

Penalty

① Sec 270 A → Under reporting & Mis reporting

Penalty ⇒ • 50% of tax payable on under reporting
 • 200% of tax on under reported income resulted from Misreporting.

② Cases of Under reporting

(1) • where income assessed u/s 143(3) > Income determined u/s 143(1)(a)

Jax Payable = ① Income u/s 143(3)
 ⇒ Income u/s 143(1)(a)

 x

② Jax on x + Jax on 143(1)(a)
 (+) less

 ③ (-) Jax on Income u/s 143(1)(a)

 y

④ Penalty = 50% of y

(2) Income reassessed u/s 147 > Income determined u/s 143(3)
 assessed कइ 50% Penalty

① ~~Income~~ u/s 147
 ⇒ Income u/s 143(3)

 x

② Jax on x + Jax on income u/s 143(3)
 (-) Jax on Income u/s 143(3)

 y
 Penalty = 50% of y

अगर 2 में less दिया है तो less को Minus करोगे और जो Income बनेगा उसमें Jax निकल

(3) when NO return is furnished ②

① Income assess v/s 144

(-) Basic Exemption Limit (250000)

x

② Tax on x + Basic Exemp. Limit

③

y

Penalty = 50% of y .

(4) → Misreporting = 200% Penalty of tax.

- SSCG & LSCG shown @ lower rate
- CG claimed exempt if it's not exempt
- Dedⁿ v/s 43B taken when it's not paid upto due date.
- Unexplained investment.
- Bogus Bills of Expⁿ
- Sales not accounted
- Failure to report International trans.

⑤ Sec 270AA → Immunity

The AO may grant immunity from penalty v/s 270A & initiation of proceedings v/s 276C/276CC if:

- Tax & int has been paid
- No appeal has been made.
- No period of appeal has expired.

But, AO can't grant immunity appeal in cases of Misreporting of Income.

① Non compliance of sec 285 BA

Private bank filed to file ROI.

Notice was issued on 1/10 to furnish return upto 31/10.

But, Return furnished on 15th/11

So, Penalty u/s 271 FA

① → 1.6.2020 - 31/10 = 500 Per Day
1.11.2020 - 15.11 = 1000 Per Day.

②) Sec 271 AAB → levy of Penalty on Undisclosed
Income found during search
which relates to specified PY. :-

①) If undisclosed Income is admitted during search

→ and assessee explains the manner in which such income is derived.

→ and pay tax, interest on undisclosed Income & furnishes ROI for specified period.

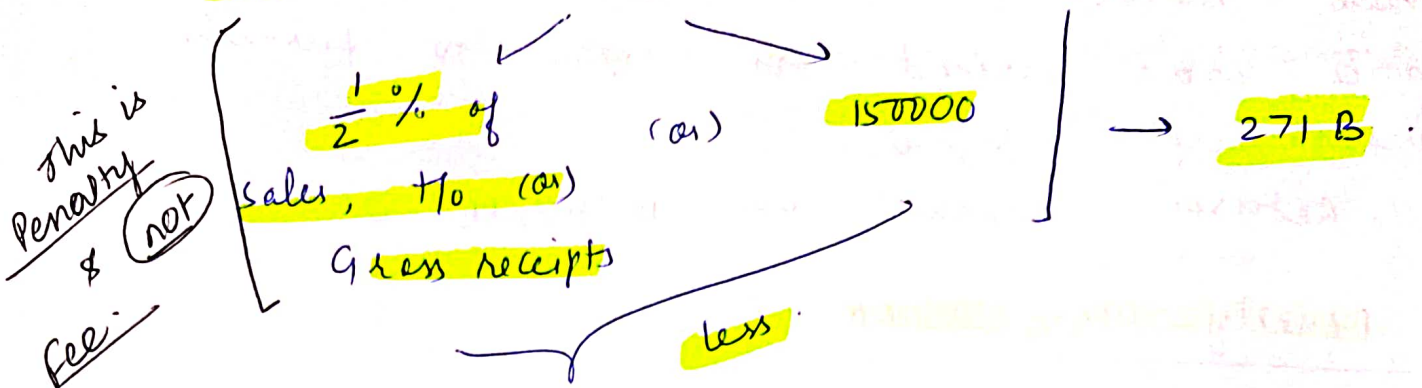
→ Penalty @ 30% on undisclosed Income.

