IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 02-07-2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

WP No. 17896 of 2026
and WMP.Nos.19234 & 19235 of 2026

Shriwin Construction
Rep by its Partner
11, 6th Main road
Dhandeeswaran Nagar,
Velachery, Chennai, 600042
PAN ACXFS6226K

..Petitioner

Vs

1. Assessment Unit
   Income Tax Department,
   National Faceless Assessment Centre,
   New Delhi.

2. The Income Tax Officer
   Non-Corporate Ward-19 (4)
   Annexe Building 6th Floor,
   121 M.G.Road Nungambakkam, Chennai.

..Respondents

Prayer : Writ Petition is filed under Article 226 of the Constitution of India praying for issuance of Writ of Certiorari calling for the entire records relating to the impugned order in Assessment order in DIN ITBA/AST/S/143(3)/2025-26/1087576433(1), dated 18.03.2026 passed by the 1st Respondent and quash the same.

For Petitioner: Mr. T.Ramesh

For Respondents: Dr. C.P.Priya
Senior Standing Counsel (IT)

ORDER

The petitioner is engaged in the business of executing civil and structural works contracts. In relation to assessment year 2024 – 2025 (corresponding to financial year 2023 – 2024), the petitioner filed the return of income under Section 139(1) of the Income Tax Act, 1961 (the I-T Act) declaring a total income of Rs.12,50,000/-. Upon the case being selected for scrutiny, the assessing officer noticed the difference between receipts, as per Form 26AS, and the income offered for tax. The petitioner asserted that the difference arose on account of advances received in relation to under construction projects. This culminated in the impugned assessment order.

2. Learned counsel for the petitioner submits that amounts received on adhoc basis in relation to under construction projects should not be treated as income and that the same is liable to be treated as such only upon completion of said projects. In the alternative, he submits that the taxable income in relation thereto could not have been treated as undisclosed income without taking into consideration the expenditure relating thereto.

3. On instructions, he submits that the profit disclosed by the petitioner in relation to returned income is about 7.6%. Even if the profit in respect of the advance receipts of Rs.2,04,31,471/- were to be treated as income, he submits

that a maximum of 10% profit may be attributed in relation to such income. If tax were to be computed on such profit, he submits that it would not exceed Rs.6,13,000/- at the slab rate of 30%. He submits that the petitioner agrees to remit this amount as a condition for remand.

4. Dr. C.P.Priya, learned Senior Standing Counsel, appears for both the respondents.

5. On perusal of the impugned assessment order, it is clear that the entire difference between the receipts disclosed in the profit and loss account and Form 26AS, i.e. a sum of Rs.2,04,31,471/- has been treated as undisclosed income and added to the total income of the petitioner. This has resulted in arriving at net tax liability of Rs.75,76,373/- and a total demand of Rs.90,74,690/-.

6. It appears *prima facie* from such assessment order that expenditure relating to the differential amount of Rs.2,04,31,471/-, which was reflected in Form 26AS, has not been taken into account. Therefore, subject to the petitioner remitting a sum of Rs.6,13,000/-, re-consideration is warranted in the interest of justice.

7. For reasons aforesaid, subject to the petitioner remitting the sum of Rs.6,13,000/- within thirty days from the date of receipt of a copy of this order, the impugned assessment order is set aside and the matter is remanded to the assessment unit for re-consideration. After providing a reasonable opportunity to the petitioner, including a hearing through video-conference, and after permitting the petitioner to file its profit and loss account, a fresh order shall be issued within three months from the date of remittance of the aforesaid amount.

8. The writ petition is disposed of on the above terms. Consequently, connected miscellaneous petitions are closed. There shall be no order as to costs.

02-07-2026

Index : Yes/No

Neutral Citation : Yes/No

KJ

To

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SENTHILKUMAR RAMAMOORTHY, J.

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