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INCOME-TAX ACT, 2025

Chapter XXI: PENALTIES

Section 465 - Penalty for failure to answer questions, sign statements, furnish information, returns or statements, allow inspections, etc.

(1) A person shall be liable to pay a penalty of ₹10000 for each default or failure as mentioned below, if that person,—

(a) being legally bound to state the truth of any matter touching the subject of his assessment, refuses to answer any question put to him by an income-tax authority in the exercise of its powers under this Act; or

(b) refuses to sign any statement made by him in the course of any proceedings under this Act, which an income-tax authority may legally require him to sign; or

(c) to whom a summons is issued under section 246(1), either to attend to give evidence or to produce books of account or other documents at a certain place and time omits to attend or produce books of account or documents at the place or time; or

(d) fails to comply with a notice under section 268(1) or 270(8) or fails to comply with a direction issued under section 268(5).

(2) A person shall be liable to pay a penalty of ₹500 for every day during which the following failures continue, if that person fails to—

(a) comply with a notice under section 175(7); or

(b) give the notice of discontinuance of his business or profession as required by section 320(3); or

(c) furnish in due time any of the returns, statements or particulars mentioned in section 252 or 397(3) or 507; or

(d) allow inspection of any register referred to in section 255 or of any entry in such register or to allow copies of such register or of any entry therein to be taken; or

(e) furnish the return of income as required under section 263(1)(a)(iii) or (iv) or to furnish it within the time allowed and, in the manner, required under sections 263(1) and (2); or

(f) deliver or cause to be delivered in due time a copy of the declaration required under section 393(7); or

(g) furnish a certificate under section 395(4); or

(h) deduct and pay tax under section 416(3); or

(i) furnish a statement under section 392(5)(a); or

(j) deliver or cause to be delivered in due time a copy of the declaration required under section 394(3); or

(k) deliver or cause to be delivered the statement within the time specified in section 397(3)(b); or

(l) deliver or cause to be delivered a statement within the time as may be prescribed under section 397(3)(e); or

(m) deliver or cause to be delivered a statement within the time as may be prescribed under section 397(3)(g)(i).

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(3) The amount of penalty shall not exceed the amount of tax deductible or collectible for failures in relation to the following:––

(a) a declaration required under section 393(7);

(b) a certificate as required under section 395(4); and

(c) statements under section 397(3)(b) or (e).

(4) Any penalty imposable under sub-section (1) or (2) shall be imposed—

(a) if the contravention, failure or default for which such penalty is imposable occurs in the course of any proceeding before an income-tax authority not below the rank of Joint Director or a Joint Commissioner, by such income-tax authority;

(b) in a case falling under sub-section (1)(d), by the income-tax authority who had issued the notice or direction referred to therein;

(c) in a case falling under sub-section (2)(f), by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner; and

(d) in any other case, by the Joint Director or the Joint Commissioner.

(5) In this section, “income-tax authority” includes a Principal Director General or Director General, Principal Director or Director, Joint Director and an Assistant Director or Deputy Director while exercising the powers vested in a court under the Code of Civil Procedure, 1908, when trying a suit in respect of the matters specified in section 246(1).

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