M/s. Premier Solar Power Tech Private Limited v. Principal Commissioner of Income Tax, Hyderabad-4 and others

WP No.21429 of 2026

WP No.21429 of 2026; decided 20 July 2026 | 2026-07-20

Section 264 revision must address demonstrated double taxation across two assessment years.

Income-tax Act,1961: sections 264, 139(5), 143(1), 154

High Court for the State of Telangana | Division Bench | P. Sam Koshy | Narsing Rao Nandikonda

Assessment years: 2020-21, 2021-22

01 FACTS OF THE CASE

Premier Solar claimed liquidated damages for an NLC solar-project contract in AY 2020-21. A subsequent reversal offered to tax in AY 2021-22 included Rs.6,85,02,377, which was later disallowed in the earlier year and taxed there too. Having accepted and paid that disallowance, the company sought reduction of the same amount from AY 2021-22 through section 264. The Commissioner rejected its application on 27 March 2026.

Source: PDF paras 3–9, pp.4–8

02 DISCUSSION BY THE HON'BLE COURT

The Court held that section 264 extends to an assessee's own errors and is not defeated merely by absence of a timely revised return. It rejected the distinction between disallowance and voluntary reversal where the same sum was taxed twice. The combined effect of the two orders, rather than the intimation viewed alone, disclosed over-assessment. Section 264 serves an assessee-protective purpose distinct from section 263.

Source: PDF paras 17–29, pp.25–34

03 JUDICIAL DECISION

The 27 March 2026 revisional order was set aside. The 3 April 2024 section 264 application was remanded to the Commissioner for fresh consideration on merits, in accordance with law and the Court's observations.

Source: PDF para 30, pp.34–35

04 OUTCOME / IN WHOSE FAVOUR

The writ petition was allowed, miscellaneous petitions closed and no costs awarded. The operative order grants reconsideration; it does not itself quantify a refund, award interest or fix a disposal deadline.

Source: PDF paras 30–32, p.35

05 EXPERT COMMENTS

AKHB Expert Comments — editorial analysis, distinct from the Court's findings.

Prove identity of the amount: The result depended on tracing Rs.6,85,02,377 through the provision, later reversal and earlier-year disallowance. A year-wise reconciliation of books, returns, orders and tax payment makes the duplication demonstrable; merely showing two tax years or similar accounting labels would not establish the same factual premise. (PDF paras 4–8 and 23–24, pp.5–8,28–30)

Choose the correct revisional framework: The Court rejected importing Revenue-protective section 263 reasoning into section 264. Acceptance of returned income did not preclude correction of the resulting over-assessment. The missing revised return was not decisive, but this judgment does not abolish the statutory limits governing revision applications. (PDF paras 17–22 and 27–28, pp.25–28,31–34)

Separate the claim from other rectification: The section 154 order removed another adjustment and reduced the demand to nil, yet left the disputed reversal in taxable income. Nil demand therefore did not answer the double-taxation grievance. The record must distinguish correction of that adjustment from relief sought for the duplicated amount. (PDF paras 6–8, pp.6–8)

Read relief from the operative paragraph: Strong findings on double taxation guide the Commissioner on remand. They are not a direct refund direction. Time limits and interest directions quoted from other cases in the judgment must not be imported into this order. (PDF paras 30–32, pp.34–35)

Source: PDF paras4–8 and23–24, pp.5–8,28–30

SOURCE & VERIFICATION

Original High Court judgment PDF — AKHB source repository

Original proceeding and complete related judgment reviewed together; both originals retained.

Full original and all five panels re-reviewed on 21 October 2026.

Open cited source rendition

Docket, date, judge and operative linkage compared against complete related judgment.

STATUTORY SCOPE

Current law and subsequent treatment not independently verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent proceedings and current judicial treatment have not been 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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