

Annex A

Penalty and Prosecution provisions under Income Tax Act

Penalty Provisions

Section	Brief of the provisions	Minimum Penalty	Maximum Penalty
140A(3)	Failure to pay income tax and/or, interest in accordance with Section 140A(1)	Such amount as the AO may impose.	Tax in arrear
221(1)	Default in making payment of tax within prescribed time	Such amount as the AO may impose.	Tax in arrear
271(1)(b)	Failure to comply with a notice under section 142(1) or 143(2) or with a direction issued under section 142(2A)	₹ 10,000 for each failure.	₹ 10,000 for each failure
271(1)(c)/ (d)	Concealment of particular income or furnishing of inaccurate particulars of income.	100 <i>per cent</i> of tax sought to be evaded.	300 <i>per cent</i> of tax sought to be evaded.
271A	Failure to keep or maintain information or documents etc. as required u/s 44AA	₹ 25,000	₹ 25,000
271AA	Failure to maintain information or documents etc. in respect of international transactions.	Two <i>per cent</i> of the value of such transaction.	-
271AAA	Undisclosed income in the case of Search (applicable from 01/06/2007).	10 <i>per cent</i> of the undisclosed income of the specified previous year.	-
271B	Failure to get the accounts audited u/s 44AB or furnish such information as required u/s 44AB.	Half <i>per cent</i> of the total sales turn over or gross sales.	₹ 1,00,000
271BA	Failure to submit the report u/s 92E	₹ 1,00,000	-
271C	Failure to deduct tax as required u/s 192 to 195 or, failure to pay the tax as required u/s 115-O(2) or second proviso to section 194B.	Amount of tax such person failed to deduct or pay.	-
271CA	Failure to collect the tax at source.	100 <i>per cent</i> of tax such person failed to collect.	-
271D	Accepting loan or deposit in contravention to the provision of section 269SS.	Amount of loan or deposit accepted.	-

271E	Repayment of loan or deposit in contravention to the provision of section 269T.	Amount of loan or deposit paid.	-
271F	Failure to furnish return of income as required by section 139(1) before the end of relevant AY.	₹ 5,000	-
271FA	Failure to furnish Annual Information return within prescribed time as required by section 285BA(1).	₹ 100 for every day of failure	-
271FB	Failure to furnish the return of Fringe Benefits.	₹ 100 for every day of failure	-
271G	Failure to furnish information or documents u/s 92D.	Two <i>per cent</i> of value of such transaction	-
272A(1)(a)	Failure to answer any question put to any person by an Income Tax Authority.	₹ 10,000 for each default.	₹ 10,000 for each default.
272A(1)(b)	Failure to sign any statement made by a person in course of income tax proceedings.	₹ 10,000 for each default.	₹ 10,000 for each default.
272A(1)(c)	Failure to comply with summons issued u/s 131(1) to give evidence or produce documents.	₹ 10,000 for each default.	₹ 10,000 for each default.
272A(2)	Failure to comply with a notice <ul style="list-style-type: none"> • u/s 94; to give notice of discontinuation of business/ profession u/ 176(3); • to furnish return/ statements mentioned in sections 133,206,206C, or 285B; • to allow inspection of registers referred in section 134; • to furnish return of income u/s 139(4C) or 139(4A) or to deliver in due time a declaration mentioned in section 197A or 206C(1A); • to furnish certificate as required u/s 203 or 206C; • to deduct and pay tax u/s 226; to furnish statement as required u/s 192(2C); • to deliver a copy of statement of TDS/ TCS u/s 200(3)/ 206C(3); • to deliver return u/s 206A. 	₹ 100 for every day during which defaults continues.	₹ 100 for every day during which defaults continues.

272AA	Failure to comply with section 133B.	Any fine up to ₹ 1,000 ₹ 1,000	
272B	Failure to comply with section 139A.	₹ 10,000	-
272BB(1)	Failure to comply with section 203A.	Up to ₹ 10,000.	₹ 10,000
272BB(1A)	Failure to quote Tax Deduction or Tax Collection Account Number. (From 1/6/2006).	₹ 10,000	-
272BBB	Failure to comply with the provision of section 206CA (from 1/06/2002 but before 1/10/2004).	₹ 10,000	-
273A / AA	These sections empower the CIT to grant immunity from penalty.		
273 B	Penalty not to be imposed in certain cases if assessee proves that there was reasonable cause for the said failure.		
274	Procedure for imposing Penalties		
275	Bar of limitation for imposing Penalties		

Prosecution Provisions

Section	Nature of offences	Punishment Rigorous imprisonment
275A	Dealing with seized assets: contravention of prohibitory /order for constructive seizure u/s 132(3)/ second proviso u/s 132 (1).	Up to two years & fine
275B	Failure to comply with the provisions of Section 132 (1) (iib), in relation to affording facilities to inspect.	Up to two years & fine
276	Fraudulent removal, concealment, transfer or delivery of any property to thwart tax recovery.	Up to two years & fine
276A	Failure to comply with provisions of 278(1) & 278(3).	Up to two years & fine
276B	Failure to pay tax to the credit of the Central Government (TDS) or failure to pay to the Government tax u/s 115-O	Three Months & fine
276BB	Failure to pay the tax collected at source	Three months & fine
276C(1)	Willful attempt to evade tax, penalty or interest	If tax evaded exceeds ₹ One lakh, six months to seven years & fine, otherwise:
276C(2)	Willful attempt to evade the payment of any tax, penalty or interest.	Three months to three years & fine
276CC	Willful failure to furnish return of income u/s 139(1)/ 142/148 or 153A or 115WD(1)/115WH(FBT)	Do
276D	Willful failure to produce accounts and documents as directed by issue of notice under section 142(1)	Up to one year or fine @ ₹ four to 10 for each day of default or both.
277	Making a false statement in verification or delivering a false account or statement	If tax evaded exceeds ₹ one lakh six months, otherwise: three & fine
277A	Falsification of books of accounts or documents etc.	Three months (and fine)
278	Abetment to make false statement or declaration	If tax evaded exceeds ₹ one lakh, six months , otherwise: three months & fine
278A	Punishment 2 nd and subsequent offences in cases of certain defaults	Six months for every offence
278B & 278C	Offences committed by companies, firm, HUF, criminal liability of managing director, managing partner, kartha or any such officer, who willfully committed the offences for the company/firm/HUF.	Same as in the case of the company/firm/HUF
280(1)	Disclosure by a public servant in contravention of section 138(2)	Any period of six months & fine

Penalty provisions under Wealth Tax Act

Section	Brief of the provisions	Minimum Penalty	Maximum Penalty
15B(3)	Failure to pay tax or interest payable on self-assessment.	Not exceeding 100 <i>per cent</i> of tax in arrears.	-
18 (1)(ii)	Failure to comply with the notice u/s 16(2) or (4) without reasonable cause	₹ 1,000	₹ 25,000
18(1)(iii)	Concealment of wealth	100 <i>per cent</i> of tax sought to be evaded	500 <i>per cent</i> of tax sought to be evaded
18A(1)(a), (b) and (c)	Failure to answer question (i) legally bound, (ii) sign statement, (iii) comply with summons	₹ 500 for each failure	₹ 10,000 for each failure
18A9(2)	Failure to furnish statement	₹ 100 per day of failure	₹ 200 per day of failure
32	Default in payment of tax	Not exceeding 100 <i>per cent</i> of tax in arrears.	