tax needs to be deducted till the date of payment
- In case of non-payment of the TDS deducted, interest @ 1.5% per month or part of the month from the date of deduction till the date of payment

Prosecution **u/s 276B** – failure to make payment to the Government, results in fine along with severe imprisonment

STATEMENT OF FINANCIAL TRANSACTIONS (SFT)

SFT must be submitted by a Financial Institution, Depository, Mutual funds house, Company, etc, on the transaction made by their account holders.

On submission of such a statement, the data will be reflected in the AIS of the taxpayers.

Due date for filing SFT by the specified taxpayer is 31st May 2025 in Form 61A/61B

Section 285BA r/w Rule 114E specifies a list of specified transactions applicable to specified persons along with a specified limit

Penalty u/s 271FA of INR 500 per day for initial failure to file within due date and Rs 1000 per day beyond the due date specified in notice

MINIMUM ALTERNATE TAX (MAT)

Applicability - To all companies including foreign, government and non-government companies.

Company is liable to pay the **Higher** of the following:

- Tax liability as per the normal provisions of the income tax act or
- Tax liability as per MAT u/s 115JB (tax rate 15% of book profits)

Book profits is adjusted net profit (certain items need to be added/deleted as specified)

As per Section 115JAA – MAT credit is claimed in case of companies paying MAT.

Allowable MAT credit = Tax paid as per MAT – Tax as per normal provisions

Due date: one month before due date as per Sec 139(1) or as response to notice received u/s 142(1)

ITR FILING – DUE DATES FOR FY 2024-25

Sl.no	Category of taxpayers	Due date
1	Non-audit taxpayers (Individual/HUF/AOP/BOI)	31st July 2025
2	Audit taxpayers (Business entities)	31st October 2025
3	Transfer pricing reports (business entities)	30th November 2025

CONSEQUENCES OF MISSING ITR FILING

1	Interest	At the rate of 1% per month of part of the month as per Section 234A
2	Late fee	As per Section 234F: INR 1000 if total income within Rs 5 lakh, else INR 5000
3	Loss	Loss adjustment in the subsequent years are not allowed

ADVANCE TAX PAYMENT

Instalment	Due date for advance tax payment	Amount
First	On or before 15th June	15% of tax liability
Second	On or before 15th September	45% of tax liability
Third	On or before 15th December	75% of tax liability
Fourth	On or before 15th March	100% of tax liability
Presumptive scheme (44AD or 44ADA)	On or before 15th March	100% of tax liability

Any tax paid, on or before 31st March shall also be treated as advance tax paid during the financial year.

In case of default in payment of advance tax – interest is liable under section 234B and 234C

TRANSFER PRICING COMPLIANCE

Particulars	Section	Forms	Due date
Transfer Pricing audit	92E	3CEB	31st October 2025
Transfer Pricing documentation	92D	-	31st October 2025
Master File	92D(4)	3CEAA	30th November 2025
Intimation by Designated constituent entity	92D(4)	3CEAB	31st October 2025
Intimation by Designated constituent entity	286(1)	3CEAC	2 months before furnishing CbCR

TRANSFER PRICING COMPLIANCE

Particulars	Section	Forms	Due date
Safe Harbor application	92CB	3CEFA – International transactions	30th November 2025
		3CEFB – Specified domestic transactions	30th November 2025
CbCR	286(2)	3CEAD	1 year from end of accounting year

CONSEQUENCES

Section	Violations	Penalties
270A(7)	Under-reporting of income	50% of the tax payable on the income that has been underreported
270A(8)	mis-reporting of income	200% of the tax payable on the misreported income
271AA(1)	Not maintaining transfer pricing documents or providing incorrect information or documents	2% of the value of the transaction
271AA(2)	Failure to furnish master file	INR 500000
271BA	Failure to furnish accountant report	INR 100000

CONSEQUENCES

Section	Violations	Penalties
271G	Not furnishing transfer pricing documentation to the transfer pricing officer	2% of the value of the transaction
271GB	Failure to furnish CbCr report	ranges from INR 5000 to INR15000

Thank You

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