IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD
(Special Original Jurisdiction)

MONDAY,THE SEVENTEENTH DAY OF NOVEMBER
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE THE CHIEF JUSTICE APARESH KUMAR SINGH
AND
THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN

WRIT PETITION NO: 25121 OF 2024

Between:

Cyberabad Citizens Health Services Private Limited, Rep by its Director 1-111/4/B/103, Flat No. B-103 Aparna Towers, Kothaguda Post Kondapur Hyderabad Telangana - 500084

...PETITIONER

AND

1. Deputy Commissioner of Income Tax, Circle 1(1) IT Tower, AC, Guards, Masab Tank. Andhra Pradesh - 500004
2. Principal Chief Commissioner of Income tax, 10th Floor, Income Tax Towers, AC Guards, Hyderabad - 500 004

...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 particularly in the nature of Certiorari or order or direction (a) Quashing notice dated 22/04/2024 bearing no. ITBA/AST/S/148 1/2024-25/1064273517(1) issued by the 1st Respondent under Section 148 of the Act (Annexure P-10), (b)Quashing the order dated 22.04.2024 bearing no. ITBA/PNL/F/148A/2024- 25/1064273465(1) passed by the 1st Respondent under Section 148A(d) of the Act (Annexure P-9)

IA NO: 2 OF 2024

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay the operation notice dated 22/04/2024 bearing No ITBA/AST/S/148 - 1/2024 - 25/1064273517 (1) issued by th e1st Respondent under section 148 of the Act (Annexure P 10) and all further proceedings pursuant thereto during the pendency of the writ petition

Counsel for the **Petitioner: SRI T. SURYANA**RAYANA **SENIOR COUNSEL REPRESENTING Ms. K. SRILATHA**

Counsel for the **Respondents: SRI BOKARO** SAPNA **REDDY (Sr. SC** FOR **INCOME TAX)**

The Court made **the following: ORDER**

THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

WRIT PETITION No. 25121 of 2024

ORDER:

Heard Mr. T. Suryanarayana, learned Senior Counsel representing Ms. K. Srilatha, learned counsel for petitioner and Ms. Bokaro Sapna Reddy, learned Senior Standing Counsel for Income Tax Department appearing for respondents.

2. Notice under Section 148 of the Income-tax Act, 1961 (for short 'the Act') dated 22.04.2024 and order passed under Section 148A(d) of the Act also dated 22.04.2024, are under challenge in the instant Writ Petition.

3. The matter relates to the Assessment Year 2017-18. An Assessment Order in respect of the petitioner's return of income was passed by the Income Tax Officer, Ward 1(1), Hyderabad, on 20.12.2019 making additions under Section 68 of the Act. Thereafter, the Income Tax Officer passed an order dated 23.12.2019 under Section 154 of the Act read with Section 143(3) of the Act rectifying a typographical error in the Assessment Order wherein an adjustment of

Rs.40,00,00,000/- was erroneously mentioned as Rs.40,00,000/-. Subsequently, another notice under Section 154 of the Act dated 20.01.2022 was issued by respondent No.1 for rectification of the order dated 23.12.2019 for correction of a mistake apparent on record. The mistake proposed to be rectified was Rs.40.00 lac as against Rs.40.00 crore in the computation of total income. Therefore, there was short addition of Rs.39,60,00,000/-. The Assessment Officer had not made disallowance of Rs.6,35,949/- under Section 36(1)(va) of the Act with respect to non-payment of contribution to the Provident Fund within the due dates prescribed under the Act. The Assessment Officer had not verified the genuineness of the additions to the block of assets. Therefore, the depreciation claim of Rs.78,26,412/- was not allowed. It was to be added to the total income of the petitioner. The petitioner filed its objections on 22.02.2022. A notice dated 12.12.2022 was further issued calling upon the petitioner to furnish the details of the invoices wherein the amounts were exceeded Rs.1,00,000/- towards additions made to the fixed assets for the Assessment Year 2017-18.

