

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

(Special Original Jurisdiction)

**MONDAY, THE FIFTH DAY OF JANUARY
TWO THOUSAND AND TWENTY SIX**

PRESENT

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

WRIT PETITION NO: 40735 OF 2025

Between:

Mohammed Abdul Malik, S/o. Mohmmmed Abdul Moyeed Aged about.45 years,
Occ. Employee R/o. 22-3-947/33/A/2/1, Plot No. 115, Purani Haveli, Charminar,
Hyderabad-500002.

...PETITIONER

AND

1. Principle Chief Commissioner of Income Tax, North Block, New Delhi
2. Assessment Unit, Income Tax Department, National-e-Assessment Center
New Delhi, Room No. 401, 2nd Floor, E-Ramp Jawaharlal Nehru Stadium,
New Delhi 110003

...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 declaring the inaction of Respondents in not permitting the Petitioner to file an updated income tax return under the purview of the press release dated 23-12-2025 wherein the Respondents has taken an initiative to encourage taxpayers to voluntarily review deductions/exemption claims identified as potentially ineligible through risk analytics and consequently set aside the Assessment order dated 15-10-2025 vide DIN ITBA/AST/S/143(3)/2025-26/1081833473(1) for the Assessment year 2024-25 thereby permitting the Petitioner to file an updated income tax return for the assessment year 2024-2025 in the interests of justice.

✓ **IA NO: 1 OF 2025**

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 all further proceeding which are being initiate by the Respondent against the Petitioner in Assessment order dated 15-10-2025 vide DIN 1TBA/AST/S/143(3)/2025-26/1081833473(1) for the Assessment year 2024-25.

Counsel for the Petitioner: MS. HIMANGINI SANGHI

Counsel for the Respondents: BOKARO SAPNA REDDY SC FOR INCOME TAX

The Court made the following: ORDER

IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

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

WRIT PETITION No.40735 of 2025

Dated: 05.01.2026

Between:

Mohammed Abdul Malik

...Petitioner

and

Principal Chief Commissioner of Income Tax,
North Block, New Delhi,
and another.

...Respondents

ORDER:

Learned counsel Ms. Himangini Sanghi appears for the petitioner.

Ms. Bokaro Sapna Reddy, learned Senior Standing Counsel for Income Tax Department, appears for the respondents.

2. The present writ petition relates to the assessment year 2024-2025 wherein the petitioner, who is the assessee, has assailed the assessment order dated 15.10.2025 passed after his case was selected for

scrutiny under the Computer-Assisted Scrutiny Selection (CASS) as per the notice under Section 143(2) of the Income Tax Act, 1961 (hereinafter referred to as, "the Act"). In response to the notice dated 14.08.2025 issued under Section 142(1) of the Act, the petitioner requested to file the updated Income Tax Return (ITR) under Section 139(8A) of the Act, which was rejected and the Assessing Officer, however, proceeded with the assessment under Section 143(3) read with Section 144B of the Act and disallowed exemptions under Section 10 of the Act and the deduction claimed in the ITR as per the chart contained at para 4.6 of the assessment order, which is extracted hereunder:

"4.3 Conclusion drawn:-

In view of the above discussion and fact of the case the disallowances of the following deductions/exemptions are hereby proposed:

Deduction/exemption	Amount
Exemption u/s 10(13A)	Rs.8,94,220/-
Deduction u/s 80G	Rs.8,50,000/-
Deduction u/s 80C	Rs.1,50,000/-
Deduction u/s 80CCD(1B)	Rs.50,000/-
Deduction u/s 80D	Rs.60,000/-
Deduction u/s 80DDB	Rs.1,00,000/-
Total	Rs.21,04,220/-

Accordingly, penalty proceedings u/s 270A of the Act for under reporting of income in consequence of misreporting of income is also hereby proposed to be initiated."

3. The penalty proceedings under Section 270A of the Act were also directed to be initiated for under-reporting of income. Separate

computation of income and demand notice under Section 156 of the Act was issued. The assessment order has been challenged on the ground that the Assessing Officer refused to allow filing of updated return in terms of Section 139(8A) of the Act.

4. During the course of submissions, learned counsel for the petitioner has also referred to the Press Release dated 23.12.2025, wherein the identified taxpayers were intimated through SMS and e-mail and they have been given an opportunity to review their ITRs, verify the correctness of their deductions and exemption claims and revise their returns, if required, within the prescribed time by 31st December, 2025.

