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IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR.JUSTICE ZIYAD RAHMAN A.A.

WEDNESDAY, THE 8TH DAY OF APRIL 2026 / 18TH CHAITHRA, 1948

WP(C) NO. 14218 OF 2026

PETITIONER/S:

THE SERVICE COOPERATIVE BANK LIMITED NO. F583 ABDURAHIMAN NAGAR 7/566, SERVICE CO-OPERATIVE BANK BUILDING, KONDOTTY TIRURANGADI ROAD, ABDURRAHIMAN NAGAR, MALAPPURAM, KERALA. REPRESENTED BY ITS SECRETARY, SMT. P. VIJAY, PIN - 676305

BY ADVS.
SHRI.ARAVIND SREEKUMAR
SMT.SARITHA K.S.
SHRI.ARAVIND RAJAGOPALAN MENON
SHRI.ALEX T. THEVARCAD
SHRI.ANIL D. NAIR (SR.)

RESPONDENT/S:

1 ASSISTANT COMMISSIONER OF INCOME TAX
CENTRAL CIRCLE 2, KOZHIKODE AAYAKAR BHAVAN, NORTH BLOCK, NEW ANNEXE BUILDING, MANANCHIRA, KOZHIKODE, KERALA., PIN - 673001

2 JOINT COMMISSIONER
CENTRAL CIRCLE, ERNAKULAM, CENTRAL REVENUE BUILDING, I S PRESS ROAD, KACHERIPADY, ERNAKULAM, KERALA., PIN - 682018

OTHER PRESENT:

SHRI.JOSE JOSEPH, SC

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 08.04.2026, ALONG WITH WP(C).14228/2026, 14230/2026 AND CONNECTED CASES, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR.JUSTICE ZIYAD RAHMAN A.A.

WEDNESDAY, THE 8TH DAY OF APRIL 2026 / 18TH CHAITHRA, 1948

WP(C) NO. 14228 OF 2026

PETITIONER/S:

THE SERVICE COOPERATIVE BANK LIMITED NO. F583 ABDURAHIMAN NAGAR 7/566, SERVICE CO-OPERATIVE BANK BUILDING, KONDOTTYTIRURANGADI ROAD, ABDURRAHIMAN NAGAR, MALAPPURAM, KERALA. REPRESENTED BY ITS SECRETARY, SMT. P. VIJAY, PIN - 676305

BY ADVS.
SHRI.ARAVIND SREEKUMAR
SMT.SARITHA K.S.
SHRI.ARAVIND RAJAGOPALAN MENON
SHRI.ALEX T. THEVARCAD
SHRI.ANIL D. NAIR (SR.)

RESPONDENT/S:

1 **ASSISTANT COMMISSIONER OF INCOME TAX CENTRAL CIRCLE 2, KOZHIKODE AAYAKAR BHAVAN, NORTH BLOCK, NEW ANNEXE BUILDING, MANANCHIRA, KOZHIKODE, KERALA., PIN - 673001**

2 **JOINT COMMISSIONER CENTRAL CIRCLE, ERNAKULAM, CENTRAL REVENUE BUILDING, I S PRESS ROAD, KACHERIPADY, ERNAKULAM, KERALA, PIN - 682018**

OTHER PRESENT:

SHRI.JOSE JOSEPH, SC

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 08.04.2026, ALONG WITH WP(C).14218/2026 AND CONNECTED CASES, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR.JUSTICE ZIYAD RAHMAN A.A.

WEDNESDAY, THE 8TH DAY OF APRIL 2026 / 18TH CHAITHRA, 1948

WP(C) NO. 14230 OF 2026

PETITIONER/S:

THE SERVICE COOPERATIVE BANK LIMITED NO. F583 ABDURAHIMAN NAGAR 7/566, SERVICE CO-OPERATIVE BANK BUILDING, KONDOTTYTIRURANGADI ROAD, ABDURRAHIMAN NAGAR, MALAPPURAM, KERALA. REPRESENTED BY ITS SECRETARY, SMT. P. VIJAY, PIN - 676305

BY ADVS.
SHRI.ARAVIND SREEKUMAR
SMT.SARITHA K.S.
SHRI.ARAVIND RAJAGOPALAN MENON
SHRI.ALEX T. THEVARCAD
SHRI.ANIL D. NAIR (SR.)

