

## Maya Rani Punj v. Commissioner of Income Tax, Delhi

Civil Appeal No. 1943 of 1974

[1985] Supp. 3 SCR 827 | 1985-12-11

**Whether the historical 1961 Act's penalty machinery and monthly quantum applied to a late AY 1961-62 return when assessment and penalty initiation occurred after 1 April 1962, and whether non-filing was a continuing default under that provision.**

271(1)(a) (historical failure-to-file penalty and monthly quantification) | 297(1), 297(2)(f) and 297(2)(g) (repeal and transitional penalty provisions) | 139 (return obligation context) | 274(1) and 275 (historical penalty-procedure context) | 256(1) (reference procedure)

Three-judge bench | V.D. Tulzapurkar, J. | Sabyasachi Mukharji, J. | Ranganath Misra, J.

Assessment years: 1961-62

### Historical monthly default and statutory transition only

This case applies historical section 271(1)(a) through section 297(2)(g) to AY 1961-62, with assessment and penalty initiation on 30 June 1964. Continuing default depends on the statutory language and accrued monthly here. The source contains disclosed section-number, running-header and fraction slips. Do not generalise its assessment-date reasoning, quasi-criminal terminology, Article 20 result, two-per-cent rate or 50-per-cent ceiling to every penalty or current law. Comprehensive later treatment and 2025 mapping remain unverified.

### 01 FACTS OF THE CASE

For AY 1961-62 the return was due on 28 September 1961. No return or extension application was made by that date; the return was filed on 3 May 1962, after the 1961 Act commenced on 1 April 1962. The Income-tax Officer found no reasonable cause for the failure and imposed Rs.4,060 under section 271(1)(a). Assessment was completed, and initiation of penalty proceedings directed, on 30 June 1964 (physical pages 4 and 16).

The Appellate Assistant Commissioner upheld the penalty. The Tribunal accepted liability under the 1961 Act but used the discretion available under section 28 of the 1922 Act to reduce the amount to Rs.400, referring to illness and absence from headquarters. On the Revenue's reference, the High Court held that the Tribunal could not reduce a penalty governed by the prescribed historical monthly rate below that statutory measure. The referred question described two per cent of tax for each month of default, subject to the then 50 per cent ceiling (physical pages 5 and 7-8).

Source: See the proposition-specific paragraph and PDF-page references below.

## 02 DISCUSSION BY THE HON'BLE COURT

The Court read the transitional provisions together. Section 297(2)(f) preserved old-law penalties where assessment had been completed before 1 April 1962. Clause (g) permitted proceedings and penalties under the 1961 Act for the specified old assessment years where assessment was completed on or after that date. Relying on the Constitution Bench in Jain Brothers, it held that the relevant event in this transitional setting was completion of assessment and the authority's satisfaction/initiation of penalty proceedings, rather than the assessment year or the original return-default date alone. The 1961 provision supplied the governing quantum as well as the applicable penalty machinery (physical pages 6-9 and 11).

The Article 20(1) argument was rejected on the binding Satwant Singh reasoning. Although the new provision prescribed a minimum measure where the old law afforded discretion, counsel conceded that the old section 28 could have authorised a penalty exceeding Rs.4,060. The imposed sum therefore did not exceed the old law's permissible maximum. The Court declined to reconsider the binding Constitution Bench ruling. This is not a holding that all retrospective penalty increases are valid (physical pages 9-11).

The Court separately examined continuing default. Suresh Seth had treated delayed wealth-tax returns as completed defaults with monthly multipliers, rather than continuing wrongs. The Court rejected that conclusion as contrary to law, noting the similar statutory language and the omission to consider Jain Brothers. By contrast, Deokaran Nenshi illustrated a statute in which failure to file by a specified date was complete once and for all. The existence of a continuing wrong therefore depended on the particular statutory duty and penalty language (physical pages 11-14).

For historical section 271(1)(a), the penalty continued month by month until compliance. Its prescribed monthly accrual expressed the legislative intention that the non-filing infraction continued throughout that period. The day-to-day concept applied here on a monthly basis; the judgment did not impose a daily rate. The Court's discussion of quasi-criminal character did not decide a universal mens rea requirement for tax penalties (physical pages 14-16).

Source: See the proposition-specific paragraph and PDF-page references below.