5. Learned counsel for the petitioner prays that the petitioner may also be allowed to file the updated return in view of the Press Release issued by the Department of Revenue, Central Board of Direct Taxes, dated 23.12.2025. The assessment order was passed on 15.10.2025. It is submitted that the petitioner is a salaried employee and had disclosed other income which were not related to his employment in Form-16. The proceedings for assessment were issued on account of alleged exemption and deduction claimed inadvertently by the petitioner. Under Section 139(8A) of the Act, the assessee can file the updated return of his income within forty-eight months from the end of the relevant

assessment year, which period has not yet elapsed. Therefore, learned counsel for the petitioner submits that the petitioner may be granted an opportunity to file the updated return in terms of Section 139(8A) of the Act and the Press Release dated 23.12.2025, as the case of the petitioner relates to the assessment year 2024-2025. The Press Release also refers to the updated returns filed for assessment years 2021-2022 to 2024-2025. Therefore, it would be applicable to the case of the petitioner.

6. On the other hand, learned Senior Standing Counsel for Income Tax Department submitted that the impugned assessment order has been passed under Section 143(3) read with Section 144B of the Act as the case of the petitioner was selected for scrutiny under CASS upon notice under Section 143(2) of the Act and later on notice under Section 142(1) of the Act by assessing the income of the petitioner disallowing exemptions and impermissible deductions claimed. It is submitted that the petitioner can file an updated return before such proceedings were initiated. Reference is also made to sub-clause (b) of third proviso to Section 139(8A) of the Act. It is submitted that the Press Release dated 23.12.2025 is restricted to the identified taxpayers for the assessment year 2025-2026 and not for the previous assessment year to which the

case of the petitioner belongs. The petitioner has the remedy of appeal which he may avail taking all grounds of law and facts.

7. We have heard learned counsel for the parties and taken note of the relevant material placed on record. We have also perused the impugned assessment order and the relevant provisions of the Act as amended and applicable to the case of the petitioner. We have also perused the Press Release.

8. The case of the present petitioner was taken up for scrutiny vide notice under Section 143(2) of the Act on account of large deductions claimed under Section 80G of the old tax regime. Under the unamended Section 139(8A) of the Act, any person, whether or not he has furnished a return under sub-section (1) or sub-section (4) or sub-section (5), for an assessment year may furnish an updated return of his income or the income of any other person in respect of which he is assessable under the Act, for the previous year relevant to such assessment year, in the prescribed form, verified in such manner and setting forth such particulars as may be prescribed, at any time within twenty-four months from the end of the relevant assessment year. The expression "twenty-four" of the unamended Section 139(8A) of the Act has been substituted by "forty-eight" by the Finance Act, 2025 with effect from 01.04.2025.

Section 139(8A) of the Act along with the first, second and third provisos which are material for consideration in the facts of the case are quoted hereunder:

“139(8A) Any person, whether or not he has furnished a return under sub-section (1) or sub-section (4) or sub-section (5), for an assessment year (herein referred to as the relevant assessment year), may furnish an updated return of his income or the income of any other person in respect of which he is assessable under this Act, for the previous year relevant to such assessment year, in the prescribed form, verified in such manner and setting forth such particulars as may be prescribed, at any time within forty-eight months from the end of the relevant assessment year:

Provided that the provision of this sub-section shall not apply, if the updated return,-

- (a) is a return of a loss; or
- (b) has the effect of decreasing the total tax liability determined on the basis of return furnished under sub-section (1) or sub-section (4) or sub-section (5); or
- (c) results in refund or increases the refund due on the basis of return furnished under sub-section (1) or sub-section (4) or sub-section (5),

of such person under this Act for the relevant assessment year:

Provided further that a person shall not be eligible to furnish an updated return under this sub-section, where-

- (a) a search has been initiated under section 132 or books of account or other documents or any assets are requisitioned under section 132A in the case of such person; or
- (b) a survey has been conducted under section 133A, other than sub-section (2A) of that section, in the case of such person; or
- (c) a notice has been issued to the effect that any money, bullion, jewellery or valuable article or thing, seized or requisitioned under section 132 or section 132A in the case of any other person belongs to such person; or
- (d) a notice has been issued to the effect that any books of account or documents, seized or requisitioned under section 132 or section 132A in the case of any other person, pertain or pertains to, or any other information contained therein, relate to, such person,

for the assessment year relevant to the previous year in which such search is initiated or survey is conducted or requisition is made and any assessment year preceding such assessment year:

Provided also that no updated return shall be furnished by any person for the relevant assessment year, where-