RESPONDENT/S:

1 **ASSISTANT COMMISSIONER OF INCOME TAX CENTRAL CIRCLE 2, KOZHIKODE AAYAKAR BHAVAN, NORTH BLOCK, NEW ANNEXE BUILDING, MANANCHIRA, KOZHIKODE, KERALA., PIN - 673001**

2 **JOINT COMMISSIONER CENTRAL CIRCLE, ERNAKULAM, CENTRAL REVENUE BUILDING, I S PRESS ROAD, KACHERIPADY, ERNAKULAM, KERALA., PIN - 682018**

OTHER PRESENT:

SHRI.JOSE JOSEPH, SC

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 08.04.2026, ALONG WITH WP(C).14218/2026 AND CONNECTED CASES, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR.JUSTICE ZIYAD RAHMAN A.A.

WEDNESDAY, THE 8TH DAY OF APRIL 2026 / 18TH CHAITHRA, 1948

WP(C) NO. 14270 OF 2026

PETITIONER/S:

THE SERVICE COOPERATIVE BANK LIMITED NO. F583
ABDURAHIMAN NAGAR 7/566, SERVICE CO-OPERATIVE BANK BUILDING, KONDOTTYTIRURANGADI ROAD, ABDURRAHIMAN NAGAR, MALAPPURAM, KERALA, REPRESENTED BY ITS SECRETARY, SMT. P. VIJAY, PIN - 676305

BY ADVS.
SHRI.ARAVIND SREEKUMAR
SMT.SARITHA K.S.
SHRI.ARAVIND RAJAGOPALAN MENON
SHRI.ALEX T. THEVARCAD
SHRI.ANIL D. NAIR (SR.)

RESPONDENT/S:

1 ASSISTANT COMMISSIONER OF INCOME TAX
CENTRAL CIRCLE 2, KOZHIKODE AAYAKAR BHAVAN, NORTH BLOCK, NEW ANNEXE BUILDING, MANANCHIRA, KOZHIKODE, KERALA., PIN - 673001

2 JOINT COMMISSIONER
CENTRAL CIRCLE, ERNAKULAM, CENTRAL REVENUE BUILDING, I S PRESS ROAD, KACHERIPADY, ERNAKULAM, KERALA., PIN - 682018

OTHER PRESENT:

SHRI.JOSE JOSEPH, SC

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 08.04.2026, ALONG WITH WP(C).14218/2026 AND CONNECTED CASES, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR.JUSTICE ZIYAD RAHMAN A.A.

WEDNESDAY, THE 8TH DAY OF APRIL 2026 / 18TH CHAITHRA, 1948

WP(C) NO. 14290 OF 2026

PETITIONER/S:

THE SERVICE COOPERATIVE BANK LIMITED NO. F583 ABDURAHIMAN NAGAR 7/566, SERVICE CO-OPERATIVE BANK BUILDING, KONDOTTYTIRURANGADI ROAD, ABDURRAHIMAN NAGAR, MALAPPURAM, KERALA. REPRESENTED BY ITS SECRETARY, SMT. P. VIJAY, PIN - 676305

BY ADVS.
SHRI.ARAVIND SREEKUMAR
SMT.SARITHA K.S.
SHRI.ARAVIND RAJAGOPALAN MENON
SHRI.ALEX T. THEVARCAD
SHRI.ANIL D. NAIR (SR.)

RESPONDENT/S:

1 **ASSISTANT COMMISSIONER OF INCOME TAX CENTRAL CIRCLE 2, KOZHIKODE AAYAKAR BHAVAN, NORTH BLOCK, NEW ANNEXE BUILDING, MANANCHIRA, KOZHIKODE, KERALA., PIN - 673001**

2 **JOINT COMMISSIONER CENTRAL CIRCLE, ERNAKULAM, CENTRAL REVENUE BUILDING, I S PRESS ROAD, KACHERIPADY, ERNAKULAM, KERALA, PIN - 682018**

OTHER PRESENT:

SHRI. JOSE JOSEPH, SC

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 08.04.2026, ALONG WITH WP(C).14218/2026 AND CONNECTED CASES, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR.JUSTICE ZIYAD RAHMAN A.A.

