



Income Tax Department

Government of India

PENALTIES

[AY 2014-15 & AY 2015-16]

<i>Section</i>	<i>Nature of default</i>	<i>Penalty leviable</i>
(1)	(2)	(3)
140A(3)	Failure to pay wholly or partly— (a) self-assessment tax/fringe benefit tax, or (b) interest, or (c) both under section 140A(1)	Such amount as Assessing Officer may impose but not exceeding tax in arrears
158BFA(2)	Determination of undisclosed income of block period	Minimum : 100 per cent of tax leviable in respect of undisclosed income Maximum : 300 per cent of tax leviable in respect of undisclosed income.
221(1)	Default in making payment of tax	Such amount as Assessing Officer may impose but not exceeding amount of tax in arrears
234E	Failure to file statement within time prescribed in section 200(3) or in proviso to section 206C(3)	Rs. 200 for every day during which failure continues but not exceeding tax deductible/collectible
271(1)(b)	Failure to comply with a notice under section 115WD(2)/115WE(2)/142(1) or section 143(2) or failure to comply with a direction under section 142(2A)	Fixed at Rs. 10,000 for each failure
271(1)(c)	Concealment of particulars of income or fringe benefits or furnishing of inaccurate particulars of income or fringe benefits	Minimum : 100 per cent Maximum : 300 per cent of tax sought to be evaded in addition to tax payable
271(4)	Distribution of profits by registered firm otherwise than in accordance with partnership deed and as a result of which partner has returned income below the real income	Not exceeding 150 per cent of difference between tax on partner's income assessed and tax on income returned, in addition to tax payable
271A	Failure to keep, maintain, or retain books of account, documents, etc., as required under section 44AA	Rs. 25,000
271AA	(1) Failure to keep and maintain	2% of value of each international

	information and documents required by section 92D(1) or 92D(2)	transaction/or specified domestic transaction entered into
	(2) Failure to report such transaction	
	(3) Maintaining or furnishing incorrect information or document	
271AAA	Where search has been initiated before 1-7-2012 and undisclosed income found	10% of undisclosed income
271AAB	Where search has been initiated on or after 1-7-2012 and undisclosed income found	(a) 10% of undisclosed income of the specified previous year if assessee admits the undisclosed income; substantiates the manner in which it was derived; and on or before the specified date pays the tax, together with interest thereon and furnishes the return of income for the specified previous year declaring such undisclosed income (b) 20% of undisclosed income of the specified previous year if assessee does not admit the undisclosed income, and on or before the specified date declare such income in the return of income furnished for the specified previous year and pays the tax, together with interest thereon; (c) Minimum 30% and maximum 90% of undisclosed income of the specified previous year if it is not covered by (a) or (b) above
271B	Failure to get accounts audited or furnish a report of audit as required under section 44AB	One-half per cent of total sales, turnover or gross receipts, etc., or Rs. 1,50,000, which-ever is less
271BA	Failure to furnish a report from an accountant as required by section 92E	Rs. 1,00,000
271BB	Failure to subscribe any amount to units issued under scheme referred to in section 88A(1)	20 per cent of such amount
271C	Failure to deduct tax at source, wholly or partly, under sections 192 to 196D (Chapter XVII-B) or failure to pay wholly or partly tax u/s 115-O(2) or second proviso to section 194B	Amount equal to tax not deducted or paid
271CA	Failure to collect tax at source as required under Chapter XVII-BB	Amount equal to tax not collected
271D	Taking or accepting certain loans and deposits in contravention of provisions of section 269SS	Amount equal to loan or deposit taken or accepted
271E	Repaying any loan or deposit specified in	Amount equal to loan or deposit repaid

