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INCOME-TAX ACT, 2025

Chapter XXI: PENALTIES

Section 446 - Failure to get accounts audited.

(1)If any person who is required to furnish a statement in respect of a transaction of a crypto-asset under section 509(1), fails to furnish such statement within the time prescribed under the said section, the prescribed income-tax authority under that section may impose on him, a penalty of ₹ 200 for every day for which such failure continues.

(2) The prescribed income-tax authority may impose a penalty of ₹ 50000 on a person referred in sub-section (1), if such person—

(a) provides inaccurate information in the statement and fails to remove such inaccuracy as per section 509(4); or

(b) fails to comply with due diligence the requirement under section 509(5) [1]

1. Substituted by The Finance Act, 2026 for

If any person fails to get his accounts audited for any tax year or years or furnish the audit report as required under section 63, the Assessing Officer may

impose a penalty on such person, which shall be the lesser of––

(a) 0.5% of the total sales, turnover, or gross receipts in business, or the gross receipts in profession for such tax year or years; or

(b) ₹150000

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