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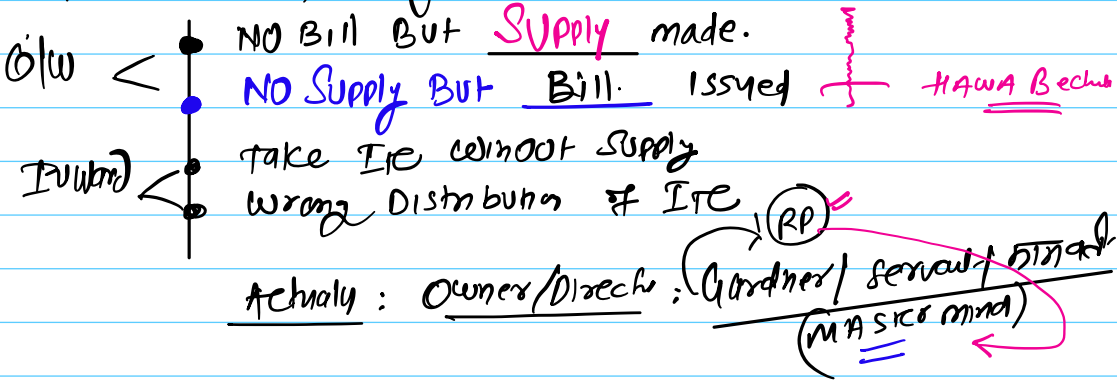
CHAPTER Penalties:

Section NO	Offence	Penalty
122(1) "PENALTY for "21" Specified offences = SHORT FORM "I-M-RRR- ITC" & D.S.O For persons who is Registered or Required to Register"	<p><b>(I) : INVOICE:</b></p> <ul style="list-style-type: none"> <li># NO INVOICE / FALSE INVOICE / Bogus INVOICE ; ISSUE ✓</li> <li># Bogus INVOICE / FALSE INVOICE - Recd for ITC.</li> <li># ISSUE INVOICE with Registration NO. of another person.</li> <li># EWB / Bilty etc NOT ISSUED</li> <li># SUPRECO TURN OVER</li> </ul>	<p>100% of TAX OR 10,000</p> <p>"WHICH EVER IS HIGHER"</p>
	<p><b>(M) = Manner of Payment</b></p> <ul style="list-style-type: none"> <li># Collect TAX / Amount ; But NOT PAID Even Beyond 3 months of Due Date.</li> <li># TDS : NOT deducted / short deducted / deducted BUT NOT PAID</li> <li># TCS : NOT collected / short collected / collected BUT NOT PAID</li> </ul>	
	<p><b>(R) = Registration</b></p> <ul style="list-style-type: none"> <li># NO Registration</li> <li># Registration with wrong details (fraudulently taken)</li> </ul>	
	<p><b>(R) RECORDS : &amp; INFO :</b></p> <ul style="list-style-type: none"> <li># NO RECORD / FALSE RECORD / Substituted Records</li> <li># DESTROY RECORDS / FALSE INFORMATION.</li> </ul>	
	<p><b>(R) : Return:</b> - NOTHING - Because already see: <u>47</u> in picture.</p>	
	<p><b>(R) Refund :</b> Fraudulently claim Refund</p>	
	<p><b>ITC</b></p> <ul style="list-style-type: none"> <li># Wrongly Availed / Utilise ITC</li> <li># Wrongly Distribution of ITC By <u>ISD</u></li> </ul>	

# DOS:

- ① # Dispose ~~of~~ tamper with - Any goods seized <sup>and</sup> US: 67(2) OR provisionally attached goods US: 83.
- ② # Obstructs: Create obstruction in officer works.
- ③ # Secondary party: Transporter / warehouse keeper etc @ involved.

# Any person who is master mind i.e. on whose instruction following transactions are conducted.



100% & TAX " OR ~~Rs 10000~~

Section: 122(1A) PENALTY for MASTER MIND. "Hide Behind CURTAIN"

Section 122(1B) PENALTY for "ECO" Related to UNREG. Person

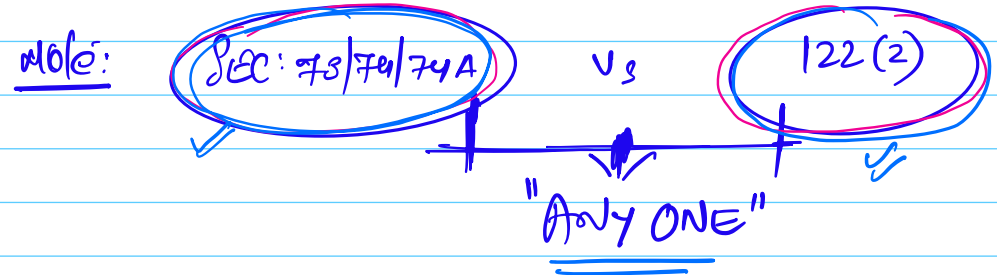
- # Any E-commerce operator (who is required to collect TCS US: 52)
- # Allow any UNREG. person (Vendor of goods) without ENR NO
- # Allow inter-state supply on portal
- # Fails to furnish details US: 52 (TCS statement)

100% & may OR Rs 10,000 (Whichever is higher)

Section: 122(2)

- # Any Registered person who commits following -
- \* TAX NOT paid
  - \* TAX SHORT paid
  - \* ITC wrongly claimed / Utilise
  - \* Erroneous Refund

BONA FIDE 10% & TAX OR 10000 (Whichever)



MALA FIDE 100% & TAX OR 10000 BUT YANA NA -

Section 122(3)  
 PENALTY FOR SUPPORTERS  
 गाड़ी में धरान देते वॉले!