→ But, if assessee records all undisclosed Income in his books or before date of search, no penalty

②) But, if assessee is not able to admit (or) disclose the source of income.

Penalty @ 60% is levied.

① Failure to get books of MC audited u/s 44AB within time



② Failure to comply with directions u/s 142(2A)

Penalty of 10000 (sec 272A)

③ Failure to furnish report from accountant as req. in sec 92E

Penalty of 100000 (sec 271BA)

④ ~~BoA~~ Sec 44AA → Maintenance of BOA

- in any 3 PFY.
- ① specified profession - % exceeds 150000
 - ② Others [Except Ind./HUF] - % exceeds 10L (or) % Income exceeds 120000
 - ③ Ind/HUF carrying Business / Profession - % exceeds 2500000 (or) % Income exceeds 250000

→ Non maintenance → Penalty u/s 271A of 25000.

→ If BOA are not maintained, there's no scope of audit u/s 44AB, so, no penalty can be imposed u/s 271B.

Note :- The AO can't treat a loan as Undisclosed Income & levy Penalty u/s

271 D read with 269 SS.

Because, when amt becomes undisclosed Income it loses the character of loan and Penalty u/s 271 D can't be levied.

It becomes a case of misappropriation & Penalty u/s 270 A attracts @ 200% of tax.

② Penalty u/s 271 C → Failure to deduct TDS

Penalty = sum equal to amt of TDS
 this can be imposed only by JC

③ Penalty u/s 272 A → Failure to furnish info.
required by the dept.

Penalty of ₹ 100 per day during which the failure continues.

④ Penalty u/s 271 G → Failure to furnish info sought by JPO in case of International Trans.

Penalty = 2% of value of International Trans (or) Specified Domestic Trans.

⑤ An Eligible Investment Fund is required to furnish stmt of activities within 90 days from the end of FY. In case of failure, Penalty of 500000 u/s 271 FAB is attracted.

① Any unexplained income u/s 68, 69, 69A, 69D

- Tax @ 78% u/s 115BBE
- No dedⁿ is allowed of expⁿ
- Penalty u/s 271AAC on tax @ 10%

② sec 271J → Penalty on Professionals for furnishing Incorrect info. in statutory report

Penalty of 10000 for each report.

* ③ sec 271GB → Submission of incorrect info in CBC Report - 500000
summary

- ① 270A
- ② 271 AAB — undisclosed — 30% and 60% during search
- ③ 271 A — 44AA X — 25000 (BOA)
- ④ 271 B — 44AB X — 1/2% (or) 150000 (Audit) } lower.
- ⑤ 271 C — deduct JDS — Amt of JDS
- ⑥ 271 G — failure to give inf to JPO — 2% of value of Ent. Jr.
- ⑦ 271 J — Incorrect info by Professⁿ in Report — 10000 Per Report
- ⑧ 271 AAC — Unexplained income — 10% of tax
- ⑨ 271 BA — report from Account u/s 92E — 100000
- ⑩ 272 A →
 - Failure to comply with directors u/s 142 — 10000
 - Failure to furnish info by dept — 100 Per day

Penalty

①

- ① Under-reporting - 200 A
- ② Ind - return file नहीं किया
 ↓
 Basic exemp नहीं मिलेगा - 250000 का
 ↓
 पूरे Income पर Tax निकाले
 + cess @ 4%

50% - Penalty.

- ③ अगर loss है तो - Balance income पर tax निकाल कर cess add करे
-
- 2
= 50% Penalty.

④ Waiver

- Causes genuine hardship
- Assessee has co-operated.

IF Penalty exceeds 100000, he has to take approval from PCCIJ

④ - Loan - s 269SS → it can be levied only by JC
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 Penalty s 271D - equal to loan.

At the moment it is treated as undisclosed income, it loses the character of loan & no penalty s 271D can be levied.

① Eligible Investment fund - must furnish ②

stmts within 90 days of end of FY.

Failure : 500000 penalty. u/s 271FAR.