	section 269T in contravention of its provisions	
271F	Failure to furnish return as required by section 139(1) or by its provisos before the end of the relevant assessment year	Rs. 5,000
271FA¹	Failure to furnish an annual information return as required under section 285BA(1)²	Rs. 100 per day of default
	Failure to furnish annual information return within the period specified in notice u/s 285BA(5)	Rs. 500 per day of default
271FB	Failure by an employer to furnish the return of fringe benefits as required under section 115WD(1)	Rs. 100 for every day of default
271G³	Failure to furnish any information or document as required by section 92D(3)	2% of the value of the international transaction/specified domestic transaction for each failure
271H⁴	Failure to deliver/cause to be delivered a statement within the time prescribed in section 200(3) or the proviso to section 206C(3) , or furnishes incorrect information in the statement	W.e.f. 1-10-2014 Assessing Officer may direct payment of penalty. Penalty shall not be less than Rs. 10,000 but may extend to Rs. 1,00,000
272A(1)	Refusal or failure to : (a) answer questions (b) sign statement (c) attend to give evidence or produce books of account, etc., in compliance with summons under section 131(1)	Rs. 10,000 for each failure/default
272A(2)	Failure to : (a) furnish requisite information in respect of securities as required under section 94(6) ; (b) give notice of discontinuance of business or profession as required under section 176(3) ; (c) furnish in due time returns, statements or certificates, deliver de-claration, allow inspection, etc., under sections 133, 134, 139(4A), 139(4C), 192(2C), 197A, 203, 206, 206C, 206C(1A) and 285B ; (d) deduct and pay tax under section 226(2) (e) file a copy of the prescribed	Rs. 10,000 for each failure/default. (In respect of penalty for failure, in relation to a declaration mentioned in section 197A , a certificate as required by section 203 and returns u/ss 206 and 206C and statements under section 200(3) or proviso to section 206C(3) , penalty shall not exceed amount of tax deductible or collectible)

	statement within the time specified in section 200(3) or the proviso to section 206C(3) (up to 1-7-2012)	
	(f) file the prescribed statement within the time specified in section 206A(1)	
272AA(1)	Failure to comply with section 133B	Not exceeding Rs. 1,000
272B	Failure to comply with provisions of section 139A/139A(5)(c)/(5A)/(5C)	Rs. 10,000
272BB(1)	Failure to comply with section 203A	Rs. 10,000 for each failure/default
272BB(1A)	Quoting false tax deduction account number/tax collection account number/tax deduction and collection account number in challans/certificates/statements/documents referred to in section 203A(2)	Rs. 10,000

Note : No penalty is imposable for any failure under [sections 271\(1\)\(b\)](#), [271A](#), [271AA](#), [271B](#), [271BA](#), [271C](#), [271CA](#), [271D](#), [271E](#), [271F](#), [271FA](#), [271FB](#), [271G](#), [271H](#), [272A\(1\)\(c\)](#) or (d), [272A\(2\)](#), [272AA\(1\)](#), [272B](#), [272BB\(1\)](#), [272BB\(1A\)](#) and [272BBB](#) if the person or assessee proves that there was reasonable cause for such failure ([section 273B](#)).

[Section 273AA](#) provides that a person may make application to the Principal Commissioner/Commissioner for granting immunity from penalty, if (a) he has made an application for settlement under [section 245C](#) and the proceedings for settlement have abated; and (b) penalty proceeding have been initiated under this Act. The application shall not be made after the imposition of penalty after abatement.

OFFENCES AND PROSECUTIONS

<i>Section</i>	<i>Nature of default</i>	<i>Punishment (rigorous imprisonment)</i>	<i>Fine</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
275A	Contravention of order made under section 132(1) (Second Proviso) or 132(3) in case of search and seizure	Up to 2 years	No limit
275B	Failure to afford necessary facility to authorised officer to inspect books of account or other documents as required under section 132(1)(iib)	Up to 2 years	No limit
276	Removal, concealment, transfer or delivery of property to thwart tax recovery	Up to 2 years	No limit
276A	Failure to comply with provisions of section 178(1) and (3) re : company in liquidation	6 months to 2 years	—
276AB	Failure to comply with provisions of sections 269UC , 269UE and 269UL re : purchase of properties by Government ⁵	6 months to 2 years	No limit
276B	Failure to pay to credit of Central Government (i) tax deducted at source under Chapter XVII-B (non-cognizable offence under section 279A), or (ii) tax payable u/s 115-O(2) or second proviso to section 194B	3 months to 7 years	No limit