Any person who -

- # Aids/Abets with respect to offence u/s 122(1)
- # Acquire possession of goods/transport/Deposit keeping/Concealing etc of contrabanned goods i.e. Contrabanned goods in hand same time hai. of CA/Director/manager etc.
- # NOT present before officer (Travel)
- # Invoice NOT issue / NOT account for.

Upto Rs. 25000

CRUX

122(1) : 21 offences	;	100% of tax or 10,000 (H)	- Fixed
122(1A) : MASTER MIND	;	100% of tax	- Fixed
122(1B) : ECO	;	100% of tax or 10,000 (H)	- Fixed
122(2) : Bonafide etc	;	(10% of tax or 10K) » (100% of tax or 10K) (H)	Fixed
122(3) : Aids/Abets	;	Upto 25,000	- Variable

Section 125 Resident Penalty :

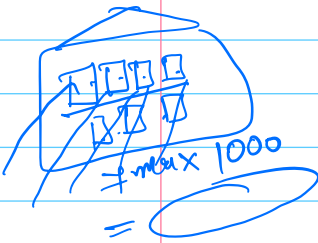
Where NO Specific penalty is provided for any offence ; penalty u/s: 125 - Up to Rs 25000

- of Late Registration
- of Bodies of A/c - NOT maintain till 72 months.
- of NOT to follow 1% Concept

# Section: 122A

Background: Gutika / Pan masala / Tobacco = 10,000  
 + GST @ 40% = 4000  
 + CESS @ 135% = 13500  
27500

10K MAAL  
 17.5K TAX



Heavy tax rate ↑  
 Heavy EVASION ↑  
 Heavy control ↑

So ONE more step added in it - MACHINE IC Counting se - Production Capacity - Determine KARNA ie concept introduce - "Registration of Packing machine"

"NAHI KARAYA TO" — Penalty U/s: 122A

NOT understanding anything contained in this Act...  
 → where any person who is engaged in manufacturing of specified goods in respect of which any special procedure relative to registration of machine is notified U/s: 148 (eg Gutika, Pan masala etc)

→ Contravention of special provision is NO REGISTRATION OF MACHINE  
 → then in addition to the penalty payable otherwise - BE liable to a penalty U/s: 122A

₹ 1,00,000.  
 PER MACHINE  
 For each UN REGISTERED machine.  
 say = 3 M/C UN REG.  
 Penalty = 3 lakh  
 Every such machine liable to Confiscation.

Relaxation  
 Bring in late CHOD DO -  
 • IF pay penalty &  
 • Win in 3 DAYS of M/C KA REGISTRATION  
 NO CONFISCATION

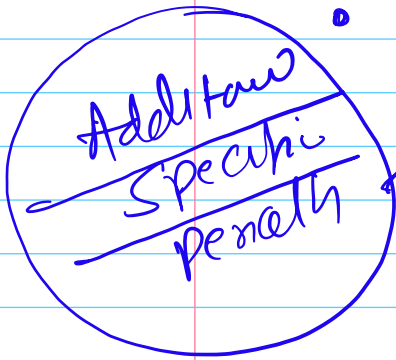
Note:

For Pan Masala, Tobacco, etc - ONE MORE Step has been taken - to check/stop TAX EROSION: -

- Concept of "UIM" - Unique Identification mark
- On these specified goods - UIM - fix
- Which now removable - & Track - @  
↳ the supply chain - i.e. QR Code / Barcode



- Non Compliance of "UIM":



Rs 100000  
OR  
10% of TAX ✓ High

Penalty U/s: 123 (NOT FOR TAXPAYER): Penalty for failure to furnish - INFORMATION Returns: -

- धारा
- # Applicable to Person (Depalt) who is required to file Information Return within prescribed time U/s: 150
  - # Penalty Amount = Rs 100 per day (MAXIMUM: 5000)

- शर्त
- # Person covered under this section: BANK, RTO, Development Authority, Electricity Deptt, Stock Exchange, TAX Deptt etc.