WEDNESDAY, THE 8TH DAY OF APRIL 2026 / 18TH CHAITHRA, 1948

WP(C) NO. 14310 OF 2026

PETITIONER/S:

THE SERVICE COOPERATIVE BANK LIMITED NO. F583 ABDURAHIMAN NAGAR 7/566, SERVICE CO-OPERATIVE BANK BUILDING, KONDOTTY TIRURANGADI ROAD, ABDURRAHIMAN NAGAR, MALAPPURAM, KERALA. REPRESENTED BY ITS SECRETARY, SMT. P. VIJAY, PIN - 676305

BY ADVS.
SHRI.ARAVIND SREEKUMAR
SMT.SARITHA K.S.
SHRI.ARAVIND RAJAGOPALAN MENON
SHRI.ALEX T. THEVARCAD
SHRI.ANIL D. NAIR (SR.)

RESPONDENT/S:

1 **ASSISTANT COMMISSIONER OF INCOME TAX CENTRAL CIRCLE 2, KOZHIKODE AAYAKAR BHAVAN, NORTH BLOCK, NEW ANNEXE BUILDING, MANANCHIRA, KOZHIKODE, KERALA., PIN - 673001**

2 **JOINT COMMISSIONER CENTRAL CIRCLE, ERNAKULAM, CENTRAL REVENUE BUILDING, I S PRESS ROAD, KACHERIPADY, ERNAKULAM, KERALA., PIN - 682018**

OTHER PRESENT:

SHRI. JOSE JOSEPH, SC

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 08.04.2026, ALONG WITH WP(C).14218/2026 AND CONNECTED CASES, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

<u>JUDGMENT</u>

[WP(C) Nos.14218/2026, 14228/2026, 14230/2026, 14270/2026, 14290/2026, 14310/2026]

....

In all these cases, the challenge raised by the petitioner is against the penalty proceedings initiated against the petitioner in respect of various assessment years under Section 271D as well as 271E of the Income Tax Act. In all these cases, assessment for the relevant years was completed under Section 153A of the Income Tax Act, based on a search proceeding under Section 132 of the Act.

2. As against the respective assessment orders passed by the competent authority, appeals submitted by the petitioner are pending consideration. The penalty proceedings under Sections 271D and 271E of the Act are initiated by the authorities, pending consideration of the said appeals. The challenge raised against the said proceedings is mainly on the ground that the said proceedings, which were initiated by the 1st respondent in all these cases, were without proper authority, as the penalty was imposed without prior approval as contemplated under

Section 274(2) of the Income Tax Act.

3. Sri Anil D. Nair, learned Senior Counsel appearing for the petitioner, brought to the attention of this Court, the impugned orders wherein, it is mentioned that, the orders are passed with the prior approval of the Additional Commissioner of Income Tax, Central Range, Kochi, and pointed out that the prior approval from the said authority is not sufficient for imposing a penalty under Sections 271D and 271E, in the light of the statutory requirements contemplated under Section 274(2) of the Act, as according to him, the requirement is to have the prior approval of the “Joint Commissioner”, and not the “Additional Commissioner”.

4. Sri Jose Joseph, learned Standing Counsel appearing for the respondents, opposes the said contention, by bringing to the attention of this Court, the definition of "Joint Commissioner" as contemplated under section 2(28C) of the Income Tax Act, where, it is contemplated that, the expression "Joint Commissioner" includes the "Additional Commissioner" as well. Therefore, it is pointed out by the learned Standing Counsel that, wherever the term “Joint Commissioner” is referred to, it would take within it, the “Additional Commissioner” as well,

unless it is specifically excluded for the purpose of the said provision. Therefore, dismissal of the writ petition is sought.

5. The learned Senior Counsel for the petitioner, while asserting his contentions, brought the attention of this Court to various statutory provisions contained in the Act, which are relevant to the issue involved in this writ petition. The said provisions, which include Section 271D and 271E, read as follows:

> ***“Section 271D -Penalty for failure to comply with the provisions of section 269SS -*** *(1) If a person takes or accepts any loan or deposit or specified sum in contravention of the provisions of section 269SS, he shall be liable to pay , by way of penalty, a sum equal to the amount of the loan or deposit or specified sum so taken or accepted.*
> *(2) Any penalty imposable under sub-section (1) shall be imposed by the Joint Commissioner:*
> *Provided that any penalty under sub-section (1) , on or after the 1st day of April , 2025, shall be imposed by the Assessing Officer.*
>
> ***Section 271E- Penalty for failure to comply with the provisions of section 269 T -*** *(1) If a person repays any loan or deposit or specified advance referred to in section 269T otherwise than in accordance with the provisions of that section, he shall be liable to pay , by way of penalty, a sum equal to the amount of the loan or deposit or specified advance so repaid.*
> *(2) Any penalty imposable under sub-section (1) shall be imposed by the Joint Commissioner:*
> *Provided that any penalty under sub-section (1) on or after the 1st day of April , 2025 shall be imposed by the Assessing Officer.”*

