Yadiki Primary Agricultural Co-operative Society Ltd. and three connected PACS v. Chief Commissioner of Income Tax and others

W.P.Nos.27631,27659,27682 and27689 of2024

W.P.Nos.27631,27659,27682 and27689 of2024; 10 February2026 | 2026-02-10

Four PACS condonation refusals set aside under the transitional circular; returns directed to be treated as timely.

Income-tax Act,1961: sections 119(2)(b), 80P, 80AC

High Court of Andhra Pradesh | 2-judge bench (Division Bench, Amaravati) | Justice R. Raghunandan Rao | Justice T.C.D. Sekhar

Assessment years: 2019-20

01 FACTS OF THE CASE

The petitions concerned Yadiki, Muddigubba, Peddakadapalavandlapalli and Gandlapenta PACS for AY 2019-20. They missed the 31 October 2019 filing date, later received section 148 notices in March 2023 and filed returns in April 2023. Their section 119(2)(b) requests were rejected on 22 November 2023. The societies relied on limited trained staff, thin margins and lack of proper advice; Revenue noted that audits had already been completed before the notices.

Source: PDF pp.3–8, paras 2–14 and table

02 DISCUSSION BY THE HON'BLE COURT

The Court considered the transitional hardship addressed by Circular 13/2023 and the initial difficulties following the filing condition for section 80P claims. It held that the societies' limited manpower and knowledge justified relief in this initial circular period. It expressly declined to make that approach a general rule for future years.

Source: PDF pp.8–10, paras 15–20

03 JUDICIAL DECISION

The rejection orders were set aside and the returns directed to be treated as filed within time. Where assessments had already been made and appeals were pending, the societies could place this order before the appellate authority, which was to take the returns into account.

Source: PDF p.10, paras 21–22

04 OUTCOME / IN WHOSE FAVOUR

All four petitions allowed with the stated timeliness directions; substantive assessment issues were not all finally decided.

Source: PDF p.10, paras 21–22

05 EXPERT COMMENTS

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

The transition-specific hardship drove relief: The reasoning links these small agricultural societies' manpower and knowledge difficulties to the initial period covered by Circular 13/2023. The Court's express limitation is important: it is not a permanent exemption from timely filing or a universal acceptance of ignorance of law. Evidence of the particular society's circumstances and the relevant year remains necessary. (PDF pp.8–10, paras 15–20)

A timely-return direction is not complete tax relief: The Court itself contemplated existing assessments and pending appeals. Its direction allows the appellate authority to consider returns as timely; it does not state that every assessment addition or disputed eligibility condition disappears. The practical next step in those cases was to place this order before the appellate forum and connect it to the filing-related objection. (PDF p.10, paras 21–22)

Preserve the four societies and the recorded chronology: The table gives separate notices and filings for each PACS. It records April condonation requests before the listed return dates, although the narrative describes requests after filing. That discrepancy should be checked against the underlying acknowledgements when applying the order. It does not justify substituting different societies, different rejection dates, or an unrecorded audit-delay explanation. (PDF p.4 table; pp.5–8)

Source: PDF pp.8–10, paras15–20

SOURCE & VERIFICATION

High Court of Andhra Pradesh official judgment PDF - AKHB Repository (20260209_APHC010533662024.pdf)

All 11 original pages read and visually reviewed; source hash verified.

Source and all five panels checked on 21 October 2026.

Open cited source rendition

STATUTORY SCOPE

Only provisions expressly stated in this order are indexed. Subsequent treatment and current law have not been 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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