उस Similar penalty given U/s: 124 (NOT FOR TAXPAYER)

"FINE for failure to furnish statistics i.e. ORGANISED DATA -

Failure to furnish: UPFRONT fine = UPTO 10,000/-  
+  
100 per day penalty @ max 25000

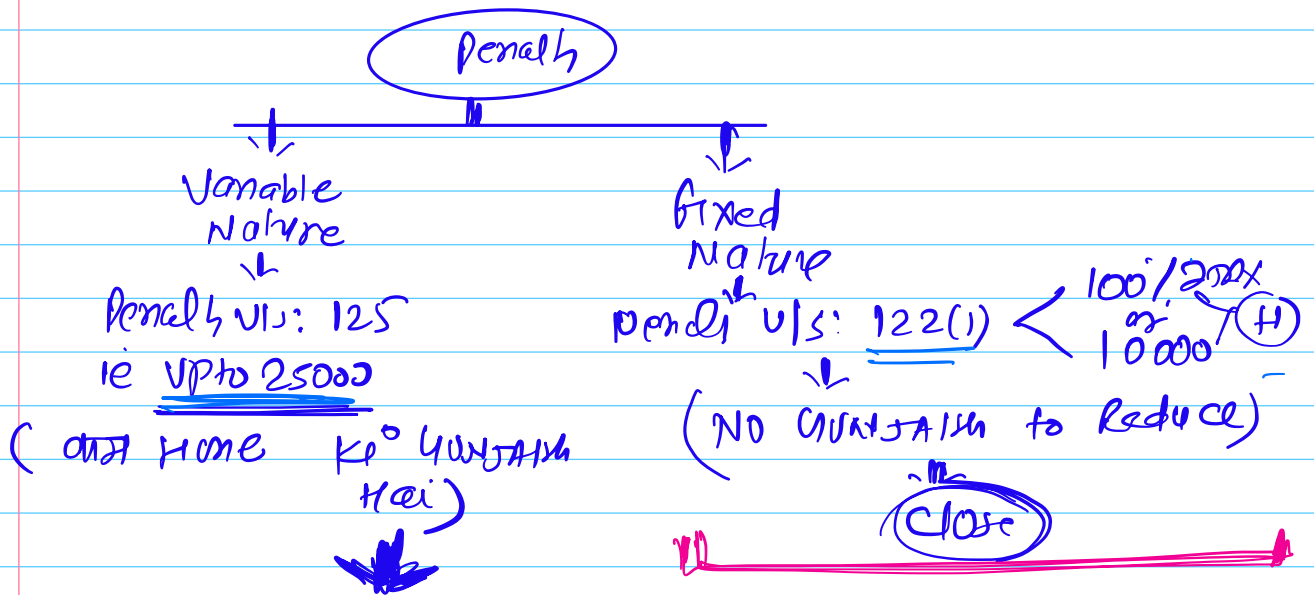
"Relax - BABY - Relax"  
Section Number: 126: provision of this section is for CST officers i.e. how we are talking with CST officer

Officers power

General Discipline related to penalty mitigation/reduction in penalty

Points to be considered while imposing penalty

## # (1) Mitigation ( कर भरना ) :



Penalty imposing powers

- \* NO Penalty for minor Breach  
ie where amt of TAX Involved is less than ₹ 5000
- \* NO Penalty for mistake Apparent from Records & NO fraudulent intent.
- \* Voluntary Disclosure will be given Due Respect.
- \* Penalty Amount may vary @ Case to Case.

## # (2) Other Points to be considered while imposing Penalty :

- \* Penalty should be imposed - Based upon Intensity of case.
- \* Opportunity of being heard shall be given  
ie first of All notice shall be given  
↓  
Opportunity of being heard  
Penalty order Descriptive & in writing. with full clarity =

Section: 128: Power of Govt to waive penalty,  
" Fee or BOB "

# Govt has the power that is Special Circumstances  
penalty

U/s: 122

U/s: 123

U/s: 125

U/s: 47

waive off fully / partially

Return Late Fee.

Section: 127: TU SATH NA DE MEZA - Chalng  
MUJHE AATA HAI - HAR AAG SE  
WAKIF HU JALWA MUSTE AATA ---

# KVA only (Penalty) proceeding may going on - alone  
& alone  $\Rightarrow$  YES.

# NO mandatory Requirement to do this along with  
Other Proceedings

\* U/s: 62/63/64 (BJ & Summary Assessment)

U/s: 73/74/74A (SCN - Demand order)

U/s: 129/130 (Seizure & Confiscation)

same  
provisions also  
for Interest

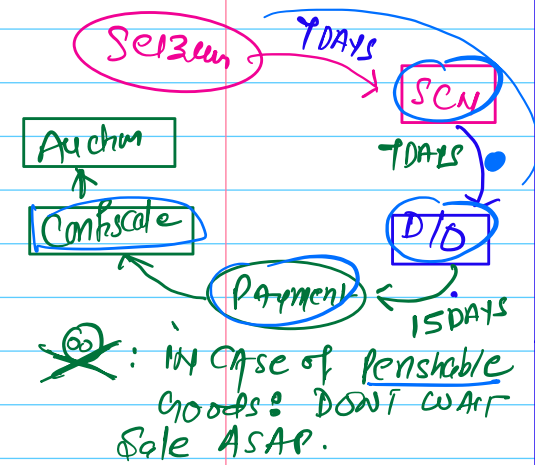
Civil Liability → Seizure & confiscation @ outdoor  
 @ ON the way  
 @ IN TRANSIT