6. The learned Senior Counsel points out that the proviso to

Sections 271D and 271E contemplates that the penalty under Subsection (1) on or after the 1st day of April, 2025, shall be imposed by the Assessing Officer. However, the powers of the Assessing Officer in this regard, according to the learned Senior Counsel for the petitioner, are subject to Section 274(2) of the Act. The said provision reads as follows:

> *“**Section 274 (2) -** No order imposing a penalty under this Chapter shall be made-*
> *(a) By the Income -tax Officer , where the penalty exceeds ten thousand rupees;*
> *(b) By the Assistant Commissioner or Deputy Commissioner, where the penalty exceeds twenty thousand rupees,*
> *except with the prior approval of the Joint Commissioner.”*

7. It is the contention of the petitioners that, since Sub-section (2) of Section 274 specifically contemplates that the penalty can be imposed only with the prior approval of the “Joint Commissioner”, the impugned orders could have been passed, only after obtaining the prior approval of the Joint Commissioner, whereas, in this case, going by the impugned orders, the prior approval obtained is that of the Additional Commissioner. In response to the contention raised by the learned Standing Counsel for the respondent based on the definition of Joint Commissioner as contemplated under Section 2(28C), it is contended by the learned Senior Counsel for the

petitioner that, wherever the separation of powers between the statutory authorities under the Act is referred to, those are specifically provided in the relevant provisions. The attention of this Court was brought to Section 151, 158BFA of the Income Tax Act. Explanation to Section 120 of the Income Tax Act was also referred to, to point out that, any Income Tax Authority, being an authority higher in rank, may, if so directed by the Board, may exercise the powers and perform the functions of the Income Tax Authority lower in rank, and any such direction issued by Board shall be deemed to be a direction issued under Subsection (1) of Section 120. Thus, it is pointed out that, the Assessing Officer could have acted upon with the prior sanction of the Additional Commissioner, only in the case where, an order specified in the explanation to Section 120 is passed by the Board, and in this case, it is lacking.

8. I have carefully examined the relevant statutory provisions. While considering this issue, it is profitable to refer to Section 151 and also Section 158BFA of the Income Tax Act, which are relied on by the petitioner. The said provisions read as follows:

"Section 151. Sanction for issue of notice- *Specified* *authority for the purposes of sections 148 and 148A shall be the Additional Commissioner or the Additional Director or the Joint Commissioner or the Joint Director, as case may be.*

Section 158BFA. Levy of interest and penalty in certain cases- *(1) Where the return of undisclosed income total income including undisclosed income for the block period, in respect of search initiated under section-132 or books of account, other documents or any assets requisitioned under section-132A on or after the 1st day of September, 2024 as required by a notice under clause (a) of section-158BC, is not furnished within the time specified in such notice, or is not furnished, the assessee shall be liable to pay simple interest at the rate of one or one half per cent. of the tax on undisclosed income, determined under clause (c) of sub-section (1) of section `158BC, for every month or part of a month comprised in the period commencing on the day immediately following the expiry of the time specified in the notice, and ending on the date of competition of assessment under clause (c) of sub-section (1) of section 158 BC.*

(2) The Assessing Officer or the Commissioner (Appeals) in the course of any proceedings under this Chapter, may direct that a person shall pay by way of penalty a sum which shall be equal to fifty per cent. Of tax so leviable in respect of undisclosed income determined by the Assessing Officer under clause (c) of sub-section (1) of section 158 BC:

Provided that no order imposing penalty under this section or sub-section (1) of section 271AAD or section 271 DA or section 272E shall be made for the block period in respect of a person if -

(i) such person has furnished a return under clause (a) of sub-section (1) of section 158BC;

(ii) the tax payable on the basis of such return has been paid or, if the assets seized consist of money, the assessee offers the money so seized to be adjusted against the tax payable;

(iii) evidence of tax paid is furnished along with the return; and

(iv) an appeal is not filed against the assessment of that

part of income which is shown in the return:

Provided further that the provisions of the first proviso shall not apply where the undisclosed income determined by the Assessing Officer is in excess of the income shown in the return and in such cases the penalty shall be imposed on that portion of undisclosed income determined which is in excess of the amount of income shown in the return.

