

SHORT NOTES ON PENALTIES & PROSECUTION

Hi Friends,

During my preparation of the Final exams, I made short notes on the topic penalties and prosecution. I have converted it into soft copy of it with the best of presentation skills that I can use. I hope it can help you to any extent in preparing for the exams.

Best of luck!

CDT u/s 115-O not paid.

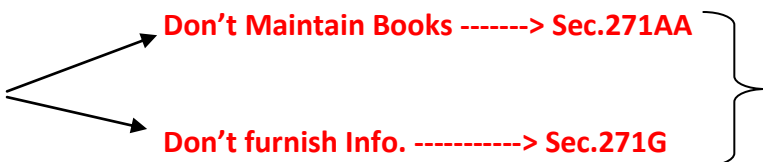
- Sec.115-P : Interest @ 1%
- Sec.115-Q: A-i-D (Assessee in Default)
- Sec.271C: Penalty = CDT not made.
- Sec.276B: Prosecution = 3m -----> 7 yrs.

How to remember: Sec.115-O/P/Q.

Sec.115-O: Levy CDT Sec.115-P: Interest Sec.115Q: A-i-D

TRANSFER PRICING.

a. Increase By TPO -----> Exp.7 to Sec.271(1)(c) -----> 100% to 300%.

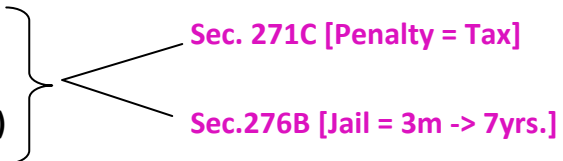
b. Sec.92D  2% of TV.

c. Sec.92E -----> Report --by --C.A. -----> Sec.271BA -----> 1 lacs/-

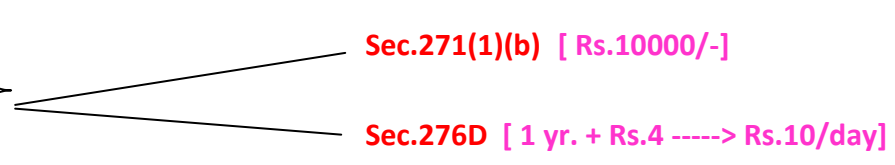
TDS NOT DEDUCTED.

- Sec. 201(1) -----> A-i-D.
- Sec.201(1A) -----> Interest @ 1% p.m.
- Sec.271C -----> Penalty = TDS not deducted.

Sec.271C/276B.

- TDS not deducted. (referred above)
 - CDT not paid. (referred above)
 - 194B not paid. (winnings from lottery.)
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- Sec. 271C [Penalty = Tax]
Sec.276B [Jail = 3m -> 7yrs.]

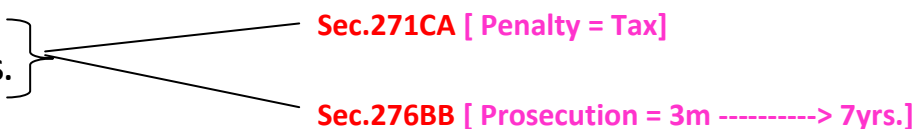
FAIL TO COMPLY NOTICE U/S

- 142(1)
 - 143(2)
 - 142(2A)
- 
- Sec.271(1)(b) [Rs.10000/-]
Sec.276D [1 yr. + Rs.4 -----> Rs.10/day]

How to Remember: Penalty for concealment: Sec.271(1)(c) and Sec.276C

Under this section, it is Sec.271(1)(b) and Sec.276D

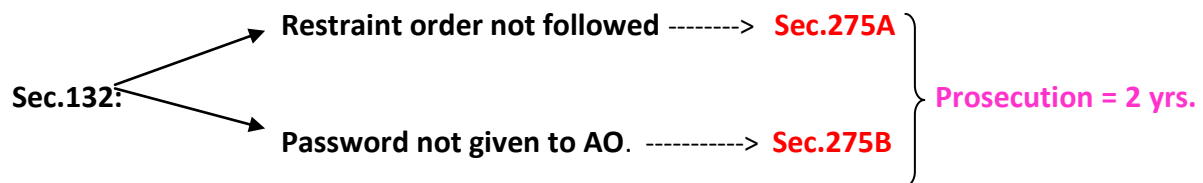
TCS U/S 206C

- Not deducting TCS.
- 
- Sec.271CA [Penalty = Tax]
Sec.276BB [Prosecution = 3m -----> 7yrs.]