According to it, the petitioner filed its response on 15.12.2022 providing the details of the fixed assets wherein the amount exceeds Rs.1.00 lac towards addition made in respect thereof. According to the petitioner, no further proceedings took place and no further orders have been passed in the proceedings under Section 154 of the Act, thereby, the proceedings are deemed to be dropped.

4. On 26.03.2024, notice under Section 148A(b) of the Act was issued on the following points:

a) that during the course of audit review, it was found that the petitioner had not paid the employees contribution to the Provident Fund amounting to Rs.6,35,949/- within the due dates. Therefore, the same is to be disallowed under Section 36(1)(va) of the Act, and

b) that the petitioner had not given details and supporting evidences about the additions to the block of assets.

5. It also stated that the Assessing Officer had not verified the genuineness of the additions to the block of assets. Therefore, the depreciation of Rs.78,26,412/- was not allowed.

The petitioner filed its response on 18.04.2024 objecting to the initiation of re-assessment proceedings. Respondent No.1 proceeded to pass an order under Section 148A(d) of the Act on 22.04.2024 holding it to be a fit case for issuance of notice under Section 148 of the Act since there was audit objection. Consequently, the notice under Section 148 of the Act proposing to re-assess the petitioner's income for the Assessment Year 2017-18 was issued on 22.04.2024. Therefore, the impugned order under Section 148A(d) and notice under Section 148 of the Act have been challenged in the instant Writ Petition.

6. According to the learned Senior Counsel for the petitioner, notice under Section 148 of the Act is barred by limitation. As per the first proviso to the amended Section 149 of the Act, the impugned notice is beyond the period of six years from the Assessment Year 2017-18. The reopening of assessment proceedings have also been challenged on the ground that during pendency of the proceedings under Section 154 of the Act on the same issue, it cannot be made. The

attention of this Court has been drawn to the notice dated 20.01.2022 issued for rectification of mistake and the order under Section 148A(d) of the Act passed on 22.04.2024. Reliance has been placed on the following decisions rendered by the Apex Court in **Union of India v. Rajiv Bansal**[1]; High Court of Delhi in **Sheetal International (P) Ltd v. Chief Commissioner of Income-tax, Central-2**[2]; High Court of Karnataka at Bengaluru in **Tarish Investment and Trading Company (P) Ltd., v. Union of India**[3]; High Court of Rajasthan in **Shree Cement Ltd., v. Assistant Commissioner of Income-tax**[4]; High Court of Bombay in **Godrej Industries Ltd., v. The Assistant Commissioner of Income Tax, Circle 14(1)(2), Mumbai**[5], and by a coordinate Bench of this Court in **M/s. Sri Sai Dhurga Balaji Health and Educational Welfare Society v. the Income Tax Officer**[6]. All these decisions relate to the Assessment Year 2017-18 except the case of **Godrej Industries Ltd.,** (supra) which relates to the Assessment Year 2014-15.

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[1] (2024) 167 taxmann.com 70 (SC)
[2] (2024) 168 taxmann.com 308 (Delhi)
[3] Writ Petition No.17389 of 2024 (T-IT)
[4] (2025) 177 taxmann.com 538 (Rajasthan)
[5] Writ Petition No.450 of 2023
[6] Writ Petition No.16014 of 2024

7. On the second issue, reliance has been placed on the decision of the Apex Court in the case of **S.M. Overseas (P) Ltd., v. Commissioner of Income-tax**[7]. Learned Senior Counsel for the petitioner has distinguished the decision rendered by the High Court of Patna in **Chandra Shekhar v. Principal Commissioner of Income-tax**[8] as it relates to the Assessment Year 2020-21 where the application of the first proviso to the amended Section 149 of the Act introduced with effect from 01.04.2021 cannot be applied. Based on the said submissions, the learned Senior Counsel for the petitioner has prayed that the impugned notice under Section 148 of the Act may be quashed and the order passed under Section 148A(d) of the Act may also be set aside.