Section Reference & Situation

Section: 129: Seizure:

Applicable Where:  
 # Transport Contrabanned Goods. (MOVMA) ✓  
 # Store "IN TRANSIT" @ Contrabanned Goods (Stalam) ✓

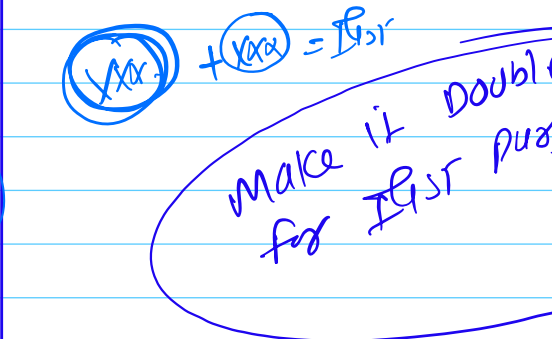
Notes: Power to stop vehicle is given upto 68 (Roko - Roko) IF value of goods EXCEEDS: ₹ 50K  
 Fir kya Hua MAMT ie What NEXT??



FOR GOODS OWNED

● PAY Before Demand order  
 # TAXABLE Goods 200% TAX  
 # EXEMPTED Goods 2% of Value of Goods  
 OR  
 ₹ 25,000/- (Lower) ✓

● PAY After Demand order  
 # TAXABLE Goods 200% TAX OR 5% of Value of Goods (Higher)  
 # EXEMPTED Goods 5% OR ₹ 25,000/- (Lower)

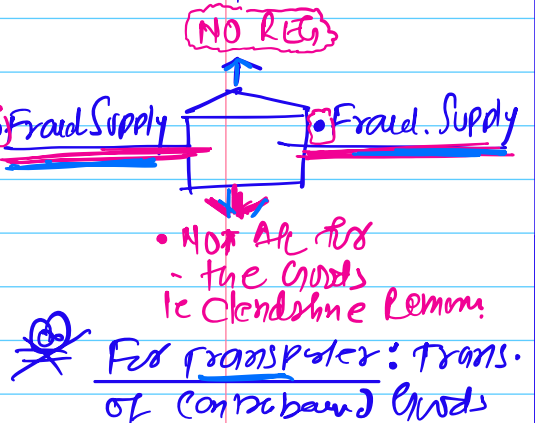


FOR TRANSPORT

Penalty amount of Transporter of Goods: ₹ 10000  
 Jitni Penalty owner pe  
 Utni Penalty transporter pe  
LAGHO: XXX  
THODI - JATTI.  
MAR JAYGA.  
CAPING: MAXI  
UPPER CAP: 1 LAKH

Value: 10000  
 + CUSR = 9000 ✓  
 + SG = 9000 ○

Section: 130 Confiscation @ Redemption fine



MAX amount of Redemption Fine: (ie Goods ki jaan ka sauda hai) =  
 Market value of Goods X 10% GST amount (X%)  
MAX. R. Fine = AV / EXCISE X X

