

Penal interest and Penalties under the Income Tax Act, 1961 in India

(A) Penal Interest for the failure of a compliance				
S. No	Section	Particulars	Rate of Interest Per month (%)	Period
1	201(1A)	For failure to deposit TDS	1.5%	From actual date of deduction to actual date of deposit
2	201(1A)	For failure to deduct TDS	1%	From required date of deduction to actual date of deduction
3	206C(7)	For failure to collect TCS	1%	From required date of collection to actual date of Collection
4	234A	For delay in Filing of IT Return	1%	From due date of filing to Date of Completion of assessment of IT return
5	234B	For failure to pay Advance Tax below 90% of assessed Tax	1%	From Ist April of the assessment year to Date of Completion of assessment
6	234C	For deferring of Advance Tax installment	1%	From due date of payment to next installment of advance Tax

(B) Penalty for the failure of a compliance			
S. No	Section	Particulars	Rate/amount of Penalty
1	221(1)	For non-payment of Tax Payment	(i) Minimum 0% (ii) Maximum 100% of amount of Tax in arrear
2	271(1)(b)	For failure to Comply any notice	Rs. 10,000 for each failure
3	271(1)(C)	For Concealment of income	Minimum 100% and Maximum 300% of tax amount evaded
4	271A	For failure to maintain books or documents under section (u/s) 44AA	Rs. 25,000
5	271AA	For failure to maintain the informations against international transactions u/s 92D	@2% of amount of International Transactions

6	271 AAA	For Undisclosed income found during search and seizure	10% of undisclosed income
7	271AAD	For making false or omission of entry to avoid tax liability	100% of amount of false or omission of entry
8	271B	For failure to get accounts audit u/s 44AB	@ 0.5% of total receipts/turnover or Rs. 150,000 whichever is lower
9	271BA	For failure to furnish a report for Transfer Pricing (TP) u/s 92E	Rs. 100,000
10	271C	For failure to deduct TDS	100% of amount of TDS not deducted
11	271CA	For failure to collect TCS	100% of amount of TCS not collected
12	271D	For failure to take loan in cash u/s 269SS	100% of loan taken in cash
13	271E	For failure to pay against loan in cash u/s 269T	100% of loan paid in cash
14	271F	For failure to furnish return of income	(i) Rs. 5,000 upto December (ii) Rs. 10,000 upto March
15	271FA	For failure to furnish Annual Information Report (AIR) u/s 285BA	Rs. 500 per default
16	271H	For failure to furnish E-TDS return /statement	Minimum Rs. 10,000 and Maximum Rs. 1,00,000
17	272A(1)	For failure to answer or sign any statement	Rs.10,000 for each failure
18	272A(2)	For failure to comply against Income Tax Departments letter	Rs. 100 per day till failure continue
19	272A(2)(g)	For failure to issue TDS certificate	Rs. 100 per day till failure continue

S. No	Section	Particulars	Rate/amount of Penalty
20	272AA(1)	For failure to furnish required informations u/s 133B	Rs. 1000
21	272B	For failure to apply for PAN	Rs. 10,000
22	272 BB(1)	For failure to apply for TAN	Rs. 10,000
23	272BB(1A)	For failure to quote correct TAN	Rs. 10,000
24	272BBB	For failure to apply for TCN	Rs. 10,000

● **Disclaimers:**

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