

Late Shri Gyan Chand Jain through LR v. Commissioner of Income Tax-I

Civil Appeal No. 2704 of 2022

No separate citation stated in the source | 2022-04-19

Whether the Additional Commissioner could give the approval relied upon for a section 271(1)(c) penalty, and whether a later reduction of the penalty made the Revenue's High Court appeal non-maintainable under the historical CBDT circular invoked by the assessee.

2(28C) | 271(1)(c) | 274(2)

Two-judge bench | M.R. Shah, J. | B.V. Nagarathna, J.

Assessment years: See the source-scope notes; no year inferred.

01 FACTS OF THE CASE

The Rajasthan High Court, by its 29 March 2016 judgment in D.B. Income Tax Appeal No. 33 of 2014, allowed the Revenue's appeal and set aside the Tribunal's deletion of a section 271(1)(c) penalty. The assessee appealed to the Supreme Court, disputing the Additional Commissioner's authority to approve the penalty and relying on CBDT Circular No. 21 of 2015 dated 10 December 2015. The assessee argued that a subsequent CIT(A) order and demand had reduced the penalty to about Rs 6 lakh. The Supreme Court recorded that both sides had appealed before the Tribunal and that the Revenue's challenge concerned the entire penalty of Rs 29,02,743.

Source: [official signed judgment / paragraphs 1 / PDF pages 1, 2 / judgment](#); [official signed judgment / paragraphs 2 / PDF pages 2, 3 / judgment](#); [official signed judgment / paragraphs 2.2 / PDF pages 4, 5 / judgment](#)

02 DISCUSSION BY THE HON'BLE COURT

Reading section 2(28C) with section 274(2), the Court held that the definition of Joint Commissioner includes an Additional Commissioner. Since approval from the Additional Commissioner had been obtained in this case, it found no reason to interfere with the High Court's conclusion about the approving authority's power. On the monetary-limit objection, the Court focused on the penalty actually under challenge before the Tribunal and High Court: Rs 29,02,743. A subsequent reduction to approximately Rs 6 lakh did not displace that subject matter of challenge or oust jurisdiction in the circumstances recorded. It agreed with the High Court's treatment of the issue.

Source: [official signed judgment / paragraphs 2.1 / PDF pages 3 / judgment](#); [official signed judgment / paragraphs 2.2 / PDF pages 4, 5 / judgment](#)

03 JUDICIAL DECISION

The Court rejected the challenge to the Additional Commissioner's approval power and the objection that the Revenue's High Court appeal was non-maintainable on the basis urged under the historical circular. The assessee's appeal was dismissed without costs.

Source: [official signed judgment / paragraphs 2.1 / PDF pages 3 / judgment](#); [official signed judgment / paragraphs 2.2 and 4 / PDF pages 4, 5 / judgment](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue

Assessee's appeal dismissed; no costs

Approval-authority and appeal-maintainability issues decided against the assessee

The note concerns the two objections addressed in the judgment. It does not certify a current CBDT appeal threshold, reconstruct the underlying concealment evidence, or state a final recoverable penalty amount after other orders.

Source: [official signed judgment / paragraphs 4 / PDF pages 5 / judgment](#)

05 AKHB REVIEW POINT

For a legacy penalty appeal, identify the statutory approval provision and the approving officer's defined status, then trace exactly which penalty order and amount each party challenged. A later demand figure alone may not describe the amount in dispute in the appellate proceedings. Before using any monetary-limit objection, separately verify the circular actually applicable to that proceeding, its computation rules and exceptions. The figures recounted in this judgment are historical case facts and submissions, not a statement of the appeal limits applicable today.

Source: [official signed judgment / paragraphs 2.1-2.2 / PDF pages 3, 4, 5 / judgment](#)

OTHER IDENTIFIED INSTRUMENTS

1.

Instrument: CBDT Circular No. 21 of 2015 dated 10 December 2015

Role: Historical circular invoked in the assessee's maintainability submission and considered in paragraph 2.2

Verification scope: Verified as cited in this judgment; the circular text, numerical threshold and subsequent amendments were not independently audited.

SOURCE & VERIFICATION

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

Identified source rendition: 6 PDF pages; SHA-256

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Open cited source rendition

The original caption says "Late Shri Gyan Chand Jain through LR". The acquisition/search title adds Manish Kumar Jain, but that personal name is not printed in the reviewed original caption and has not been inserted into the title.

The Rs 20 lakh figure occurs in paragraph 2 as the assessee's submission. This note does not independently endorse it as the threshold prescribed by Circular No. 21 of 2015 or any current circular.

The judgment moves from paragraph 2.2 to paragraph 4; original paragraph labels are retained without inventing paragraph 3.

No assessment year, neutral citation or reported citation is invented.

The historical penalty amounts do not establish the currently collectible amount or subsequent procedural position.

No reported or neutral citation is printed in the reviewed original; no citation has been assigned or independently verified.

No assessment year is stated in the six-page original; none is inferred.

All three provisions are expressly identified in paragraph 2.1; section 271(1)(c) also appears in paragraph 1.

STATUTORY SCOPE

The judgment/order as delivered under the Income-tax Act, 1961; no independent statutory-version audit or Income-tax Act, 2025 mapping performed.

This is a source-grounded case note, not certification of the law or monetary limits applicable today. Determine the governing year, applicable statutory version and later treatment separately.

LATER TREATMENT

Source checked 2026-10-04. Subsequent appeals, review proceedings, stays, reversals and later judicial treatment have not been comprehensively checked. This note is not a citator status certificate.

IDENTIFIED SOURCE LINKS

[official signed judgment - PDF pages: 6](#)

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