Note: TAX ✓ + INT ✓ + Penalty ✓ + RD/Confiscation

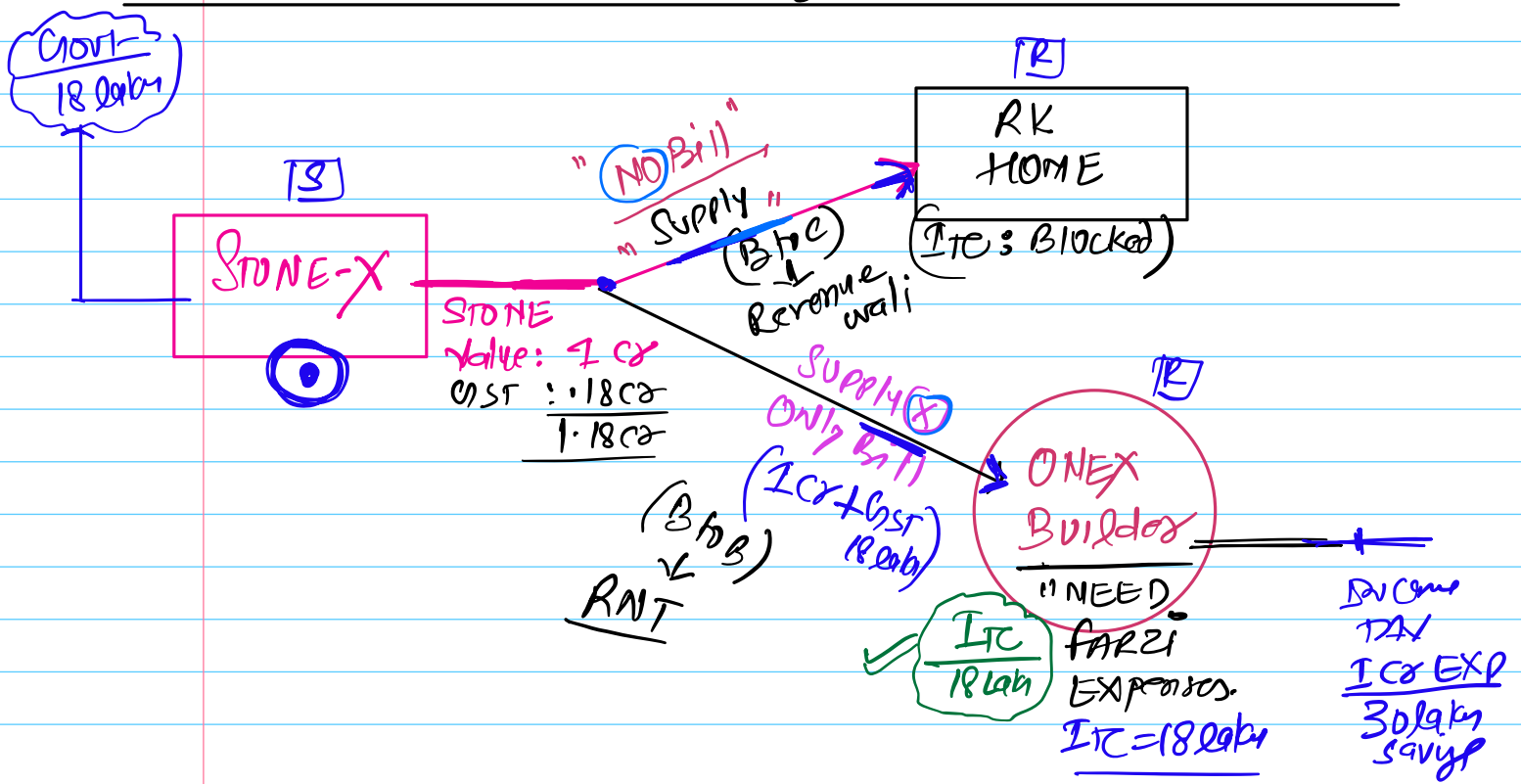
MAXIMUM Redemption fine ie TRUCK ki jaan ki KA SAUDA —  
Small Postman: Transporter ki VAJAH se GST.  
 10% Chori HO RANI THA  
 UTNE HI DMT DT.  
 R. Fine JITNE KI  
 TAX CHORI BHOVE Hai.

- Other Companies have to Evade TAX
- Goods @ TRUCK: liable to SEIZURE
- However ONE option is also given to Avoid Confiscation: option to PAY REDEMPTION FINE to BOKS

## Section : 131

# Civil and Criminal Proceedings: Both are Independent means IF Civil proceedings Activated or Civil liability @ imposed - NO Relaxation in CRIMINAL proceedings & vice versa.  
(like NADI KE DO KINASE)

## Background Before Starting CRIMINAL proceedings:



Sec: 132: CRIMINAL offences

- # List of criminal offences
- # Nature of offence (HOT / COOL)
- # Punishment for certain offence (Jail/Bail)

Section: 132(i): Any Person

WHO COMMIT (KIYA) ✓  
 cause to COMMIT (KARAYA)  
 Beneficiary (MAZA AYA)

9 CRIMINAL offences: Couple List:

(S) Angle  
(P) Angle

(a)	NO Bill, But supply made
(b)	NO Supply, Bot roll issue. (शरी नीचला / Bill PARCHERA KARN)
(c)	BOOK ITC (Based on Above)
(d)	Collect TAX/Amount But NOT Paid Even Beyond <u>3</u> MONTHS OF D/D

शरी-  
पुन

Evade: (e) otherwise way @ evade tax / claim refund @ fraudulent.

False: (f) Keep FALSE / substitute records, produce false info.

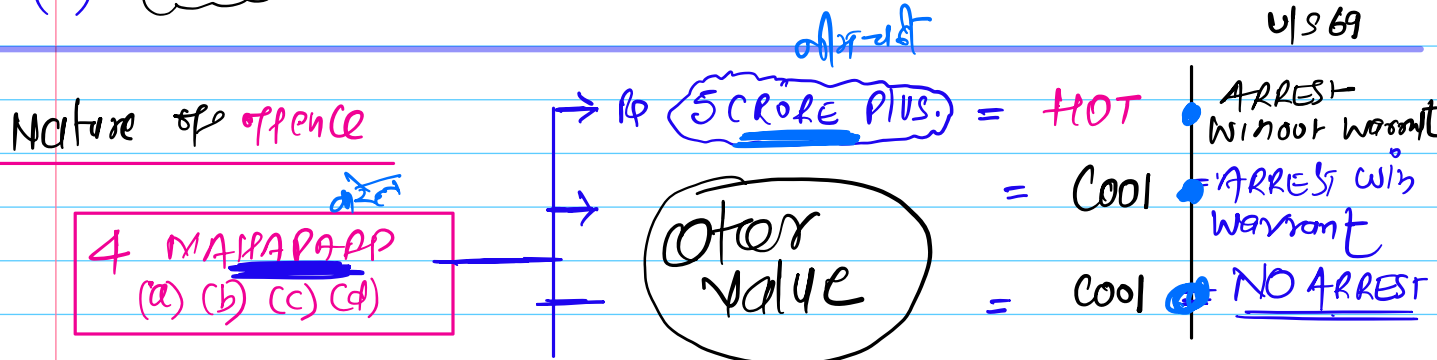
(g) ✗

(HI) Boys & Girls.

