#SabKarLenge

Tax Audit
271A, 271B,
221(1)

Transfer pricing
271AA, 271BA,

271
G GA GB

Cash loan/Advance
271
D DA E

SS ST T
269

Under-reporting/Undisclosed
270A, 271
AAB AAC AAD

SFT
271FA, 271FAA

1) Cash Loan & Advances

SS

	loan or deposit taken	Any Transaction received	loan/deposit paid
269	SS ↓ 20,000 or more	ST ↓ 2,00,000 or more	T ↑ 20,000 or more
271	D	DA	E
Penalty	100% of amount of loan	100% of amount received	100% of amount of loan

24000 plus

269T

20,000
↓
cash loan repayment

24000
↳ repayment
19000 - loan
5000 - Interest

Penalty - 19000

2) Under reporting/ Undisclosed

270 A - Under-reporting/ Mis-reporting of Imcome

Penalty ↓ 50% of Tax on URI ↓ 200% of Tax on URI

Under-reported Income

URI= Under-reported Income

Smart Notes
CA Yash Khandelwal

271AA

271AAB → B - Badmash
Undisclosed Income found in Search
↓
30%/ 60% of Undisclosed Income

271AAC
Unaccounted Income 68-69D
↓
10% of Tax on unaccounted Income u/s 115BBE

271AAD → Dhoke baaz
False entry or Omission to evade tax liability.
↓
100% of such false or omitted entry.

(3) Tax Audit

271A
Failure to keep & maintain books as per section 44AA
↓
Rs. 25,000

271B
Failure to get Books of Accounts audited u/s 44AB
↓
0.5% of Turnover or Gross Receipts
Max 1,50,000

Note: If Assessee has not maintained BOA, penalty shall only be leviable u/s 271A & not 271B because if BOA are not maintained, the question of getting them audited doesn't arise

<u>221(1) Failure to pay any tax - Self Assessment Tax, TDS, TCS, tax demand</u>
↓
Penalty → Maximum: Amount of Tax in Arrears

4) Transfer pricing

271AA

Failure to
- keep & maintain docs as per sec 92D
- Report such docs. when required
- maintain/ Furnish Correct info.

$\underbrace{\hspace{6cm}}$
2% of Transaction Value

271BA - CA ne ki report nahi di ye
Failure to furnish report of CA u/s 92E
Rs. 1,00,000

271

LOR

- **G**
  - Failure to furnish info as per sec 92D
    - 2% of value of International Transaction
- **GA**
  - 2% of Transaction Value
    - Failure to furnish u/s 285A
      - Where transaction has effect of transferring right of management
  - Rs.5,00,000
    - Failure to furnish report or furnishing inaccurate report u/s 285A
- **GB** - Global
  - Failure to furnish/ Inaccurate reporting in respect of International Group.
    - Rs. 5000 per day upto one month
    - Rs.15000 per day thereafter

143(1)
↳ Summary Assessment

143(3)
↳ Scrutiny Assessment/ Regular Assessment

147 : Re-assessment

Notes:

30%/60% - 271AAB

30%:

- assessee admits the Income during search
- &
- Assessee explains the nature & source of such Income
- &
- pays Tax + Interest on such Income
- &
- Discloses it in return
- &

60%- If even 1 condition is not satisfied, 60% penalty will be leviable.

270A Calculation

Penalty amount- 50%/200% of Tax as calculated below

If Return is filed:

	Tax on Baad Wali Income	-	Tax on pehle Wali Income
At the time of: Scrutiny Assessment	Tax on Income u/s 143(3)	-	Tax on Income u/s 143(1)
Re-assessment	Tax on Income u/s 147	-	Tax on Income u/s 143(3)

Order of Assessment	
143(1)	→ 15 lakh
↓ 143(3) > 143(1)	
143(3)	→ 20 lakh
↓ 147 > 143(3)	
147	→ 30 lakh

143(1) > 139(1) → not under.

143(1) > 139(1) ↓ Underreported ~~Tax~~

139(1) 10 lakh

Inc. BEL ↑ × ROI × ...

144 - 8,00,000
- 2,50,000
URI = 5,50,000

Under Reported Income = Income u/s [143(3) – 143(1)]

Income u/s [147 – 143(3)]

8 lakh 144

If Return is not filed: Tax On Assessed Income → ROI not filed 144

143(3) → 8 lakh
147 - 13 lakh
5 lakh
Tax on 13L - Tax on 8L

URI = Company/firm – Assessed Income - 8L.

Other Cases = Assessed Income u/s 144 – Basic Exemption

8L - 2.5 lac = 5.5 lac 8L - 3L - 5L.

If there is loss: Tax on Difference in loss (Reduction of loss/Increase in Income)

Penalty = Underreporting – 50 % of Tax

Misreporting – 200% of Tax

(8,00,000) = 143(1)
(2,00,000) = 143(3)
143(3) - 143(1)
= 6,00,000 - pe Tax nikalenge

270A(6): Cases which are not considered as under-reporting

- The amount of income in respect of which the assessee offers an explanation
- The amount of under-reported income determined on the basis of an estimate
- The amount of under-reported income represented by any addition made in conformity with the ALP determined by the TPO.
- The amount of undisclosed income on account of a search operation

Statement of Financial Transactions(SFT)

Due Date for filing SFT: 31st May of the year immediately following the F.Y. in which the Transaction is recorded.

AY. 31st May → de dena chaiye SFT

See 271FA- PENALTY FOR NON-FILING OF SFT

→ On failure to furnish SFT or Reportable Accounts
↳ Penalty is Rs.500 per day till the period of Notice

15th August - Notice
31st August → Time.
15th Sept - filed

→ On failure to pay the same till expiry of notice:
↳ Penalty would be Rs. 1000 per day after expiry of notice.

500 + 1000 = 50,000

Sec 271FAA: Inaccurate Info in SFT or Reportable A/cs

↓

Penalty = Rs. 50,000

Sec 271K - Where any College, University, Research Association } regd. u/s 35

Institution → regd u/s 80G

↓

Fails to deliver a prescribed statement in prescribed time → Penalty: Rs. 10,000- 1,00,000

Sec 272A- Penalty on non- compliance of AO's Order. → Min 10,000 →

Sec 271 AAE-

Any Trust regd. u/s 11/10(23C) gives any benefit to related person u/s 13(1) (eg.Benefit to trustee, founder etc.)

Penalty

1st Violation : 100% of the Amount

Subsequent Violation: 200% of the Amount