

CBDT provides relaxation for compounding of offences U/S 276:

CBDT has issued fresh revised guidelines (F.No.28S/08/2014-IT(Inv.V)/196) for compounding of offences U/S 276 of the Income Tax Act on 16/9/22

All the following conditions should be satisfied for considering compounding of an offence:

1. An application is made to the Pr.CCIT/ CCIT/ Pr.DGIT/ DGIT having jurisdiction over the case for compounding of the offence(s) in the prescribed format (Annexure-1) in the form of an affidavit on a stamp paper of Rs.100/-.
2. An application of compounding filed after the end of 12 months from the end of the month in which prosecution complaint, if any, has been filed in the court of law, but within 24 months, will be subject to increased compounding charges at the rate of 1.25 times of the normal compounding charges as applicable to the offence.
3. The person has paid the outstanding tax, interest, penalty and any other sum due, relating to the offence for which compounding has been sought before making the application. However, if any related demand is found outstanding on verification by the Department, the same should be intimated to the applicant and if such demand including interest u/s 220 is paid within 30 days of the intimation by the Department, then the compounding application would be deemed to be valid.
4. The person undertakes to pay the Compounding charges determined in accordance with these guidelines by the Pr.CCIT/CCIT/Pr.DGIT/DGIT concerned.
5. The person undertakes to withdraw appeals filed by him, if any, related to the offence(s) sought to be compounded.

Note:

1. The scope of eligibility for compounding of cases has been relaxed whereby case of an applicant who has been convicted with imprisonment for less than 2 years being previously non-compoundable, has now been made compoundable.

2. An application filed after 24 months but before 36 months from the date of complaint may be accepted for compounding with the approval of the Pr. Chief Commissioner of Income tax.