IN THE HIGH COURT OF JUDICATURE AT MADRAS

**DATED: 27-01-2026**

CORAM

**THE HON'BLE MR JUSTICE C. SARAVANAN**

WP No. 27845 of 2023
and
WMP.No.27336 of 2023

Kuzhanthai Velu Raghothaman
14/4, Karian Ponnan Street, Venkatesa Nagar,
Ullagaram, Chennai 91

..Petitioner(s)

Vs

1. The Chairman
   Central Board Of Direct Taxes, Department Of
   Revenue, Ministry Of Finance, North Block,
   Secretariat Building, New Delhi 110 001
2. The Principal Commissioner Of Income Tax Iii
   No. 121 Mahatma Gandhi Road,
   Nungambakkam, Chennai 34.
3. The Additional Commissioner Of Income Tax
   Range 19, No. 121 Mahatma Gandhi Road,
   Nungambakkam, Chennai 34.
4. The Deputy Commissioner Of Income Tax
   Non Corporate Circle 19 (1), No. 121 Mahatma
   Gandhi Road, Nungambakkam, Chennai 34.

..Respondent(s)

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari for records pertaining to the impugned order dated 19.06.2023 vide F.No. 225/48/ 2023- ITA- II on the file of the first respondent and quash the same.

For Petitioner(s): M.Sathyakumar

For Respondent(s): M/s. C.P.Priya
Senior Standing Counsel

**ORDER**

This is the second round of litigation before this Court.

2. The petitioner discharged the tax liability under the Income Declaration Scheme, 2016 (IDS - 2016) by filing a declaration on 28.09.2016 under Section 183 of the Finance Act, 2016 for the Assessment Years 2014-2015 and 2015-2016.

3. As per the declaration, the petitioner declared undisclosed income amounting to Rs.5,98,08,000/-. The petitioner was required to pay a tax amount of Rs.2,69,13,600/- in three instalments i.e., 25% of the total amount payable by 30.11.2016; another 25% by 31.3.2017 and balance 50% by 30.9.2017. The petitioner however failed to adhere to the timeline prescribed under the Income Declaration Scheme, 2016. According to the learned counsel for the petitioner the last instalment, amounting to Rs.17,28,400/- along with interest has not been paid till date.

4. In this background, the petitioner earlier filed an application before the respondent on 17.10.2022 under Section 119 (2) (b) of the Income Tax Act, 1961, seeking extension of time for discharging the liability in terms of the declaration filed by the petitioner on 28.09.2016. The reason stated by the petitioner for failure to pay the last instalment within the prescribed time was the outbreak of COVID-19, which affected the country from March, 2020 onwards.

5. Earlier, the petitioner approached this Court in W.P.No.3382 of 2023 seeking a direction to the respondent to consider the petitioner's representation / application dated 17.10.2022 for condonation of delay in paying the last instalment. By order dated 14.02.2023, this Court directed the first respondent to consider the said representation and pass appropriate orders within a period of twelve weeks.

6. Pursuant to the said direction, the impugned order came to be passed. Section 183 of the Finance Act, 2016 contemplates the filing of a declaration under the Income Declaration Scheme, 2016 as mentioned above.

7. Section 187 of the Income Declaration Scheme, 2016 and Section 183 of the Finance Act, 2016 read as under:-

| **Section 187 of the Income Declaration Scheme, 2016** | **Section 183 of the Finance Act, 2016** |
|---|---|
| ***"187. Time for payment of tax***<br><br>*(1) The tax and surcharge payable under Section 184 and penalty payable under Section 185 in respect of the undisclosed income, shall be paid on or before a date to be notified by the Central Government in the Official Gazette.*<br><br>*(2) The declarant shall file the proof of payment of tax, surcharge and penalty on or before the date notified under sub-section (1), with the Principal Commissioner or the Commissioner, as the case may be, before whom the declaration under Section 183 was made.*<br><br>*(3) If the declarant fails to pay the tax, surcharge and penalty in respect of the declaration made under Section 183 on or before the date specified under sub-section (1), the declaration filed by him shall be deemed never to have been made under this Scheme."* | ***"183. Declaration of Undisclosed Income:-***<br><br>*(1) Subject to the provisions of this Scheme, any person may make, on or after the date of commencement of this Scheme but before a date to be notified by the Central Government in the Official Gazette, a declaration in respect of any income chargeable to tax under the Income-tax Act for any assessment year prior to the assessment year beginning on the 1st day of April, 2017 – (a) for which he has failed to furnish a return under Section 139 of the Income-tax Act; (b) which he has failed to disclose in a return of income furnished by him under the Income-tax Act before the date of commencement of this Scheme; (c) which has escaped assessment by reason of the omission or failure on the part of such person to furnish a return under the Income-tax Act or to disclose fully and truly all material facts necessary for the assessment or otherwise.* |