(h) Any way Deals w/ contraband goods @ GOODS (Boys)  
 (i) Any way Deals w/ contraband service @ SERVICE (Girls)

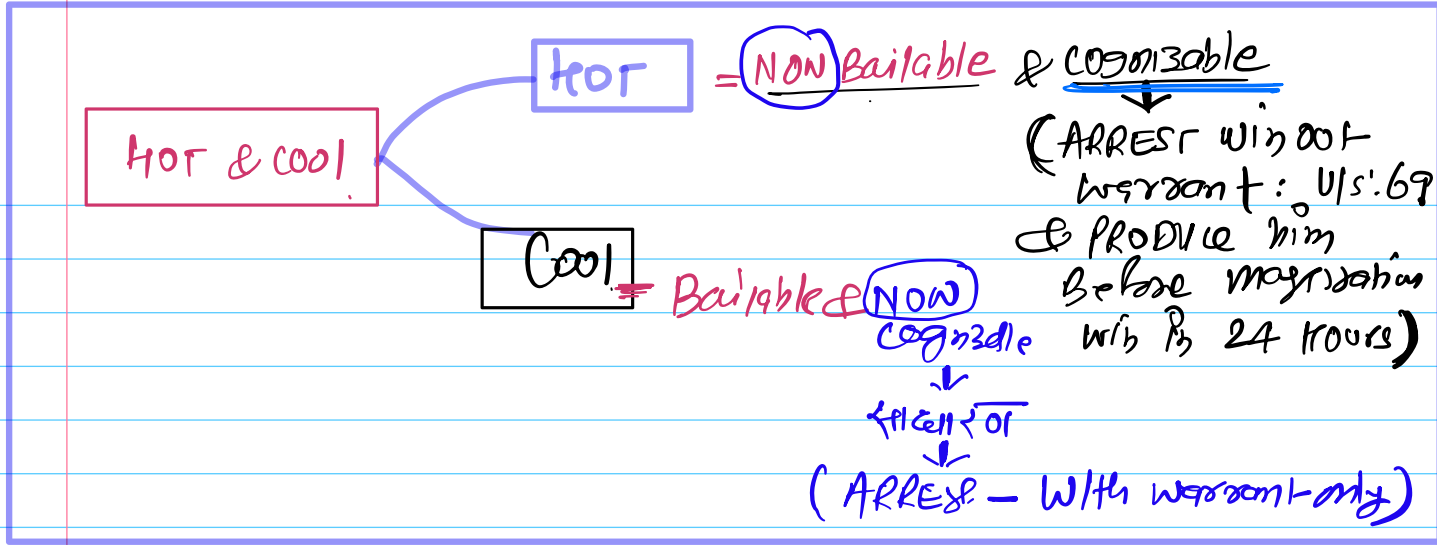
(j) ✗  
 (k) ✗  
 (l) Attempt

to Commit Above offences



Other Paap: (e) (f) (h) (i) (l) → Always COOL (Small/Biz Amt)

CRUX: (4 MAHARAP + 5 SCORE PLUS) = HOT  
 RESR = COOL



PUNISHMENT

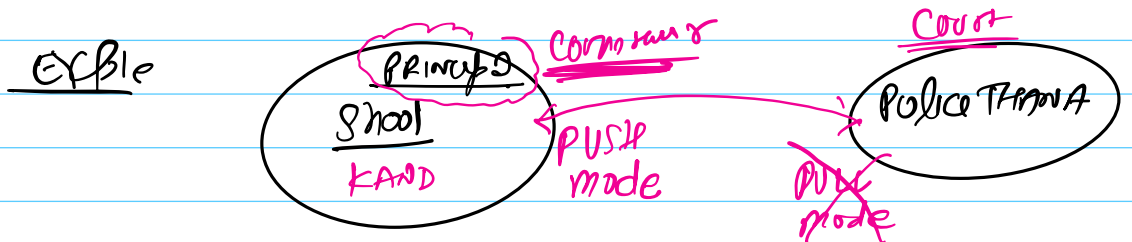
Particulars	Value	Punishment
<ul style="list-style-type: none"> <li>• <u>SEC: 132(1)(i)</u>: (Any offence) - (d)</li> <li>• <u>SEC: 132(1)(ii)</u>: (Any offence (a) to (d))</li> <li>• <u>Section 132(1)(iii)</u>:               <ul style="list-style-type: none"> <li>• offence " (b)</li> <li>• offence: Other than (b) i.e. (8)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <u>5 CR PLUS</u></li> <li>• <u>2 CR PLUS TO 5 CR</u></li> <li>• <u>1 CR PLUS TO 2 CR</u></li> <li>• <u>1 CR PLUS TO 2 CR</u></li> </ul>	<ul style="list-style-type: none"> <li>• <u>6M TO 5 YEARS</u></li> <li>• <u>6M TO 3 YEARS</u></li> <li>• <u>6M TO 1 YEAR</u></li> <li>• (no punishment)</li> </ul>
<ul style="list-style-type: none"> <li>• <u>Section 132(1)(iv)</u> For offence (f)</li> </ul>	(-)	<u>UP TO 6 MONTHS</u>
<u>Section: 132(2)</u>	Repeat offence (Any Value) i.e. Habitual offender	SATA TOP CLASS MILEJI - 6M TO 5 YEAR

