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** → **Don't Maintain Books -------> Sec.271AA** / **Don't furnish Info. -----------> Sec.271G** } **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.)**

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.

Sec.132:

Restraint order not followed --------> Sec.275A

Password not given to AO. -----------> Sec.275B

Prosecution = 2 yrs.

PENALTY & PROSECUTION FOR CONCEALMENT OF INCOME.

Sec. 271(1)(c)

Penalty = 100% -----> 300%

Sec.276C

Income ≤ 1 lacs

Prosecution = 3m--------->3yrs.

Income > 1 lacs

6m ----------> 7yrs.

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;

- **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. 275B**
- **Sec.276C**
- **Sec.276CC**
- **Sec.276D**
- **Sec.277**
- **Sec.278**

(refer above for all these sections)

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**

Penalty = Amount of such deposit/advance

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

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
Any TAN related offence--------------------> Sec.272BB
Any TCAN related offence ----------------------> Sec.272BBB

Penalty = Rs.10000/-

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;

- **Refuse to answer anything asked by A.O.**
- **Refuse to sign any document required by any A.O.**
- **Refuse the follow the summon u/s 131,**

Penalty = Rs.10000/-

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

- **TDS/TCS**
- **u/s Sec.139(4A) [*Charitable trust*]**
- **u/s Sec.139(4C) [*Sp. Associations*]**

Penalty = Rs.100/day