

PENALTIES

Summary of penalties already discussed in respective topics

| Section | Default | Amt of Penalty |
|--|--|--|
| 271A | Books of accounts not maintained | ₹ 25,000 |
| 271B | Books of accounts not audited | ↓ ½ % of Turnover ↓ ₹ 1,50,000 |
| 271AA | Transfer Pricing Info. & Doc. not maintained or incorrect | 2% of VOIT |
| | I.T. (International transactions) not reported in Form 3CEB | 2% of VOIT |
| | Master file not furnished | ₹ 5,00,000 |
| 271G | TP Info. & Doc. not furnished | 2% of VOIT |
| VOIT = Value of International transactions | | |
| 271AAD | False entry in books or Omission of entry in books | Amount of entry |
| 271AAE | Income applied by charitable or religious trust for the benefit of ATS [Author, Trustee, Substantial contributor] | First time 100% of the income used for ATS Next time [in any year] 200% of income used for ATS |
| 271BA | Report of CA not submitted by a TP Assessee | ₹ 1,00,000 |
| 271C | Failure to deduct TDS | Amount of TDS |
| 271CA | Failure to collect TCS | Amount of TCS |
| 271D | Taking loan , deposit or advance in cash where the aggregate loan, deposit or advance is ≥ ₹ 20,000 | Amount of loan/advance taken in cash |
| 271E | Repaying loan , deposit or advance in cash where the aggregate loan, deposit or advance is ≥ ₹ 20,000 | Amount of loan/advance repaid in cash |
| 271DA | Receiving cash aggregating ≥ ₹ 2 lakhs in a day or towards a transaction or for an event | Amount of cash received |

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| 271DB | Business [preceding FY turnover > ₹ 50 crores] is not providing facility of GPay etc to customers | ₹ 5,000 per day |
| 271FA | SFT not furnished up to 31 st May of the A.Y. | ₹ 500 per day |
| | Not furnishing SFT even after reminder notice | ₹ 1,000 per day after the time prescribed in notice expires |
| 271FAA | Furnishing inaccurate SFT | ₹ 50,000 |
| | If inaccurate SFT submitted by Banks/FI due to inaccurate information provided by account holders <u>Note:</u> Extra penalty of ₹5,000 per account levied on the Bank/FI can be recovered from the A/c holder] | ₹ 50,000 plus ₹ 5,000 per reportable account |
| 271FAB | Failure to furnish prescribed statement by Foreign Investment Fund | ₹ 5,00,000 |
| 271GA | Indian concern fails to furnish information in respect of indirect transfer of shares of a foreign company deriving substantial value from Indian assets (₹10 crore & 50% test). | 2% of the value of transaction if the transfer of shares of the foreign company results in transfer of management or control of the Indian concern. Otherwise, ₹ 5,00,000 |
| 271GB | CBC Report not furnished | |
| | → Delay up to 1 month | ₹ 5,000 per day |
| | → Delay beyond 1 month | ₹ 15,000 per day |
| | → Delay even after receiving of order levying penalty | ₹ 50,000 per day after receiving such order |
| | Furnishing inaccurate CBC Report | ₹ 5,00,000 |

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| 271GC | Failure to furnish prescribed statement by NR having liaison office in India. | |
| | → Delay up to 3 months | ₹ 1,000 per day |
| | → Delay > 3 months | ₹ 1,00,000 |
| 271H | Delay in furnishing TDS/TCS return beyond one month from the due date of filing TDS/TCS return | Min. ₹ 10,000 to Max. ₹ 1,00,000 |
| 271-I | Failure to furnish information regarding payments to NR and Foreign Co. | ₹ 1,00,000 |
| 271J | Furnishing incorrect reports or certificates by a CA , registered valuer or a merchant banker | ₹ 10,000 per report or certificate |
| 272A | Failure to comply with: ⇒ Notice u/s 142(1) ⇒ Direction u/s 142(2A) ⇒ Notice u/s 143(2) | ₹ 10,000 per default |
| 272B | Not having PAN required u/s 139A | ₹ 10,000 |
| | Not quoting PAN/Aadhar | ₹ 10,000 per default |
| 272AA | Failure to comply with provisions of sec. 133B [i.e. information required by I.Tax Authority not furnished] | Any amount up to ₹ 1,000 |
| 272BB | Not having TAN required u/s 203A | ₹ 10,000 |
| 270A | Underreporting of income | 50% of increase in Tax |
| | Misreporting of income (FRI₂ME) | 200% of increase in Tax |

PROSECUTIONS

Generally not asked in exams, but it is safer to go through this table – especially sections 276B and 276BB, which are important.

| Sections | Default | Imprisonment |
|----------|---|--|
| 275A | Contravention of prohibitory order or order of constructive seizure [in search cases] | Up to 2 years + Fine |
| 275B | Failure to provide necessary facility to to inspect books and documents in electronic form [in search cases] | Up to 2 years + Fine |
| 276B | Failure to deposit TDS <i>up to the due date of filing TDS return</i> | 3 mnths –7 yrs + Fine |
| 276BB | Failure to deposit TCS <i>up to the due date of filing TCS return</i> | 3 mnths –7 yrs + Fine |
| 276C(1) | Evading tax by hiding income , underreporting income etc. | If tax evaded > ₹25 lakh: 6 mnths–7 yrs + Fine Otherwise 3 mnths–2 yrs + Fine |
| 276C(2) | Not paying tax which is assessed | 3 mnths–2 yrs + Fine |
| 276CC | Failure to file the return | Same as 276C(1) |
| 276CCC | Failure to file return of block period under block assessment [in search cases] | 3 mnths–3 yrs + Fine |
| 277A | Falsifying books or documents to help or encourage any person to evade tax (Actual evasion is not required to be proved). | 3 mnths–2 yrs + Fine |