KPC Medical College and Hospital & Anr. v. Principal Commissioner of Income Tax (Central), Kolkata-1 & Ors. (with Kali Pradip Chaudhari Foundation)

RVWO35,36,37/2016; ITA21/2015 (formerly ITAT106/2015); ITAT105,107,108/2015

Common judgment dated 19 March 2025, High Court at Calcutta, RVWO35–37/2016 and connected appeals | 2025-03-19

The review applications were allowed and the restored appeals, together with the lead appeal, were allowed; substantial questions were answered for the assessees.

Income-tax Act, 1961: 271(1)(c), 274, 271AAA

High Court at Calcutta | Division Bench | T. S. Sivagnanam | Chaitali Chatterjee (Das)

Assessment years: 2007-08, 2008-09, 2009-10, 2011-12

Scope of this source order

This source contains both restoration and final merits disposal. Do not stop at describing it as a review/remand order, and distinguish its discussion of section 153C from the actual penalty-notice grounds.

01 FACTS OF THE CASE

The common judgment first addressed 120 days' delay in three review applications and restoration of ITAT105,107,108/2015 alongside admitted ITA21/2015, formerly ITAT106/2015. The four appeals challenged the Tribunal's 24 June 2015 common penalty order for AY2007–08 to2009–10 and2011–12. The lead Foundation appeal concerned Rs.43,56,900 penalty for AY2011–12; that is not stated as the aggregate for all four appeals.

Source: Caption and procedural history, PDF pp.1–5

02 DISCUSSION BY THE HON'BLE COURT

The Court found an apparent error in dismissal of connected appeals without accounting for the admitted companion appeal and allowed review. It then considered penalty merits, including notices failing to identify the charge or strike irrelevant alternatives. It relied on defective-notice authorities and quoted Gem Granites on statutory penalty conditions and explanations. Section153C document/year correlation was also argued; the judgment does not separately enumerate quantum assessments quashed on that ground.

Source: Review pp.2–3; penalty reasons pp.6–10

03 JUDICIAL DECISION

Delay was condoned, the three reviews allowed and appeals restored. The Court then allowed the assessee's appeals and answered the substantial questions in its favour. It granted leave to file vakalatnama and directed regularisation and payment for Revenue counsel's appearance.

Source: Review p.3; final disposition pp.10–11

04 OUTCOME / IN WHOSE FAVOUR

Assessee-favourable final penalty result after successful review and restoration, not merely a pending rehearing. The four appeal identities remain distinct within the common judgment; no blanket cancellation of every underlying quantum assessment is inferred.

Source: PDF pp.3–5,9–11

05 EXPERT COMMENTS

Read past restoration to the final penalty decision — The first part restores three appeals, but the same source continues to adjudicate the four connected appeals and allows them. Stopping at page3 would wrongly classify the order as merely procedural. Conversely, the Rs.43,56,900 question belongs to the Foundation's AY2011–12 lead appeal and should not be allocated to each connected docket.

Identify the charge from the actual notice — The Court inspected the notice and found relevant columns unmarked and irrelevant alternatives not struck out. Its reasoning is grounded in that defect, alongside the requirement that penalty conditions be satisfied. The Gem Granites quotation's exporter and accountant facts belong to that cited case, not this medical-college/foundation batch.

Keep statutory and chronological anomalies visible — The source moves among sections271(1)(c),271AAA and271AAB, and contains inconsistent SLP references and admission chronology. These should be verified from the underlying notices and orders before choosing a precise statutory or procedural locator. The clear final allowance is preserved without inventing a separate section153C quantum-quashing direction.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

High Court at Calcutta source judgment/order

Complete 11-page source PDF; corrected note based on this document.

All 11 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

Source-era statutory provisions only; no Income-tax Act, 2025 equivalence asserted.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

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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