## 03 JUDICIAL DECISION

Section 271(1)(a) of the 1961 Act was fully applicable; the Rs.4,060 demand was justified within the statutory limits. The High Court's view stood, and the assessee's appeal was dismissed. The parties were directed to bear their own costs. There was no remand, and the Tribunal's reduction to Rs.400 did not survive (physical page 16/SCR 842 C-D).

Source: See the proposition-specific paragraph and PDF-page references below.

**04 OUTCOME / IN WHOSE FAVOUR**

In whose favour: Revenue

Assessee appeal dismissed; parties to bear their own costs; historical penalty demand upheld

Final reasoned merits decision on the transitional regime, quantum and continuing-default character

Historical section 271(1)(a) read with section 297(2)(g), in the expressly stated transition; no universal rule for every penalty statute or current rate.

Source: See the proposition-specific paragraph and PDF-page references below.

**05 AKHB REVIEW POINT**

Separate the return obligation, default period, transitional provision, assessment date, penalty trigger and statutory measure. Do not replace that analysis with a general assertion that the penalty law in force at assessment always governs. This case's result rests on section 297(2)(g), the particular monthly-default language and the old-law maximum considered in the Article 20 argument.

Bounded later primary checks reinforce those limits. SEBI v. Roofit Industries, paragraphs 8-10 at physical pages 10-12, distinguished Maya Rani because the earlier SEBI provision created a completed failure, not the same continuing statutory default. Gujarat Travancore Agency, judicial pages 4-5, separately held that mens rea need not be established for the section 271(1)(a) proceedings there. The latter is a related-doctrine comparison, not a verified express citation of Maya Rani. Neither check supports transporting the historical two-per-cent rate or 50-per-cent ceiling to present law. Comprehensive later treatment and 2025 mapping remain unverified.

Source: See the proposition-specific paragraph and PDF-page references below.

**PROPOSITION-SPECIFIC SOURCE PARAGRAPHS AND PDF PAGES**

1.

**Topic:** Identity, bench, author, appeal and default facts

**Source url:** [Open cited source](#)

**Pdf pages:** 1; 4

**Paragraphs:** SCR 827 A-B; 830 C-H

**Source role:** reported metadata and judicial text

2.

**Topic:** Tribunal reduction and historical quantum

**Source url:** [Open cited source](#)

**Pdf pages:** 5; 7; 8

**Paragraphs:** SCR 831 A-D; 833 E-H; 834 A-B

**Source role:** judicial text

3.

**Topic:** Governing statutory transition

**Source url:** [Open cited source](#)

**Pdf pages:** 6; 7; 8; 9; 11

**Paragraphs:** SCR 832 C-H; 833 A-D; 834 C-H; 835 D-F; 837 A-C

**Source role:** judicial text

4.

**Topic:** Article 20(1), old maximum and binding precedent

**Source url:** [Open cited source](#)

**Pdf pages:** 9; 10; 11

**Paragraphs:** SCR 835 G-H; 836 A-H; 837 A

**Source role:** judicial text

5.

**Topic:** Suresh Seth rejection and completed/continuing distinction

**Source url:** [Open cited source](#)

**Pdf pages:** 11; 12; 13; 14

**Paragraphs:** SCR 837 C-H through 840 H

**Source role:** judicial text

6.

**Topic:** Monthly continuing default and exact final relief

**Source url:** [Open cited source](#)

**Pdf pages:** 14; 15; 16

**Paragraphs:** SCR 840 F-H; 841 D-E; 842 A-D

**Source role:** judicial text

7.

**Topic:** Bounded later express distinction in another statutory regime

**Source url:** [Open cited source](#)

**Pdf pages:** 10; 11; 12

**Paragraphs:** Paragraphs 8-10/SCR 199 C-H through 201 B

**Source role:** bounded later primary check

8.

**Topic:** Bounded related later mens rea doctrine, not express citation treatment

**Source url:** [Open cited source](#)

**Pdf pages:** 4; 5

**Paragraphs:** SCR 1003 D-H; 1004 A-E

**Source role:** bounded related primary comparison

## JUDICIAL AUTHORSHIP AND SEPARATE OPINIONS

Sabyasachi Mukharji, J.