8. On behalf of the Revenue, learned Senior Counsel for the Department has taken us to the chronology of dates and events as referred to hereinabove and thereby drawn the attention of this Court to the notice under Section 148A(b) of the Act dated 26.03.2024. It is submitted that the instant notice

[7] (2022) 145 taxmann.com 375 (SC)
[8] (2025) 173 taxmann.com 591 (Patna)

was issued prior to the expiry of six years period for reopening the assessment proceedings under the un-amended Section 149 of the Act for the Assessment Year 2017-18. The order under Section 148A(d) of the Act was passed on 22.04.2024. Further, the petitioner took time to file its reply on the date fixed as 10.04.2024. It is submitted that therefore, the benefit of the fifth and sixth provisos to amended Section 149 of the Act come into play. Therefore, the impugned notice under Section 148 of the Act dated 22.04.2024 is not barred by limitation.

9. Upon consideration of the rival submissions and the materials referred to hereinabove placed on record, we are of the considered view that the impugned notice under Section 148 of the Act dated 22.04.2024 relating to the Assessment Year 2017-18 is barred by limitation as per the first proviso to Section 149 of the Act brought into effect from 01.04.2021. The relevant part of amended Section 149 and the first, fifth and sixth provisos are extracted in the footnote[9].

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[9] 149. Time limit for notice.-(1) No notice under section 148 shall be issued for the relevant assessment year, -

10. This, we say so for the following reasons:

In the case of **Rajeev Bansal** (supra), the position of law stands clear as regards the operation of amended Section 149(1) of the Act. The relevant paragraphs 49 and 53 thereof are extracted hereunder:

> "49. The first proviso to Section 149(1)(b) requires the determination of whether the time limit prescribed under Section 149(1)(b) of the old regime continues to exist for the assessment year 2021-2022 and before. Resultantly, a notice under Section 148 of the new regime cannot be issued if the period of six years from the end of the relevant assessment year has expired at the time of issuance of the

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(a) if three years have elapsed from the end of the relevant assessment year, unless the case falls under clause (b);
(b) if three years, but not more than ten years, have elapsed from the end of the relevant assessment year unless the Assessing Officer has in his possession books of account or other documents or evidence which reveal that the income chargeable to tax, represented in the form of –

(i) an asset;
(ii) expenditure in respect of a transction or in relation to an event or occasion; or
(iii) an entry or entries in the books of account,

Which has escaped assessment amounts to or in likely to amount to fifty lakh rupees or more:

Provided that no notice under section 148 shall be issued at any time in a case for the relevant assessment year beginning on or before 1st day of April, 2021, if a notice under section 148 or section 153A or section 153C could not have been issued at that time on account of being beyond the time limit specified under the provisions of clause (b) of sub-section (1) of this section or section 153A or section 153C, as the case may be, as they stood immediately before the commencement of the Finance Act, 2021:

Provided also that for the purposes of computing the period of limitation as per this section, the time or extended time allowed to the assessee, as per show-cause notice issued under clause (b) of section 148A or the period during which the proceeding under section 148A is stayed by an order or injunction of any court, shall be excluded:

Provided also that where immediately after the exclusion of the period referred to in the immediately preceding proviso, the period of limitation available to the Assessing Officer for passing an order under clause (d) of section 148A does not exceed seven days, such remaining period shall be extended to seven days and the period of limitation under this sub-section shall be deemed to be extended accordingly.

notice. This also ensures that the new time limit of ten years prescribed under Section 149(1)(b) of the new regime applies prospectively. For example, for the assessment year 2012-2013, the ten year period would have expired on 31 March 2023, while the six year period expired on 31 March 2019. Without the proviso to Section 149(1)(b) of the new regime, the Revenue could have had the power to reopen assessments for the year 2012-2013 if the escaped assessment amounted to Rupees fifty lakhs or more. The proviso limits the retrospective operation of Section 149(1)(b) to protect the interests of the assessees."