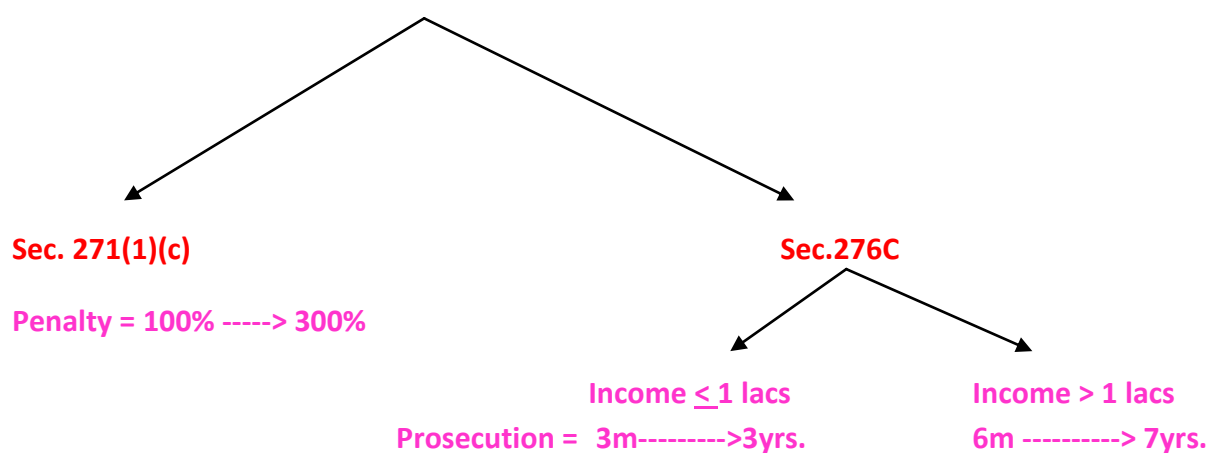
How to Remember: Under TDS provision, penalty is under Sec. 271C and Sec.276B

Under TCS provision, it is Sec.271CA and Sec.276BB

RAID U/S 132 PENALTIES.



PENALTY & PROSECUTION FOR CONCEALMENT OF INCOME.



How to Remember:

Penalty for concealment: Sec.271(1)(c) and Sec.276C

NOT FURNISH **WILLFULLY** RETURN U/S

- 139(1)
 - 142(1)
 - 148
 - 153A
- } Prosecution under Sec.276CC

The penalty shall be levied only if amt. of tax would exceed Rs.3000/-

Prosecution under Sec.276CC = Sec.276C (refer just above)

SEC. 277: MAKE FALSE STATEMENT.

SEC.278: ABET SOMEBODY TO DO SEC.277

SEC.278A: REPEATING THE ACTS MENTIONED UNDER THE FOLLOWING SECTIONS;

- | | | |
|---|---|--------------------------------|
| <ul style="list-style-type: none">- 276B- 276C- 276CC- 277- 278 | } | Prosecution = 6m -----> 7 yrs. |
|---|---|--------------------------------|

SEC.278B: OFFENCES BY COMPANIES.

SEC.278C: OFFENCES BY HUF.

SEC.278E: PRESUMPTION AS TO CULPABLE MENTAL STATE.

SEC.279:

Sec.279 (1): In respect of the below mentioned following offences [*refer above*], **prior approval of CCIT is required:**

- | | | |
|-------------|------------|---|
| - Sec.275A | - Sec.276D | <i>(refer above for all these sections)</i> |
| - Sec. 275B | - Sec.277 | |
| - Sec.276C | - Sec.278 | |
| - Sec.276CC | | |

Sec. 279(2): No Sec.276C & 277 if penalty u/s 271(1)(c) [*penalty for concealment*] is waived by CIT u/s 273A [*Power to grant immunity by CIT*].

SPECIFIC PENALTIES.

BOOKS OF ACCOUNTS/AUDIT OF ACCOUNTS.

Sec.44AA -----Books---not---Maintained-----> Sec.271A = Rs.25000/-

Sec.44AB -----Books—not--get—audited-----> Sec.271B = Rs.100000/- or .5% or TO

How to Remember:

Sec.44AA -----> Sec.271A

Sec.44AB -----> Sec.271B

SELF ASSESSMENT U/S 140A

Sec.140A -----> Sec. 140A = A-i-D.

ADVANCE/DEPOSIT > RS.20000/-

Sec.269SS -----> Sec.271D

Sec.269T -----> Sec.271E

} Penalty = Amount of such deposit/advance

NOT FILING RETURN

Sec.271F -----> Penalty = Rs.5000/-

NOT FILING ANNUAL INFORMATION RETURN [AIR]

Sec.271FA -----> Penalty = Rs.100/ day.

How to Remember:

Not filing return: -----> Sec.271F

Not filing AIR: -----> Sec.271FA

CERTAIN OFFENCES RELATING PAN/TAN/TCAN

Any PAN related offence ----->	Sec.272B	} Penalty = Rs.10000/-
Any TAN related offence----->	Sec.272BB	
Any TCAN related offence ----->	Sec.272BBB	

Explanation: In above case, PAN/TAN/TCAN related offences means any offence related to them like, not procuring number, not quoting it on relevant document etc.

SEC.273B:

Every penalty except Sec.271(1)(c) [*Penalty for concealment*], before getting levied, assessee be given natural justice & may be thereof waived if reasons valid.

Sec.272A.

Sec.272A(1): If the Assessee;

- | | |
|---|------------------------|
| <ul style="list-style-type: none">- Refuse to answer anything asked by A.O.- Refuse to sign any document required by any A.O.- Refuse to follow the summon u/s 131, | } Penalty = Rs.10000/- |
|---|------------------------|

Sec.272A(2): Fail to file return of

- | | |
|---|------------------------|
| <ul style="list-style-type: none">- TDS/TCS- u/s Sec.139(4A) [<i>Charitable trust</i>]- u/s Sec.139(4C) [<i>Sp. Associations</i>] | } Penalty = Rs.100/day |
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