- (a) an updated return has been furnished by him under this sub-section for the relevant assessment year, or
- (b) any proceeding for assessment or reassessment or recomputation or revision of income under this Act is pending or has been completed for the relevant assessment year in his case; or
- (c) the Assessing Officer has information in respect of such person for the relevant assessment year in his possession under the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 (13 of 1976) or the Prohibition of Benami Property Transactions Act, 1988 (45 of 1988) or the Prevention of Money-laundering Act, 2002 (15 of 2003) or the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015) and the same has been communicated to him, prior to the date of furnishing of return under this sub-section; or
- (d) information for the relevant assessment year has been received under an agreement referred to in section 90 or section 90A in respect of such person and the same has been communicated to him, prior to the date of furnishing of return under this sub-section; or
- (e) any prosecution proceedings under the Chapter XXII have been initiated for the relevant assessment year in respect of such person, prior to the date of furnishing of return under this sub-section; or
- (f) he is such person or belongs to such class of persons, as may be notified by the Board in this regard."

9. A bare reading of clause (b) of the third proviso to sub-section (8A) of Section 139 of the Act indicates that no updated return shall be furnished by any person for the relevant assessment year where any proceeding for assessment or reassessment or recomputation or revision of income under the Act is pending or has been completed for the relevant assessment year in his case. This provision squarely applies to the case of the present petitioner since the proceeding for assessment or

re-assessment was pending. The petitioner had not ventured to file the updated return before issuance of notice under Section 143(2) of the Act or the assessment proceedings under Section 143(3) read with Section 144B of the Act by the impugned order dated 15.10.2025.

10. In such a case, the request for filing of the updated return was rightly rejected by the Assessing Officer and the assessment order was passed after disallowing exemptions and deductions on merits. On a bare reading of the Press Release dated 23.12.2025, it is apparent that it is applicable to the cases of identified taxpayers for the assessment year 2025-2026. The recital made at para 4 thereof indicates that for the previous assessment years 2021-2022 to 2024-2025, the identified taxpayers had updated their ITRs and paid more than Rs.2,500 crores of taxes. In the present case, the petitioner is not an identified taxpayer, who had been requested through SMS or e-mail under the “Non-intrusive Usage of Data to Guide and Enable (NUDGE)” campaign to correct such errors. Moreover, in view of the pendency of the assessment proceedings upon being selected for scrutiny assessment, in terms of clause (b) of third proviso to Section 139(8A) of the Act, such an opportunity to file the updated return cannot be allowed to the petitioner. The petitioner had not invoked the said provision before his

case was selected for scrutiny assessment, as such we do not find any error in the impugned order refusing the request of the petitioner for filing the updated return. The petitioner, however, has the remedy of appeal. He may take all such grounds of law and facts on merits before the appellate authority as is permissible in law.

11. In view of the facts and circumstances and for the reasons recorded above, we do not find any ground to interfere in the impugned order.

12. The writ petition is accordingly dismissed. There shall be no order as to costs.

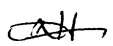
Miscellaneous applications pending, if any, shall stand closed.

//TRUE COPY//

SD/- A. JAYASREE
ASSISTANT REGISTRAR

SECTION OFFICER

To,

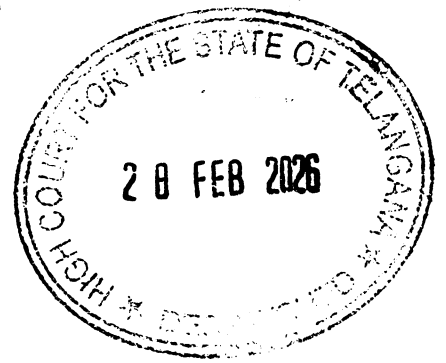
1. Principle Chief Commissioner of Income Tax, North Block, New Delhi
2. Assessment Unit, Income Tax Department, National-e-Assessment Center
New Delhi, Room No. 401, 2nd Floor, E-Ramp Jawaharlal Nehru Stadium,
New Delhi 110003
3. One CC to SRI. HIMANGINI SANGHI, Advocate [OPUC]
4. One CC to SRI. BOKARO SAPNA REDDY, SC FOR INCOME TAX, [OPUC]
5. Two CD Copies
DAN
GJP


HIGH COURT

DATED:05/01/2026

ORDER

WP.No.40735 of 2025



**DISMISSING THE WRIT PETITION
WITHOUT COSTS**

(7)
NT
28/2/26