"53. The position of law which can be derived based on the above discussion may be summarized thus: (i) Section 149(1) of the new regime is not prospective. It also applies to past assessment years; (ii) The time limit of four years is now reduced to three years for all situations. The Revenue can issue notices under Section 148 of the new regime only if three years or less have elapsed from the end of the relevant assessment year; (iii) the proviso to Section 149(1)(b) of the new regime stipulates that the Revenue can issue reassessment notices for past assessment years only if the time limit survives according to Section 149(1)(b) of the old regime, that is, six years from the end of the relevant assessment year; and (iv) all notices issued invoking the time limit under Section 149(1)(b) of the old regime will have to be dropped if the income chargeable to tax which has escaped assessment is less than Rupees fifty lakhs."

11. The first proviso to the amended Section 149 of the Act prescribes that no notice under Section 148 of the Act shall be issued at any time in a case for the relevant assessment year beginning on or before 01.04.2021, if a notice under Section

148 of the Act could not have been issued at that time on account of being beyond the time limit specified under the provisions of clause (b) of sub-section (1) of Section 149 of the Act or as they stood immediately before the commencement of the Finance Act, 2021. For the purposes of appreciating the first proviso, the un-amended Section 149 of the Act is also extracted in the foot note[10].

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[10] **Time limit for notice.**

149. (1) No notice under section 148 shall be issued for the relevant assessment year,-

(a) if four years have elapsed from the end of the relevant assessment year, unless the case falls under clause (b) or clause (c);

(b) if four years, but not more than six years, have elapsed from the end of the relevant assessment year unless the income chargeable to tax which has escaped assessment amounts to or is likely to amount to one lakh rupees or more for that year.

(c) if four years, but not more than sixteen years, have elapsed from the end of the relevant assessment year unless the income in relation to any asset (including financial interest in any entity) located outside India, chargeable to tax, has escaped assessment.

Explanation.- In determining income chargeable to tax which has escaped assessment for the purposes of this sub-section, the provisions of Explanation 2 of section 147 shall apply as they apply for the purposes of that section.

(2) The provisions of sub-section (1) as to the issue of notice shall be subject to the provisions of section 151.

(3) If the person on whom a notice under section 148 is to be served is a person treated as the agent of a non-resident under section 163 and the assessment, reassessment or recomputation to be made in pursuance of the notice is to be made on him as the agent of such non-resident, the notice shall not be issued after the expiry of a period of six years from the end of the relevant assessment year.

Explanation.- For the removal of doubts, it is hereby clarified that the provisions of sub-sections (1) and (3), as amended by the Finance Act, 2012, shall also be applicable for any assessment year beginning on or before the 1st day of April, 2012.

12. Apparently, the fifth and sixth provisos of the amended Section 149 of the Act extracted hereinabove provide for excluding certain periods while computing the period of limitation as per the amended Section. It prescribes the time or extended time allowed to the assessee as per the show cause notice under clause (b) of Section 148 of the Act or the period during which the proceeding under Section 148A of the Act is stayed shall be excluded. The sixth proviso to the amended Section 149 of the Act also deals with exclusion of the period referred to in the fifth proviso i.e., the period of limitation available to the Assessing Officer for passing an order under clause (d) of Section 148A of the Act if it does not exceed seven days. In that event, such remaining period shall be extended to seven days and the period of limitation under this sub-section shall be deemed to be extended. Accordingly, both the fifth and sixth provisos in the first place do not amount to clarification of the first proviso. These two provisos qualify the substantive amended Section 149 of the Act and do not relate to the un-amended Section 149 of the Act for which the

first proviso takes care of. The contention of the learned counsel for the Revenue that the time spent from the issuance of notice under Section 148A(b) of the Act up to the passing of the order under Section 148A(d) of the Act in terms of the fifth and sixth provisos stands excluded for reckoning the limitation period for issuance of notice under Section 148 of the Act is not worth acceptance. Section 148A of the Act lays down the procedure for issuance of notice under Section 148 of the Act whereas Section 149 of the Act prescribes strict time limit within which notice under Section 148 of the Act can be issued in the prescribed circumstances. The Revenue is therefore obliged to adhere to the timeline prescribed under Section 149 of the Act for issuance of such notice and undertake the procedure before issuance of notice under Section 148A of the Act.