(3) No order imposing a penalty under sub-section (2) shall be made,

(a) unless an assessee has been given a reasonable opportunity of being heard;

(b) by the Deputy Commissioner or Assistant Commissioner or the Deputy Director or Assistant Director, as the case may be, where the amount of penalty exceeds two lakh rupees except with the previous approval of the Additional Commissioner or the Additional Director or the Joint Commissioner or the Joint Director, as the case may be;

(c) in a case where the assessment is the subject-matter of an appeal to the Commissioner (Appeals) under section 246A or an appeal to the Appellate Tribunal under section 253, after the expiry of the financial year in which the proceedings, in the course of which action for the imposition of penalty has been initiated, are completed, or six months from the end of the financial year in which the order of the Commissioner (Appeals) or, as the case may be, the Appellate Tribunal is received by the Principal Commissioner or Commissioner, whichever period expires later;

(d) in a case where the assessment is the subject-matter of revision under section 263, after the expiry of six months from the end of the financial year in which such order of revision is passed;

(e) in any case other than those mentioned in clause (c) and clause (d), after the expiry of the financial year in which the proceedings, in the course of which notice for the imposition of penalty has been issued, are completed, or six months from the end of the financial year in which notice for imposition of penalty is issued, whichever period expires later.

(4) In computing the period of limitation under this section, the following period shall be excluded-

(i) the time taken in giving an opportunity to the assessee to be reheard under the proviso to section 129; or

ii) the period commencing on the date on which stay on the proceeding under sub-section (2) was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the jurisdictional Principal Commissioner or Commissioner:]

Provided that where immediately after the exclusion of the aforesaid period the period of limitation referred to in sub-section (3) available to the Assessing Officer for making an order under sub-section (2) of this section is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly:

Provided further that where after exclusion of the period referred to in the first proviso, the period of limitation for making of an order for imposition of penalty expires before the end of a month, such period shall be extended to the end of such month.

(5) An income-tax authority on making an order under sub-section (2) imposing a penalty, unless he is himself an Assessing Officer, shall forthwith send a copy of such order to the Assessing Officer."

9. After carefully going through the statutory stipulations contained in various provisions referred to above, I find merit in the submission made by the learned Standing Counsel for the respondent. This is particularly because, as far as Section 2(28C) of the Act is concerned, the same clearly defines the expression "Joint Commissioner", and as per the same, the said term would include an "Additional Commissioner of Income Tax"

appointed under Subsection (1) of Section 117 of the Act. Since the term "Additional Commissioner of Income Tax" is expressly defined under Section 2(28C), it cannot be excluded from its purview. When the legislature provides a definition, the Court is bound to give effect to it unless a clear exception is indicated. This interpretation is reinforced by the Hon'ble Apex Court in **Sonia Bhatia v. State of U.P. and others [(1981) 2 SCC 585]**, where it was laid down that, a legislature does not waste words, without any intention and every word that is used by the legislature must be given its due import and significance. Similarly in **Visitor, Amu v. K.S.Misra (2007) 8 SCC 593**, the Hon'ble Supreme Court held that;

> *13. ".........It is well settled principle of interpretation of the statute that it is incumbent upon the Court to avoid a construction, if reasonably permissible on the language, which will render a part of the statute devoid of any meaning or application. The Courts always presume that the legislature inserted every part thereof for a purpose and the legislative intent is that every part of the statute should have effect. The legislature is deemed not to waste its words or to say anything in vain and a construction which attributes redundancy to the legislature will not be accepted except for compelling reasons. It is not a sound principle of construction to brush aside words in a statute as being in apposite surplusage, if they can have appropriate application in circumstances conceivably within the contemplation of the statute."*

Thus, the conclusion that is possible from the above is that, unless the context otherwise requires, wherever the term "Joint

Commissioner" is used in the Act, it would include the Additional Commissioner of Income Tax as well.