## ACT IDENTIFIED IN THE REVIEWED SOURCE

Income-tax Act, 1961

## OTHER STATUTORY PROVISIONS AND THEIR SEPARATE SCOPE

Income-tax Act, 1922, sections 22 and 28 (prior return/penalty law); Constitution of India, Article 20(1); Article 14 in the Jain Brothers discussion; Wealth-tax Act, section 18(1)(a), in the Suresh Seth comparison; Mines Act, section 66 and Regulation 3, in the Deokaran Nenshi distinction

## SPECIFIED LATER PRIMARY-SOURCE COMPARISONS AND LIMITS

1.

**Title:** SEBI through its Chairman v. Roofit Industries Ltd.

**Asset id:** 2015\_12\_190\_201

**Pages read:** 1; 9; 10; 11; 12

**Finding:** Paragraphs 8-10 expressly distinguish Maya Rani's continuing-default language and transition from the SEBI provision's completed failure. Other-law authority used solely for this bounded later-treatment caution.

2.

**Title:** Gujarat Travancore Agency, Cochin v. Commissioner of Income-tax

**Asset id:** 1989\_2\_1000\_1004

**Date:** 1989-05-02

**Pages read:** 1; 2; 3; 4; 5

**Finding:** Related later section 271(1)(a) holding that mens rea was not required; no express Maya Rani citation claimed. It prevents converting the earlier quasi-criminal description into a universal test.

## SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(reported judgment\)](#)

Identified source rendition: 16 PDF pages; SHA-256

588053eaa2102d7ab3a09a4791e93cd4824f00962d0c2a6e52708397c03e6baa. Original bytes preserved.

Judicial text begins physical page 4/SCR 830 E and ends physical page 16/SCR 842 D. All 16 pages read; reporter material on pages 1-4 and quotations from earlier cases distinguished from this judgment. No neighbouring judgment.

[Open cited source rendition](#)

The principal transitional clause is section 297(2)(g), expressly quoted on page 7 and applied through Jain Brothers. The source has inconsistent references to 297(2)(j), 297(1) and 297(1)(g) when describing related reasoning; these are disclosed rather than used to replace the governing clause. Section 297(2)(j) genuinely occurs in the quotation about Damodar Bhat and should not be treated as the penalty-transition holding.; The page 15 running header attributes the page to Venkataramiah, J., but the cover bench and express delivery line on page 4 identify Sabyasachi Mukharji, J. This is not a separate Venkataramiah opinion.; The section 28 quotation on page 6 gives an upper limit of one and a half times the relevant tax, while page 10 prints 1/2 times. The note relies on the expressly quoted provision and counsel's concession that the old permissible penalty exceeded Rs.4,060, not the inconsistent fraction.; The historical quantum is two per cent for each month with the then ceiling stated in the reference and discussion. It is not a current rate, a daily rate or a general retrospective-penalty permission.; Suresh Seth's contrary continuing-default conclusion is rejected; the general distinction between a completed wrong with continuing effects and a truly continuing statutory wrong is not discarded.; Quasi-criminal terminology in this case does not establish a universal mens rea condition. Gujarat Travancore was checked only as a related later section 271(1)(a) doctrine, not asserted as an express treatment of Maya Rani.; The auxiliary Roofit source itself has an appeal-year slip in its last paragraph; this note uses only its identified statutory distinction, not its docket details or an independent new merits note.

### STATUTORY SCOPE

No automatic mapping to current law or the Income-tax Act, 2025. The historical statutory version for the relevant year governs.

### LATER TREATMENT

Source checked 2026-10-04. Comprehensive subsequent judicial treatment, appeals, reviews, stays and current-law status are not verified. The expressly identified bounded primary checks are not a citator status certificate.

### IDENTIFIED SOURCE LINKS

[reported judgment - PDF pages: 16](#)

SHA-256: 588053eaa2102d7ab3a09a4791e93cd4824f00962d0c2a6e52708397c03e6baa

[bounded later primary judgment - PDF pages: 12](#)

SHA-256: 0d03e7e0c4d847c3188114620ded4b2b96c51c4fddd2fe5191e86726f37ea74b

[bounded related primary judgment - PDF pages: 5](#)

SHA-256: bda9d072e65a49cd42dd6db121af25033b309be26da39f7b15575b588f76be53

### AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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