13. In this regard, it is apposite to refer to opinion of the Delhi High Court. Paragraphs 15 and 16 of **Godrej Industries Ltd.,** (supra) are extracted hereunder:

> "15. The validity of a notice must be judged on the basis of the law existing as on the date on which the notice is

issued under Section 148 of the Act, which in the present case is 31st July 2022, by which time the Finance Act, 2021 is already on the statute and in terms thereof, no notice under Section 148 of the Act for AY 2014-15 could be issued on or after 1st April 2021 based on the first proviso to Section 149 of the Act. Therefore, the fifth proviso cannot apply in a case where the first proviso applies because, if a notice under Section 148 of the Act could not be issued beyond the time period provided in the first proviso, then the fifth proviso could not save such notices. The fifth proviso can only apply where one has to determine whether the time limit of three years and ten years in Section 149(1) of the Act are breached.

16. The sixth proviso to Section 149 of the Act has no impact as it only provides a situation where after exclusion of the time period referred to in the fifth proviso, the time available with the Assessing Officer for passing an order under Section 148A(d) of the Act is less than 7 days, then the remaining time frame shall be extended to 7 days and limitation also stands extended by 7 days."

14. Paragraph 12 of **Shree Cement Ltd.,** (supra) is also extracted hereunder.

"12. In this case, as it pertains to Assessment Year 2017-18, six years period would have expired on 31st March 2024 whereas notice under Section 148 of the Act itself came to be issued on 1st May 2024. Mr. Siddharth Bapna, counsel for Revenue, made an attempt to argue that fifth and sixth provisos to Section 149(1)(b) of the Act would save the period of limitation for issuing notice under Section 148 of the Act. We are afraid we do not agree with him. Same argument was raised in *Hexaware Technologies Ltd. (supra)* and was rejected. The Court held, with respect to

applicability of fifth and sixth provisos to Section 149(1)(b) of the Act for extension of limitation for issuing notice under Section 148 of the Act, fifth and sixth provisos are only applicable with respect to the period of limitation prescribed under Section 149(1) of the Act i.e., three years or ten years, as the case may be. The Court also held that fifth and sixth provisos extend limitation for issuing notice under Section 149 of the Act, however, first proviso is an exception to the period of limitation and provides for a restriction on the notices under Section 148 of the Act being issued for assessment years up to 2021-22 (in this case, it is Assessment Year 2017-18) beyond a certain date. Therefore, the way the section would operate, is to first decide whether a notice issued under Section 148 of the Act is within the period of limitation under Section 149(1)(a) or (b) of the Act. To decide whether the notice is within the period of limitation under Section 149(1)(a) or (b) of the Act, the extension of time as prescribed in fifth and/or sixth proviso would be considered. The Court further held once, the notice is otherwise within the period of limitation, thereafter one has to see whether the said limit is within the prescribed restriction provided in first proviso or not. If the notice is beyond the restriction period, the notice is invalid, and the fifth and/or the sixth proviso cannot apply at this stage to extend the period of restriction as per first proviso. Hence, if a notice is not within the time prescribed under first proviso to Section 149(1) of the Act, then such period cannot be extended by fifth or sixth proviso. In *Hexaware Technologies Ltd. (supra),* the Court had relied upon another judgment of Bombay High Court in *Godrej Industries Ltd. v. Assistant Commissioner of Income-tax* [2024] 160 taxmann.com 13 (Bombay)/(2024) 338 CTR (Bom) 25, which was also authored by one of us (the Chief Justice), where paragraph No.15 reads as under:

> "15. The validity of a notice must be judged on the basis of the law existing as on the date on which the notice is issued under Section 148 of the Act, which in the present case is 31st July 2022, by which time the Finance Act, 2021 is already on the statute and in terms thereof, no notice under Section 148 of the Act for AY 2014-15 could be issued on or after 1st April 2021 based on the first proviso to Section 149 of the Act. Therefore, the fifth proviso cannot apply in a case where the first proviso applies because, if a notice under Section 148 of the Act could not be issued beyond the time period provided in the first proviso, then the fifth proviso could not save such notices. The fifth proviso can only apply where one has to determine whether the time limit of three years and ten years in Section 149(1) of the Act are breached."

15. The reliance placed by the Revenue on the decision rendered by Patna High Court in the case of **Chandra Shekhar** (supra) is distinguishable as it relates to the Assessment Year 2020-21 in respect of which the notice under Section 148A(b) of the Act was issued on 28.03.2024. The petitioner therein had assailed the notice on the ground that the Assessing Officer had no jurisdiction to undertake the assessment for the Assessment Year 2020-21 after 31.03.2024 with reference to the second notice issued on 22.04.2024 as it was beyond the time limit stipulated under Section 149(1)(a) of the Act. In the

aforesaid facts, the learned Court held that the combined reading of the fifth and sixth provisos meant that the first notice dated 28.03.2024 was issued well within the time limit stipulated. Therefore, the Assessment Officer has jurisdiction.

16. In view of the above discussion, the initiation of reopening of assessment by the impugned notice dated 22.04.2024 is barred by limitation being beyond the period of six (6) years reckoned from the relevant Assessment Year 2017-18 as per the un-amended Section 149 of the Act read with the first proviso thereof brought into effect from 01.04.2021.

17. We are also in agreement with the submission made by the learned Senior Counsel for the petitioner that the grounds on which the notice under Section 148 of the Act and the order under Section 148A(d) of the Act have been issued are already taken up in the rectification proceedings *vide* notice dated 20.01.2022. It is pertinent to refer to the grounds taken in the rectification notice under Section 154 of the Act which are extracted hereunder:

"1. On perusal of the assessment order u/s.143(3), it is seen that addition made of Rs.40,00,00,000/- on unexplained cash credits with regard to shares allotment to M/s. Cancer Treatment Services Hyderabad Pvt. Ltd. However, AO added only Rs.40,00,000/- instead of Rs.40,00,00,000/- in the computation of total income. This amounts to short addition made of Rs.39,60,00,000/- having tax effect of Rs.30,59,10,000/- excluding interest.

2. From the tax audit report in Farm 3CD, it is observed that the assessee's company has not paid employees contribution to PF within the due dates prescribed under the acts. In view of the same, the same has to be disallowed u/s 36(1)(va) of the Act. The AO has not made any disallowance u/s 35(1)(va). Hence, an amount of Rs.6,35,949/- shall be disallowed u/s 36(1)(va). Tax effect (excluding interest) of disallowance u/s 36(1)(va) is Rs.2,20,089/-.

3. As verified from 3CD report, assessee was shown the an amount of Rs.78,26,412/- additions to the block of assets. During the assessment proceedings, assessee has not given details and supporting evidences about additions to the block of assets. Hence, the AO has not verified the genuineness of the additions to the block of assets. Hence, the depreciation claimed of Rs. 78,26,412/- is not allowable and the same has to be added to the total income of the assessee. The tax effect of disallowing depreciation is Rs.27,08,565/-."