10. Of course, it is true that, in Section 151, while defining the “specified authority” for the purpose of Sections 148 and 148A, the statute specifically mentions the authorities such as Additional Commissioner or Additional Director, Joint Commissioner or Joint Director. Similarly, in Sub-section 3(b) of Section 158BFA, while dealing with the penalty, the Deputy Commissioner or Assistant Commissioner or Deputy Director or Assistant Director, as the case may be are empowered to impose penalty where the amount of penalty exceeds Rs.2 Lakhs (Rupees Two lakhs only), and the same has to be done with the previous approval of the Additional Commissioner or Additional Director or the Joint Commissioner or the Joint Director, as the case may be. However, the crucial aspect to be noticed is that, merely because of the reason that the aforesaid provisions specifically refer to the authorities by naming the “Joint Commissioner or the Additional Commissioner”, it cannot be concluded that the definition of the expression “Joint Commissioner” as made in Section 2(28C) would be applicable only in cases covered by the aforesaid provisions. On the contrary, the only conclusion

possible is that, Section 151 as well as Section 158BFA wanted to provide more clarity to the said provisions, and merely because of that reason, it cannot be concluded that the definition made in 2(28C) would stand altered with respect to the other statutory stipulations in the Act, where the powers and functions of the Joint Commissioner become a matter of relevance. If such an interpretation highlighted by the learned Senior Counsel for the petitioner is adopted, the definition of the term "Joint Commissioner" as per section 2(28C), would become meaningless. It is a well settled principle of statutory interpretation that, a harmonious interpretation has to be made to all the provisions of an enactment, so that, no provision is made redundant, and a fruitful purpose is to be given to all statutory provisions. In this regard, the observations made by the Hon'ble Apex Court in **CIT v. Hindustan Bulk Carriers, (2003) 3 SCC 57** becomes relevant;

> *"**15.** A statute is designed to be workable and the interpretation thereof by a court should be to secure that object unless crucial omission or clear direction makes that end unattainable. (See Whitney v. IRC [1926 AC 37 : 10 Tax Cas 88 : 95 LJKB 165 : 134 LT 98 (HL)] , AC at p. 52 referred to in CIT v. S. Teja Singh [AIR 1959 SC 352 : (1959) 35 ITR 408] and Gursahai Saigal v. CIT [AIR 1963 SC 1062 : (1963) 48 ITR 1] .)*
>
> ***17.** If the choice is between two interpretations, the narrower of which would fail to achieve the manifest purpose of the legislation, we should avoid a construction which would reduce the*

legislation to futility, and should rather accept the bolder construction, based on the view that Parliament would legislate only for the purpose of bringing about an effective result. (See Nokes v. Doncaster Amalgamated Collieries [(1940) 3 All ER 549 : 1940 AC 1014 : 109 LJKB 865 : 163 LT 343 (HL)] referred to in Pye v. Minister for Lands for NSW [(1954) 3 All ER 514 : (1954) 1 WLR 1410 (PC)] .) The principles indicated in the said cases were reiterated by this Court in Mohan Kumar Singhania v. Union of India [1992 Supp (1) SCC 594 : 1992 SCC (L&S) 455 : (1992) 19 ATC 881 : AIR 1992 SC 1] .

***21.** The provisions of one section of the statute cannot be used to defeat those of another unless it is impossible to effect reconciliation between them. Thus a construction that reduces one of the provisions to a "useless lumber" or "dead letter" is not a harmonised construction. To harmonise is not to destroy."*

Similarly in *Anwar Hasan Khan v. Mohd. Shafi*, (2001) 8 SCC 540 , it was held that;

***"8.** It is settled that for interpreting a particular provision of an Act, the import and effect of the meaning of the words and phrases used in the statute have to be gathered from the text, the nature of the subject-matter and the purpose and intention of the statute. It is a cardinal principle of construction of a statute that effort should be made in construing its provisions by avoiding a conflict and adopting a harmonious construction. The statute or rules made thereunder should be read as a whole and one provision should be construed with reference to the other provision to make the provision consistent with the object sought to be achieved. The well-known principle of harmonious construction is that effect should be given to all the provisions and a construction that reduces one of the provisions to a "dead letter" is not harmonious construction. With respect to law relating to interpretation of statutes this Court in Union of India v. Filip Tiago De Gama of Vedem Vasco De Gama [(1990) 1 SCC 277] held: (SCC p. 284, para 16)*

"16. The paramount object in statutory interpretation is to discover what the legislature intended. This intention is primarily to be ascertained from the text of enactment in question. That does not mean the text is to be construed merely as a piece of prose, without reference to its nature or purpose. A statute is neither a literary text nor a divine revelation. 'Words are certainly not crystals, transparent and unchanged' as Mr Justice Holmes has wisely and properly warned. (Towne v. Eisner [245 US 418, 425 (1918)]) Learned Hand, J., was equally emphatic when he said: 'Statutes should be construed, not as theorems of Euclid, but with some imagination of the purposes which lie

behind them.' (Lenigh Valley Coal Co. v. Yensavage [218 FR 547, 553])"