276BB	Failure to pay the tax collected under the provisions of section 206C	3 months to 7 years	No limit
276C(1)	Wilful attempt to evade tax, penalty or interest (non-cognizable offence under section 279A)—		
	(a) where tax sought to be evaded exceeds Rs. 1 lakh (Rs. 25 lakh w.e.f. 1-7-2012)	6 months to 7 years	No limit
	(b) in other cases	3 months to 3 years (2 years w.e.f. 1-7-2012)	No limit
276C(2)	Wilful attempt to evade payment of any tax, penalty or interest (non-cognizable offence under section 279A)	3 months to 3 years (2 years w.e.f. 1-7-2012)	No limit
276CC	Wilful failure to furnish returns of fringe benefits under section 115WD/115WH or return of income under section 139(1) or in response to notice under section 142(1)(i) or section 148 or section 153A (non-cognizable offence under section 279A)—		
	(a) where tax sought to be evaded exceeds Rs. 1 lakh (Rs. 25 lakh w.e.f. 1-7-2012)	6 months to 7 years	No limit
	(b) in other cases	3 months to 3 years (2 years w.e.f. 1-7-2012)	No limit
276CCC	Wilful failure to furnish in due time return of total income required to be furnished by notice u/s 158BC(a)	3 months to 3 years	No limit
276D⁶	Wilful failure to produce accounts and documents under section 142(1) or to comply with a notice under section 142(2A)	Up to 1 year	₹Rs. 4 to Rs. 10 for every day of default
277	False statement in verification or delivery of false account, etc. (non-cognizable offence under section 279A)		
	(a) where tax sought to be evaded exceeds Rs. 1 lakh (Rs. 25 lakh w.e.f. 1-7-2012)	6 months to 7 years	No limit
	(b) in other cases	3 months to 3 years (2 years w.e.f. 1-7-2012)	No limit
277A	Falsification of books of account or document, etc., to enable any other person to evade any tax, penalty or interest chargeable/leviable under the Act	3 months to 3 years (2 years w.e.f. 1-7-2012)	No limit
278	Abetment of false return, account, statement or declaration relating to any income or fringe benefits chargeable to tax (non-cognizable offence under section 279A)		
	(a) where tax, penalty or interest sought to be evaded exceeds Rs. 1 lakh (Rs. 25 lakh w.e.f. 1-7-2012)	6 months to 7 years	No limit

	(b) in other cases	3 months to 3 years (2 years w.e.f. 1-7-2012)	No limit
278A	Second and subsequent offences under section 276B , 276C(1) , 276CC , 277 or 278	6 months to 7 years	No limit
280(1)	Disclosure of particulars by public servants in contravention of section 138(2) [Prosecution to be instituted with previous sanction of Central Government under section 280(2)]	Up to 6 months (simple/rigorous)	No limit

Notes :

1. No person is punishable for any failure under [section 276A](#), [276AB](#) or [276B](#) if he proves that there was reasonable cause for such failure (*vide* [section 278AA](#)).
2. (a) Prosecution for offences under [section 275A](#), [section 275B](#), [section 276](#), [section 276A](#), [section 276B](#), [section 276BB](#), [section 276C](#), [section 276CC](#), [section 276D](#), [section 277](#), [section 277A](#) and [section 278](#) to be instituted with previous sanction of Principal Director General/Principal Chief Commissioner/Principal Commissioner/Director General/Chief Commissioner/Commissioner, except where prosecution is at the instance of the Commissioner (Appeals) or the appropriate authority (*vide* [section 279](#)).
- (b) The offences under Chapter XXII can be compounded (either before or after the institution of proceedings) by Principal Director General/Director General or Principal Chief Commissioner/Chief Commissioner.
3. Where an offence under this Act has been committed by a person, being a company, and the punishment for such offence is imprisonment and fine, then, such company shall be punished with fine and every person, referred to in sub-section (1) of [section 278B](#), or the director, manager, secretary or other officer of the company referred to in sub-section (2) of [section 278B](#) shall be liable to be proceeded against and punished in accordance with the provisions of this Act.
4. With effect from 1-4-2008 under [section 278AB](#) a person may apply to the Principal Commissioner/Commissioner for granting immunity from prosecution, if he has applied for settlement under [section 245C](#) and the proceedings have abated under [section 245HA](#). The application shall not be made after institution of prosecution proceedings after abatement.

[1.](#) With effect from assessment year 2015-16 "annual information return" has been changed to "statement of financial transaction or reportable account" and word "return" has been changed to "statement".

[2.](#) With effect from assessment year 2015-16 a new section 271FAA has been inserted to provide for a penalty of Rs. 50,000 for furnishing inaccurate statement of financial transaction or reportable account in certain cases.

[3.](#) With effect from 1-10-2014 TPO can also levy penalty.

[4.](#) Section 271H as amended with effect from 1-10-2014 provides that penalty shall be levied by Assessing Officer.

[5.](#) Non-operative with effect from 1-7-2002.

[6.](#) With effect from October 1, 2014, if a person wilfully fails to produce accounts and documents as stated or wilfully fails to comply with the direction given, he shall be punishable with rigorous imprisonment for a term which may extend to one year and with fine (quantum of fine has not been specified).

7. No limit w.e.f. 1-10-2014.

[As amended by Finance (No. 2) Act, 2014]