18. The reasons mentioned in the order passed under Section 148A(d) of the Act are also extracted hereunder:

> "5.1. The assessee requested that the claim of the assessee is found to be in order towards belated payments of ESI/EPF amounting to Rs.6,35,949/-. However, in recent judgement passed by Apex court in the case of M/s Checkmate Services (P) Ltd Vs CIT (791 SC 2022) held that it is an essential condition for the deduction of employees' contribution that such amounts are deposited on or before the due dates defined by the respective statues. Therefore contention of the assessee is not in order.
>
> 5.2. Further, the assessee furnished partial bills / vouchers towards additions made to fixed assets for the F.Y 2016-17 relevant to A.Y 2017-18. Since the volumes of the information furnished the same needs to be verified further with third party confirmations. Therefore, the depreciation claimed by the assessee amounting to Rs.78,26,412/- is still stand unexplained with proper evidence."

19. The Revenue has not disclosed as to whether the proceedings under Section 154 of the Act had ended up in passing of an order. Even then, the reopening of assessment proceedings under Section 148 of the Act would amount to a change in opinion which is not permissible in law. Reliance has also been placed upon the decision of the Apex Court in **S.M. Overseas (P.) Ltd.,** (supra) on the proposition that parallel proceedings cannot be initiated for reopening of the assessment during pendency of the proceedings under Section

154 of the Act. Paras 4 and 5 of the said decision are also quoted hereunder.

> "4. Having heard learned counsel appearing on behalf of the respective parties and having gone through the impugned judgment and order passed by the High Court, we are of the opinion that the High Court has committed serious error in observing and holding that the notice under section 154 was invalid as the same was beyond the period of limitation as prescribed/provided under section 154(7) of the Act. It is required to be noted that the proceedings under section 154 of the Act were not the subject-matter before the High Court. Nothing was on record that, in fact, the notice under section 154 of the Act was withdrawn on the ground that the same was beyond the period of limitation prescribed under section 154(7) of the Act. In the absence of any specific order of withdrawal of the proceedings under section 154 of the Act, the proceedings initiated under section 154 of the Act can be said to have been pending.
>
> 5. In that view of the matter, during the pendency of the proceedings under section 154 of the Act, it was not permissible on the part of the Revenue to initiate the proceedings under section 147/148 of the Act pending the proceedings under section 154 of the Act. The High Court has erred in presuming and observing that the proceedings under section 154 were invalid because the same were beyond the period of limitation."

20. In the aforesaid facts and circumstances, we are satisfied that the second issue raised by the petitioner is also required to be answered in the affirmative.

21. Therefore, for the reasons recorded hereinabove, the proceedings initiated under Section 148 of the Act for reopening of the assessment relating to the Assessment Year 2017-18 are barred by limitation and accordingly, set aside.

The instant Writ Petition is accordingly allowed. There shall be no order as to costs.

Miscellaneous applications, if any pending, shall stand closed.

SD/-P.C. SULEKHA DEVI
ASSISTANT REGISTRAR

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SECTION OFFICER

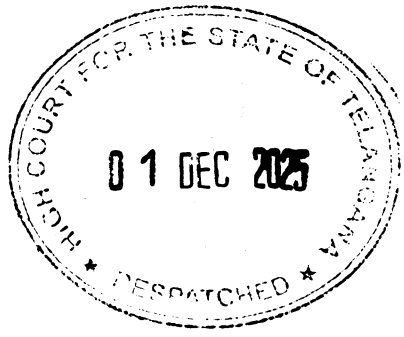
To,

1. The Deputy Commissioner of Income Tax, Circle 1(1) IT Tower, AC, Guards, Masab Tank. Telangana - 500004
2. The Principal Chief Commissioner of Income tax, 10th Floor, Income Tax Towers, AC Guards, Hyderabad - 500 004
3. One CC to Ms. K SRILATHA Advocate [OPUC]
4. One CC to Ms. BOKARO SAPNA REDDY (Jr. SC FOR INCOME TAX) [OPUC]
5. Two CD Copies

B M
GJP

HIGH COURT

DATED:17/11/2025



ORDER

WP.No.25121 of 2024

ALLOWING THE WRIT PETITION WITHOUT COSTS

kpr
29/11/25