INTEREST AND PENALTY PROVISION UNDER FINANCE ACT 1994

Rule/ Section	Description	Condition	Standard Clause	Notified / Specified Provision
Rule 7C	Delay in filing of Service Tax Return	--	--	(i) Upto 15 Days - Rs.500/- (ii) 16th Day t0 30th Day - Rs.1000/- (iii) From 31st Day onwards - Rs.1000/- plus Rs.100 per day subject to a maximum of Rs.20,000/-.
Section 75	Interest for Non Payment of Service Tax	Simple interest upto date of payment.	10% < Rate < 36%	General Rate 18% (for SSP 15%). To be calculated based on No. of days. ***SSP: Service Provider whose turnover does not exceed Rs.60 Lakh in the Financial years covered by notice or in the last preceding financial year).***
Section 76	Penalty for Non Payment of Service Tax.	--	--	Rs. 100 per day for the period of default or 1% per month ***(to be computed based on No. of days),*** Whichever is higher, subject to a maximum of 50% of the tax due.
Section 77 (1) (a)	Failure to register with Service Tax Dept. as required under the act or rules.	--	--	Upto Rs. 10,000/-
Section 77 (1) (b)	Failure to maintain or retain Books/Records/Documents.	--	--	Upto Rs. 10,000/-
Section 77 (1) (c)	Failure to furnish information/documents called by Central Excise Officer or to appear before Central Excise Officer when summon is issued.	--	--	Upto Rs. 10,000/- or Rs.200 per day whichever is higher.
Section 77 (1) (d)	Failure to pay tax electronically (for those assesees who are required to pay service tax electronically)	--	--	Upto Rs. 10,000/-
Section 77 (1) (e)	Issuing incomplete/incorrect invoice or not recording an invoice in Books.	--	--	Upto Rs. 10,000/-
Section 77 (2)	General Penalty (For contraventions of Act or rules, for which separate panalty is not given).	--	--	Upto Rs. 10,000/-
Section 78 (1)	Service Tax not levied/not paid/short-levied/short-paid/erroneously refunded due to fraud/collusion/wilful mis-statement/suppression of facts/contravention of provisions/rules, with the intent to evade payment of tax.	--	--	100% of the Service Tax not levied/not paid/shor-levied/short-paid/erroneously refunded.
Provisio to Section 78 (1)	Where true and complete details of transactions are available in the specified records	--	--	Penalty reduced to 50%.
Second provisio to Section 78 (1)	Service Tax & interest due along with penalty is paid within 30 days (90 days in case of assessee whose value of taxable services does not cross Rs. 60 Lakhs during the year of notice or preceding financial year) from date of communication of order.	--	--	Penalty reduced to 25%
Section 78 (2)	When service tax payable is increased by appellate authority, benefit of reduced penalty as per second provisio to sec 78 (1) shall be available if increased service tax, interest thereon and 25% of the increased penalty have been paid within 30 days or 90 days as the case may be.	--	--	Benefit as under Second provisio to Sec 78 (1)
Section 78A	Company committed any of following contraventions: evasion of tax/ issuance of invoice or bill or challan without provision of service or in violation of rules / availment and utilisation of credit of taxes without actual receipt of services or excisable goods / failure to pay service tax collected beyond six months from date on which payment becomes due.	--	--	Any director/secretary/manager or other officer of company who was in charge at the time of such contravention and was knowingly concerned with such contavention shall be liable to pay a penalty upto Rs. 1,00,000/- (Penalty is compulsory. Benefit of Section 80 is not available in this case).
Section 80 (1)	Penalty under Setion 76, 77 and 78 not to be imposed in certain cases	If assesee proves that there was reasonable cause for the said failure.	--	No Penalty

Period of limitatation: Section 73 (1), where Service Tax is not levied/not paid/short-levied/short-paid/erroneously refunded, the same may be recovered within a period of 18 months from the relevant date. However, if such non levy/non payment/short-levy/short-payment/erroneous refund is due to fraud/collusion/wilful mis-statement/suppression of facts/contravention of provisions/rules, with the intent to evade payment of tax, the period of 18 months is