Note: punishment of 6 months may be reduced in special cases. It is discretion of COURT.

## Section : 133 : Not Relevant

### Section 134 Cognizance of offences (संज्ञा के अन्तर्गत)

# Only with the PRIOR APPROVAL of Commissioner: NO Court shall take Cognizance of Any offence EXCEPT with the PRIOR APPROVAL of Commissioner.



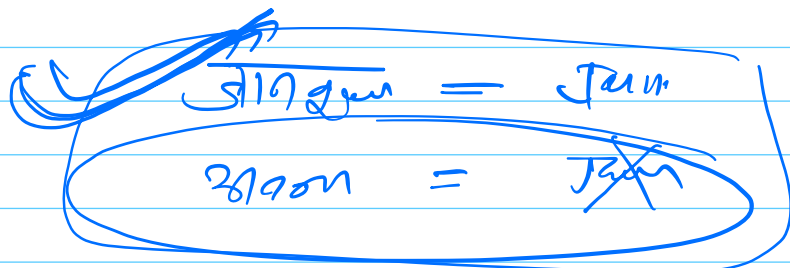
### Section : 135 : Presumption of culpable mental state

NOTE: EK PERSON KO TAB TAK JAIL ME NAHI DALA JA SAKTA TAB TAK KI WO CRIMINAL OFFENCE USNE JAPONBUTHOR NA KIYA HO.

AS PERSON SECTION: 135: Court will presume that the offender do the ACT with culpable mental state i.e. Guilty mind

# AND Burden of proof of "NON EXISTENCE" of Guilty mind @ ON the offender

## Section: 136 : Not Relevant



# Section 137: Offences By Companies

\* Offence By Company, firm, ADP, BoP etc

Prosecution

or BAD MIYA : # Director, manager, Secretary, Other  
 # PARTNER  
 # MEMBER  
 # KARTA etc.

Jail

अपराधी

CONSENT  
Company

\* CHHOT MIYA : Every person, who at the time of offence was committed "was" in charge i.e. Respective deptt in charge like store in charge, purchase in charge, accounts in charge etc.

Jail

EXCLUSION : # Who was absent - Where offence committed. (eg YATRA @ Vaishno Devi)

BHAGWAN  
ke live  
GAHOD DO

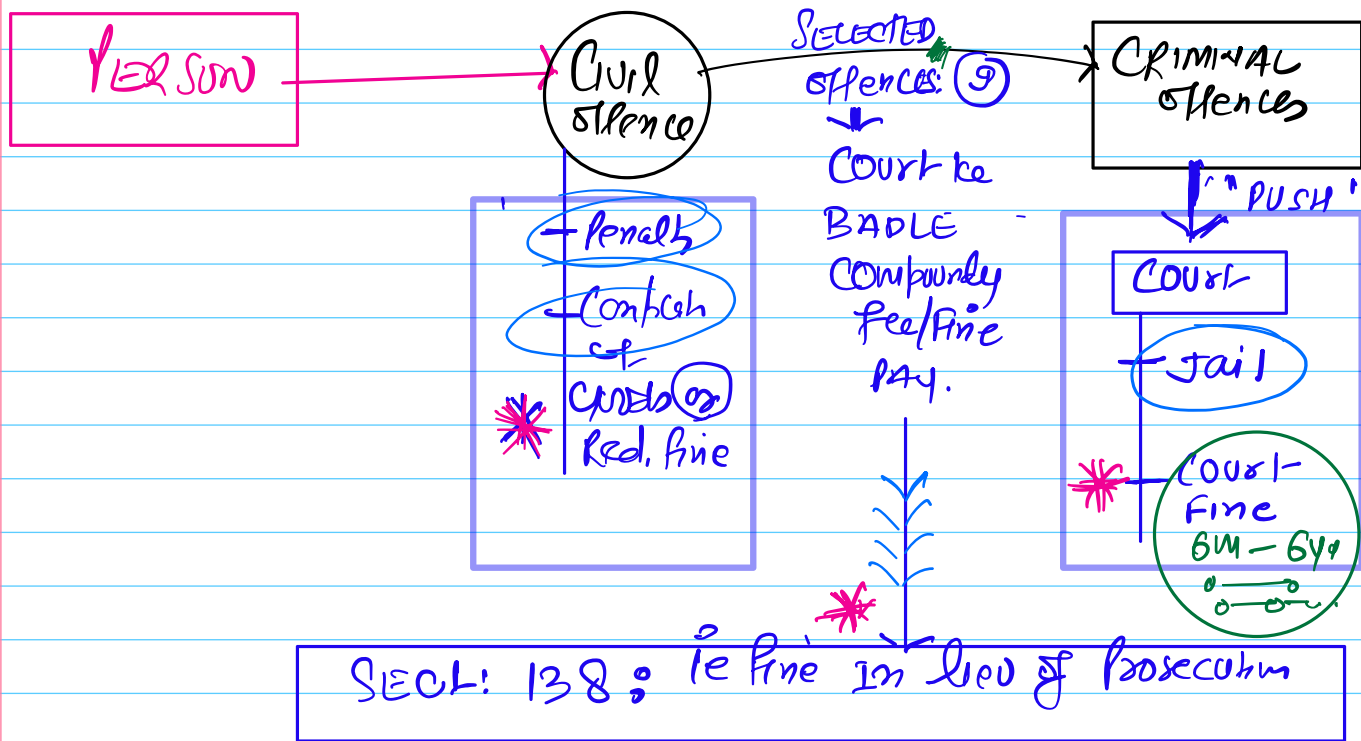
# Who follow "Due Diligence" :