11. In this case, going by the specific definition of "Joint Commissioner as made in 2(28C), it is evident that, the mandate of the statute is that, wherever the term "Joint Commissioner" is used, the powers conferred upon the said authority can be exercised by the "Additional Commissioner" as well, unless there are statutory stipulations in the relevant provision that preclude the Additional Commissioner from exercising such powers. When considering the statutory stipulations contained in Section 274(2) of the Income Act, I find that there is nothing to conclude that, the expression of the "Joint Commissioner" used in the said provisions is intended to exclude the "Additional Commissioner". Thus, no context that requires a different conclusion is discernible from the aforesaid statutory provision, and hence, the stipulations in Section 274 (2) of the Act have to be understood with reference to Section 2(28C) of the Income Tax Act.Justice G.P. Singh in Chapter-III of the "Principles of Statutory Interpretation (13th Edition)" has elaborated the principles, which is as under:-

"*When a word has been defined in the interpretation clause, prima facie that definition governs whenever that word is used in the body of the statute. As observed by Lord Dunedin: " It is a novel and unheard of idea that an interpretation clause which might* *easily have been so expressed as to cover certain sections and not to cover others should be when expressed in general terms divided up by a sort of theory of applicana singula singulis, so as not to apply to sections where context suggests no difficulty of application." And as recently stated by LORD LOWRY: " If parliament in a statutory enactment defines its terms (whether by enlarging or by restricting the ordinary meaning of a word or expression), it must intend that, in the absence of a clear indication to the contrary, those terms as defined shall govern what is proposed, authorised or done under or by reference to that enactment." [see Wyre Forest District Council v Secretary of State for the Environment [1990] 2 AC 357 (HL)]But where the context makes the definition given in the interpretation clause inapplicable, a defined word when used in the body of the statute may have to be given a meaning different from that contained in the interpretation clause; all definitions given in an interpretation clause are therefore normally enacted subject to the qualification- 'unless there is anything repugnant in the subject or context', or 'unless the context otherwise requires'. Even in the absence of an express qualification to that effect such a qualification is always implied. However, it is incumbent on those who contend that the definition given in the interpretation clause does not apply to a particular section to show that the context in fact so requires. An argument based on contrary context which will make the inclusive definition inapplicable to any provision in the Act cannot be accepted as it would make the definition entirely useless. Repugnancy of a definition arises only when the definition does not agree with the subject or context; any action not in conformity with the definition will not obviously make it repugnant to subject or context of the provision containing the term defined under which such action is purported to have been taken. When the application of the definition to a term in a provision containing that term makes it unworkable and otiose, it can be said that the definition is not applicable to that provision because of contrary context." This view has adopted by the Supreme Court in* ***CST v. Union Medical Agency, (1981) 1 SCC 51;***

"14. *It is a well-settled principle that when a word or phrase has been defined in the interpretation clause, prima facie that definition governs whenever that word or phrase is used in the body of the statute. But where the context makes the definition clause inapplicable, a defined word when used in the body of the statute may have to be given a meaning different from that contained in the interpretation clause; all definitions given in an interpretation clause are, therefore, normally enacted subject to the usual qualification— "unless there is anything repugnant in the subject or context", or "unless the context otherwise requires". Even in the absence of an express qualification to that effect such a qualification is always implied."*

12. Therefore, I do not find any scope for considering the challenge that is raised by the petitioner against the impugned orders on the above ground. This is because, as admittedly, the penalty proceedings in all these cases were initiated based on prior permission obtained by the Additional Commissioner, and going by the statutory definition of the Joint Commissioner, as per Section 2(28C) of the Act, the same amounts to proper compliance with the requirements of Section 274(2) of the Act.

In such circumstances these writ petitions are dismissed without prejudice to the right of the petitioner to invoke the statutory remedies. It is clarified that this Court has not expressed any opinion with regard to the merits of the matters in the impugned proceedings.