| | |
|---|---|
| | *(2) Where the income chargeable to tax is declared in the form of investment in any asset, the fair market value of such asset as on the date of commencement of this Scheme shall be deemed to be the undisclosed income for the purposes of sub-section (1).*<br><br>*(3) The fair market value of any asset shall be determined in such manner, as may be prescribed.*<br><br>*(4) No deduction in respect of any expenditure or allowance shall be allowed against the income in respect of which declaration under this section is made."* |

8. The provisions of the Finance Act, 2016, which contain the Income Declaration Scheme, 2016, must be strictly construed. As per the scheme, no concession can be granted to an assessee, if such an assessee has failed to discharge the tax liability pursuant to the declaration filed. In this case the declaration was filed on 28.09.2016. Thus, the petitioner has not complied with the prescribed conditions.

9. As per the decision in the ***Cape Brandy Syndicate vs. The commissioners of Inland Revenue [****12 TC 358] 1920 and* ***Commissioner of Customs vs. Dilip Kumar & Co,*** *AIR 2018 Supreme Court 3606*, it has been

held that in matters relating to taxation, the intention of the legislature must be gathered strictly from the language of the statute. This principle has consistently been followed by the Hon'ble Supreme Court of India in several tax cases. Therefore, the provisions of a taxing statute must be interpreted strictly, without adding or implying anything beyond what is expressly stated.

10. In the present case, the reasons given by the petitioner in the Affidavit filed in support of the writ petition, as well as in the application filed on 17.10.2022 under Section 119 (2) (b) of the Income Tax Act, 1961, cannot be accepted.

11. That apart the Hon'ble Supreme Court in ***Bharti Telecom Ltd vs.Commissioner of Customs,*** 2001 (134) E.L.T. 327 (S.C.) held that under the Amnesty Scheme, interest for the period between the date of export and reversal of Modvat credit was to be deposited by the due date, i.e., 31-1-1997 and there was no provision for extension of time. It also held that the Appellant's plea, that it was not reasonably possible to segregate inputs utilised in the manufacture of dutiable final products from inputs used in the manufacture of exempted products could not be raised before the Supreme Court as it was not raised at any stage earlier.

12. The circular dated 3rd January, 1997 was followed by Amnesty

Scheme dated 10th January, 1997 providing amnesty on reversal of modvat credit and payment of interest where exports were effected under the Value Based Advance License before 31st January, 1997. The scheme dated 10th January, 1997 provided the formula for the quantification of the modvat credit required to be reversed to avail the benefit of the scheme. It further provides that in addition to reversal, an interest at the rate of 20% on the amount of modvat credit retained by such exporters for the period between the date of exports and the date of reversal has to be calculated and deposited by the exporters before 31st January, 1997. It further provides that where credit has already been reversed, the exporters shall deposit the interest amount calculated in the manner prescribed before 31st January, 1997.

13. There the Hon'ble Supreme Court upheld that the Tribunal's order confirming demand of duty liability to the tune of Rs.52.41 lakhs. This view was also reiterated by the Hon'ble Supreme Court while dismissing the review petition in ***Bharti Telecom Ltd. Vs. Commissioner*** *– 2002 (142) E.L.T. A282 (S.C).*

14. The petitioner's contention regarding the lockdown is untenable, since the lockdown was imposed only during the second and third weeks of March 2020. However, the last date for payment of the amount, as per the declaration filed by the petitioner under the Scheme had already expired much earlier in

January, 2020.

15. Therefore, there is no scope for condoning the delay or extending the period of payment as per the declaration as such relief would be contrary to the mandate of Section 183 of the Finance Act, 2016 and the aforesaid scheme.

16. Accordingly, this writ petition is liable to be dismissed with liberty to the petitioner to approach the respondents in the future, in the event any such scheme is introduced by the Parliament for the relevant Assessment year.

17. This writ petition is dismissed with the above liberty. No costs. Consequently, connected Miscellaneous Petition is closed.

**27-01-2026**

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

av/dpa

To

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   Central Board Of Direct Taxes, Department Of
   Revenue, Ministry Of Finance, North Block,
   Secretariat Building, New Delhi 110 001.

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**C.SARAVANAN, J.**

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