**HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD**
FRIDAY, THE THIRD DAY OF JULY
TWO THOUSAND AND TWENTY SIX

**:PRESENT:**
**THE HONOURABLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH**
**AND**
**THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN**
**WP NOs: 20664 AND 20690 OF 2026**

**WP NO: 20664 OF 2026**

**Between**

Mrs. Addala Uma Devi, W/o Mr. Sasidhara Ganesh Murthy Addala, aged 56 years, Occ..Insurance Agent, Flat No. 401, R.K. Estate, B Block, MIG 523 and 524, K.P.H.B Colony, Hyderabad - 500 072, Telangana.

**.....PETITIONER**

**AND**

1. The Income Tax Officer, Ward 2(1), Hyderabad, Signature Towers, Sy.No. 6(P) of Kondapur, Sy.37(P) of KoOthaguda, Opp. Botanical Gardens, Serlingampally Mandal, Ranga Reddy District, Hyderabad - 500 084, Telangana.
2. The Principal Commissioner of Income Tax, Hyderabad-2, Signature Towers, Sy.No. 6(P) of Kondapur, Sy.No. 37(P) of Kothaguda, Opp. Botanical Gardens, Serlingampally Mandal, Ranga Reddy District - 500 084, Telangana.
3. Assessment Unit, Income Tax Department, National e-Assessment Center, New Delhi, Room No. 401, 2nd Floor, E-Ramp, Jawaharlal Nehru Stadium, New Delhi - 110 003.
4. The Joint Commissioner (Appeals) / the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi, Through the Principal Chief Commissioner of Income Tax (NaFAC), Delhi, North Block, New Delhi - 110 001.
5. The Central Board of Direct Taxes, Represented by its Chairman, Department of Revenue, Ministry of Finance, Government of India, Secretariat Buildings, New Delhi - 110 001
6. The Union of India, Represented by its Secretary to the Government, Department of Revenue, Ministry of Finance, New Delhi - 110 001.

**.....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 a Writ of Mandamus or any other appropriate Writ, Order or Direction, declaration that

a. Sec. 147A of the Income Tax Act, 1961, introduced vide Finance Act, 2026 (Act No..4 of 2026), with retrospective effect from 01.04.2021, as ultravires the Constitution of India and the Income Tax Act, 1961, apart from being violative of basic structure of the Constitution of India, including the rule of law and separation of powers,

b. the order passed u/s 147 r/w sec.144 r/w/s 144B of the Income Tax Act, 1961, dated 25.01.2024, bearing DIN No.: ITBA/AST/S/147/2023-24/1060117211(1), by the 3rd Respondent for the Assessment Year 2018 - 19, and

c. the consequential penalties order passed by the 3rd Respondent, levying penalties u/s 271AAC(1) and 272A(1)(d) of the Income Tax Act, 1961, dated 09.07.2024, bearing DIN.Nos. ITBA/PNL/F/271AAC(1)/2024-25/1066510753(1) & ITBA/PNL/F/272A(1)(d)/2024-25/1066563069(1), for the Assessment Year 2018 - 19, and

d. the order of the 4th Respondent dated 26.02.2026, vide DIN and Order No.ITBA/NFAC/S/250/2025-26/1086571232(1), passed u/s 250 of the Income Tax Act, 1961, dismissing the appeal filed by the Petitioner,

as arbitrary, illegal, bad in law, void-ab-initio, violative of the principles of natural justice, apart from being violative of Articles 14, 19(1)(g) and 265 of the Constitution of India and Sec 151A of the Income Tax Act, 1961, and consequently set aside the same in the interests of justice.

**I.A. NO: 1 OF 2026**

Petition under Section 151 of C.P.C praying that in the circumstances stated in the affidavit filed in support of the writ petition, the High Court may be pleased to stay the Order passed by the 3rd Respondent, u/s 147 r/w sec. 144 r/w/s 144B of the Income Tax Act, 1961, dated 25.01.2024, bearing DIN.ITBA/AST/S/147/2023-24/1060117211(1), for the Assessment Year 2018 - 19, pending disposal of the above Writ Petition.

The petition coming on for hearing, upon perusing the petition and the grounds filed in support thereof and upon hearing the arguments of SRI A V A Siva Kartikeya Advocate for the Petitioner, and J Sunitha (sr SC For Income Tax) for the Respondents.

**WP NO: 20690 OF 2026**

**Between**

Mr. Ram Reddy Salla, S/o. Late Salla Ram Reddy, aged 67 years, Occ.Business, 8-2-684/1/15, Road No. 12, Kanaka Durga Temple lane, Banjara Hills, Hyderabad - 500 034, Telangana.

**.....PETITIONER**

**AND**

1. The Assistant Commissioner of Income Tax, Circle 9(1), Hyderabad, IT Towers, AC Guards, Masab Tank, Hyderabad - 500 004, Telangana.
2. The Principal Chief Commissioner of Income Tax, Hyderabad, Andhra Pradesh and Telangana, Room No. 922, 9th Floor, B Block, I.T.Towers, 10-2-3, AC Guards, Hyderabad - 500 004, Telangana
3. Assessment Unit, Income Tax Department, National e-Assessment Center, New Delhi, Room No.401, 2nd Floor, E-Ramp, Jawaharlal Nehru Stadium, New Delhi - 110 003.
4. The Joint Commissioner (Appeals) / the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi, Through the Principal Chief Commissioner of Income Tax (NaFAC), Delhi, North Block, New Delhi - 110 001.
5. The Central Board of Direct Taxes, Represented by its Chairman, Department of Revenue, Ministry of Finance, Government of India, Secretariat Buildings, New Delhi - 110 001.
6. The Union of India, Represented by its Secretary to the Government, Department of Revenue, Ministry of Finance, New Delhi - 110 001.