Sd/-

ZIYAD RAHMAN A.A.
JUDGE

pkk

APPENDIX OF WP(C) NO. 14218 OF 2026

PETITIONER EXHIBITS

Exhibit P1	**TRUE COPY OF THE SHOW CAUSE NOTICE ISSUED BY THE 1STRESPONDENT DATED 08.07.2025**
Exhibit P2	**TRUE COPY OF REPLY DATED 06.10.2025**
Exhibit P3	**TRUE COPY OF THE RELEVANT PAGES OF THE GAZETTE NOTIFICATION DATED 29.03.2025**
Exhibit P4	**TRUE COPY OF RELEVANT PAGES OF THE MEMORANDUM EXPLAINING PROVISIONS OF FINANCE ACT, 2025**
Exhibit P5	**TRUE COPY OF ORDER DATED 17.03.2026**

APPENDIX OF WP(C) NO. 14228 OF 2026

PETITIONER EXHIBITS

Exhibit P1	**TRUE COPY OF THE SHOW CAUSE NOTICE ISSUED BY THE 1STRESPONDENT DATED 08.07.2025**
Exhibit P2	**TRUE COPY OF REPLY DATED 06.10.2025**
Exhibit P3	**TRUE COPY OF THE RELEVANT PAGES OF THE GAZETTE NOTIFICATION DATED 29.03.2025**
Exhibit P4	**TRUE COPY OF THE MEMORANDUM EXPLAINING PROVISIONS OF FINANCE ACT, 2025**
Exhibit P5	**TRUE COPY OF ORDER DATED 23.03.2026**

APPENDIX OF WP(C) NO. 14230 OF 2026

PETITIONER EXHIBITS

Exhibit P1	**TRUE COPY OF THE SHOW CAUSE NOTICE ISSUED BY THE 1STRESPONDENT DATED 08.07.2025**
Exhibit P2	**TRUE COPY OF REPLY DATED 06.10.2025**
Exhibit P3	**TRUE COPY OF THE RELEVANT PAGES OF THE GAZETTE NOTIFICATION DATED 29.03.2025**
Exhibit P4	**TRUE COPY OF THE MEMORANDUM EXPLAINING PROVISIONS OF FINANCE ACT, 2025**
Exhibit P5	**TRUE COPY OF ORDER DATED 17.03.2026**

APPENDIX OF WP(C) NO. 14270 OF 2026

PETITIONER EXHIBITS

Exhibit P1	TRUE COPY OF THE SHOW CAUSE NOTICE ISSUED BY THE 1ST RESPONDENT DATED 08.07.2025
Exhibit P2	TRUE COPY OF REPLY ISSUED BY PETITIONER BEFORE THE 1ST RESPONDENT DATED 06.10.2025
Exhibit P3	TRUE COPY OF THE RELEVANT PAGES OF THE GAZETTE NOTIFICATION DATED 29.03.2025
Exhibit P4	TRUE COPY OF THE MEMORANDUM EXPLAINING PROVISIONS OF FINANCE ACT, 2025
Exhibit P5	TRUE COPY OF ORDER ISSUED BY THE 1ST RESPONDENT DATED 17.03.2026

APPENDIX OF WP(C) NO. 14290 OF 2026

PETITIONER EXHIBITS

Exhibit P1	**TRUE COPY OF THE SHOW CAUSE NOTICE ISSUED BY THE 1STRESPONDENT DATED 08.07.2025**
Exhibit P2	**TRUE COPY OF REPLY DATED 06.10.2025**
Exhibit P3	**TRUE COPY OF THE RELEVANT PAGES OF THE GAZETTE NOTIFICATION DATED 29.03.2025**
Exhibit P4	**TRUE COPY OF RELEVANT PAGES OF THE MEMORANDUM EXPLAINING PROVISIONS OF FINANCE ACT, 2025**
Exhibit P5	**TRUE COPY OF ORDER DATED 23.03.2026**

APPENDIX OF WP(C) NO. 14310 OF 2026

PETITIONER EXHIBITS

Exhibit P1	**TRUE COPY OF THE SHOW CAUSE NOTICE ISSUED BY THE 1STRESPONDENT DATED 08.07.2025**
Exhibit P2	**TRUE COPY OF REPLY DATED 06.10.2025**
Exhibit P3	**TRUE COPY OF THE RELEVANT PAGES OF THE GAZETTE NOTIFICATION DATED 29.03.2025**
Exhibit P4	**TRUE COPY OF RELEVANT PAGES OF THE MEMORANDUM EXPLAINING PROVISIONS OF FINANCE ACT, 2025**
Exhibit P5	**TRUE COPY OF ORDER DATED 17.03.2026**