BHAGO

# AB firm ka Parada girne wala hai

Section: 138 : Compounding of Offences :  
ie Paisa lekar offences par Parada Daal  
Dena @ Legally. ie Fine in lieu of Prosecution

## Background :

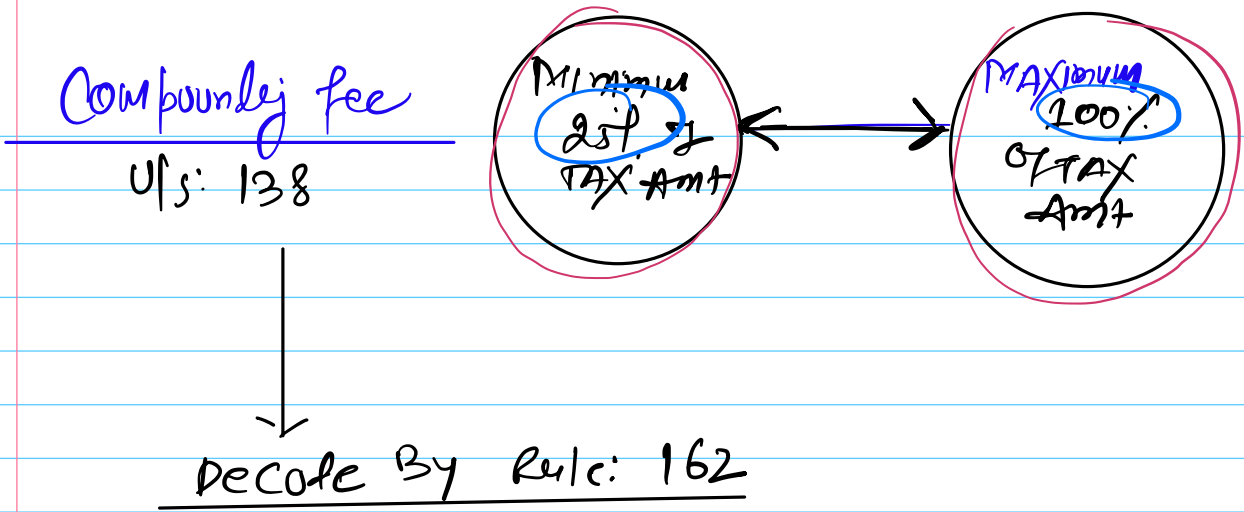


- (1) • Available ONLY for FIRST time offence (ie NA for repeat offender)  
• & Which ONCE in lifetime.  
• However NOT available for ONE specific (आ) offence:

"132(1)(b)"  
ie Bill PARCHE KA KAAM  
ie NOT for even a single  
time.

## (2) When to opt for :

- Before prosecution. : YES Possible ✓
- During the prosecution : YES Possible (case vapas) ✓
- After prosecution : NO BNB



Species

offence	Value	Fine/Fee	
(a) <del>(b)</del> (c) (d) (e)	Rs 5 cr Plus	(50% - 75%)	- Upper middle class
(a) <del>(b)</del> (c) (d) (e)	2 cr to 5 cr	40% - 60%	- middle class
Otherwise		(25%)	- Lower class

Notes Compounding Benefit Available only after payment of -

- TAX
- INT
- penalty
- Compounding fee

(Now get 51311)

note Any other proceeds under any other law (e.g. Income Tax Law) - Remain unaffected