**.....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 issue a Writ of Mandamus or any other appropriate Writ, Order or Direction, declaration that

a. Sec. 147A of the Income Tax Act, 1961, introduced vide Finance Act, 2026 (Act No.:4 of 2026), with retrospective effect from 01.04.2021, as ultravires the Constitution of India and the Income Tax Act, 1961, apart from being violative of basic structure of the Constitution of India, including the rule of law and separation of powers,

b. the order passed by the 1st Respondent vide communication dated 05.05.2026, directing the Petitioner to deposit 20% of total outstanding demand of Rs. 18,76,46,070/- i.e., Rs. 3,75,29,214/-, for grant of stay, pending disposal of the Petitioner's appeal before the 1st Appellate Authority, i.e., the 4th Respondent herein, for the Assessment Year 2018 - 19, as arbitrary, illegal, bad in law, void-ab-inito, violative of the principals of natural justice, apart from being violative of Articles 14, 19(1)(g) and 265 of the Constitution of India, and consequently set aside the same after granting of stay of recovery of the outstanding demand, pending disposal of the Petitioners appeal before the 1st Appellate Authority i.e., 4th Respondent, and pass such other order or orders may deem fit and proper in the circumstances of the case.

**<u>I.A. NO: 1 OF 2026</u>**

Petition under Section 151 of C.P.C praying that in the circumstances stated in the affidavit filed in support of the writ petition, the High Court may be pleased to stay all further proceedings, including any recovery, pursuant to order passed by the 1st Respondent vide communication dated 05.05.2023, directing the Petitioner to deposit 20percent of total outstanding demand of Rs. 18,76,46,070/- i.e., Rs. 3,75,29,214/-, for grant of stay, pending disposal of the appeal of the Petitioners appeal before the 1st Appellate Authority, i.e., the 4th Respondent herein, for the Assessment Year 2018 - 19, Pending disposal of WP No 20690 of 2026, on the file of the High Court.

The petition coming on for hearing, upon perusing the petition and the grounds filed in support thereof and upon hearing the arguments of SRI A V A Siva Kartikeya Advocate for the Petitioner, and Sri K.Sudhakar Reddy, Senior Standing Counsel, for Income Tax Department for Respondents, the Court made the following.

## ORDER

**Learned counsel Sri A.V.A.Siva Kartikeya appears for the petitioners.**

**Ms. J.Sunitha, learned Senior Standing Counsel, appears for Income Tax Department in W.P.No.20664 of 2026.**

**Sri K.Sudhakar Reddy, learned Senior Standing Counsel, appears for Income Tax Department in W.P.No.20690 of 2026.**

**Learned Senior Standing Counsel for Income Tax Department pray for and are granted one week's time to file the counter affidavits. Reply affidavits, if any, may be filed within one week therefrom without fail.**

**In view of the specific directions passed by the Hon'ble Supreme Court, parties should adhere to the timeline and file their respective affidavits so that these matters can be heard expeditiously.**

**List these matters along with W.P.Nos.15223, 18377, 18648 of 2026.**

**In the meantime, there shall be interim stay of all further proceedings, including any recovery, pursuant to the impugned notices/orders.**

**SD/- L.VIJAYA LAKSHMI**
**ASSISTANT REGISTRAR**

**//TRUE COPY//**

**SECTION OFFICER**

**To,**

1. The Income Tax Officer, Ward 2(1), Hyderabad, Signature Towers, Sy.No. 6(P) of Kondapur, Sy.37(P) of Kothaguda, Opp. Botanical Gardens, Serlingampally Mandal, Ranga Reddy District, Hyderabad - 500 084, Telangana.
2. The Principal Commissioner of Income Tax, Hyderabad-2, Signature Towers, Sy.No. 6(P) of Kondapur, Sy.No. 37(P) of Kothaguda, Opp. Botanical Gardens, Serlingampally Mandal, Ranga Reddy District - 500 084, Telangana.
3. Assessment Unit, Income Tax Department, National e-Assessment Center, New Delhi, Room No. 401, 2nd Floor, E-Ramp, Jawaharlal Nehru Stadium, New Delhi - 110 003.

4. The Joint Commissioner (Appeals) / the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi, Through the Principal Chief Commissioner of Income Tax (NaFAC), Delhi, North Block, New Delhi - 110 001.
5. The Chairman, Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India, Secretariat Buildings, New Delhi - 110 001.
6. The Secretary to the Government, Union of India, Department of Revenue, Ministry of Finance, New Delhi - 110 001.

7. The Assistant Commissioner of Income Tax, Circle 9(1), Hyderabad, IT Towers, AC Guards, Masab Tank, Hyderabad - 500 004, Telangana.
8. The Principal Chief Commissioner of Income Tax, Hyderabad, Andhra Pradesh and Telangana, Room No. 922, 9th Floor, B Block, I.T.Towers, 10-2-3, AC Guards, Hyderabad - 500 004, Telangana.[RR 1 TO 8 By SPAD]
9. One CC to Sri. A V A SIVA KARTIKEYA Advocate [OPUC]
10. The Section Officer, Writ Division Bench, High Court at Hyderabad.
11. One spare copy

HIGH COURT

HC, J
&
GMM, J

DATED: 03-07-2026

List these matters along with W.P.Nos.15223, 18377, 18648 of 2026

ORDER

WP.Nos.20664 and 20690 of 2026



INTERIM STAY