IN THE HIGH COURT OF ANDHRA PRADESH AT AMARAVATI
(SPECIAL ORIGINAL JURISDICTION)
WEDNESDAY, THE TWENTY SECOND DAY OF APRIL
TWO THOUSAND AND TWENTY SIX
: PRESENT:
THE HONOURABLE SRI JUSTICE R RAGHUNANDAN RAO
AND
THE HONOURABLE SRI JUSTICE T.C.D.SEKHAR
WRIT PETITION NO: 9191 OF 2026

Between:

Gopalam Abhinaya, D/o Gopalam Subba Rao, (PAN No.AZXPG7769A), Flat No. 405, Bhagya Nagar Residency, 3rd lane, Bhagya Nagar, Ongole-523001.

Petitioner

AND

1. The Principle Commissioner of Income Tax, 1st Floor, SVR Plaza, D.No.40-6-15, Revenue Colony, Siddhartha Public School Road, Moghalrajpuram, Vijayawada-520010.
2. The Assistant Director of Income Tax, Central Processing Centre, Income Tax Department, Post Bag No. 1 Electronic City Post Office Bangalore, Karnataka-560100.
3. Union of India, Rep. by its Principal Secretary, Ministry of Finance, 3rd Floor, Jeevan Deep Building, Sansad Marg-New Delhi-110001.
4. M/s. Recko, Software Private limited, (CIN U72900KA2017PTC102890) (A fully owned and subsidiary of Recko, INC and Stripe INC USA), Rep. by its Chief Executive Officer, 91, Spring board, 4th Floor No. 22, (#351), Salarpuria Tower-1, Hosur Road, Koramangala-Bangalore-560095.

Respondents

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue any order or direction more particularly one in the nature of

Writ of Mandamus or any other appropriate writ or order or direction declaring the proceedings of the 1st Respondent, passed U/s 264 of the Income tax Act, 1961, for the Assessment Year 2022-23 with DIN No. ITBA/REV/M/REV7/2025-26/1086293888 (1) Dt. 20.02.2026 (Annexure P-1) in consideration of the revision application dated 29.08.2024 filed by the petitioner by sent through RPAD dt:04.09.2024 (Annexure P-2), for revision of the intimation passed under Sec 143(1) of the Income Tax Act,1961 by the 2nd respondent with DIN No.CPC/2223/V2/322526614 dated 04.01.2023(Annexure- P3) to declare the consideration received from the 4th respondent on compulsory exercise and settlement of Employees Stock Options (ESOPs) to be considered as Capital Receipts instead of perquisite U/s 17(2) (vi) of the income tax act 1961, was without issuance of any show cause notice before rejection of the claim of the petitioner is contrary to Sub section (14) (a), (29AA) and 29B of Sec 2 R/w Sec. 264 of the Income Tax Act, (Herein after referred to as the Act) is arbitrary, without application of mind and in gross Violation of Principles of Natural Justice. Hence,

i) To condone the delay of 242 days in filing the Revision petition.

ii) To declare the consideration of Rs. 86,73,173/- received from the 4th respondent on compulsory exercise and settlement of Employees Stock Options(ESOPs) as Capital Receipts

iii) To direct the 1st respondent to allow the revision petition filed U/s 264 of the Act, with all consequent benefits.

The petition coming on for hearing, upon perusing the Petition and the affidavit filed in support thereof and upon hearing the arguments of Sri K Adi Siva Vara Prasad, Advocate for the Petitioner, and of Sri Y N Vivekananda, Standing Counsel for Respondent Nos. 1 & 2, the Court made the following.

ORDER

Sri Y. N. Vivekananda, the learned Standing Counsel appearing for the respondents seeks further time for obtaining the instructions.

The petitioner, who is an assessee, under the Income Tax Act, 1961, had filed her returns, for the financial year, 2021-2022. The said returns were accepted and confirmed, by proceedings, dated 04.01.2023. Subsequently, the petitioner filed a Revision Petition, under Section 264 of the Income Tax Act, on 06.09.2024, contending that, a sum of Rs.86,73,173/- was received, on account of cancellation/relinquishment of ESOP/ESPS, had been wrongly shown as salary income and should be treated as capital gains and should be exempted, under Section 54F.

The Revisional Authority rejected the Revision Petition, by an order, dated 20.02.2026. The Revisional Authority also appears to have passed orders, on the merits of the case also.

The petitioner has approached this Court, on the ground that, the order, on merits, has been passed without further notice to the petitioner and the rejection of the revision petition, on ground of delay is not warranted.

The communication against which the revision was filed, was served, on 04.01.2023 and the period of limitation expired, on 03.01.2024. The petitioner filed the revision application, on 06.09.2024 with an explanation given for the period from September – 2023 to September – 2024. The Revisional Authority does not dispute the said reason. However, the Revisional Authority has taken the view that the delay from January – 2023 to September – 2023, should also be explained.

Prima facie, we would observe that the said view of the Revisional Authority, requires further consideration.

In these circumstances, there shall be stay of further proceedings, pursuant to the order of revision, dated 20.02.2026.

Post on 16.06.2026.

SD/- K.J.RAJA BABU
ASSISTANT REGISTRAR

//TRUE COPY//

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NB
SECTION OFFICER

To,

1. The Principle Commissioner of Income Tax, 1st Floor, SVR Plaza, D.No.40-6-15, Revenue Colony, Siddhartha Public School Road, Moghalrajpuram, Vijayawada-520010.
2. The Assistant Director of Income Tax, Central Processing Centre, Income Tax Department, Post Bag No. 1 Electronic City Post Office Bangalore, Karnataka-560100.
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5. One CC to Sri K Adi Siva Vara Prasad, Advocate [OPUC]
6. One CC to Sri Y N Vivekananda, Standing Counsel [OPUC]
7. One spare copy

HIGH COURT

RRR, J

&

TCDS, J

DATED: 22/04/2026

POST ON 16.06.2026

ORDER

WP.NO.9191 OF 2026

HIGH COURT OF ANDHRA PRADESH
SPECIAL CELL
08 MAY 2026
★ DESPATCHED ★

INTERIM STAY