

Bharat Electronics M.C. Unit Employees Co-op. Credit Society Ltd., Machilipatnam v. The Chief Commissioner of Income Tax, Hyderabad & Ors.

W.P. No. 19243 of 2025

W.P. No. 19243 of 2025 (AP HC, decided 02.07.2026) | 2026-07-02

CCIT order dated 12.02.2025 under section 119(2)(b) rejecting condonation of delay in filing AY 2019-20 return of an employees' cooperative credit society set aside and return filed on 23.08.2023 directed to be treated as filed within time to preserve section 80P deduction under CBDT Circular No. 13/2023.

Income-tax Act, 1961: sections 80AC, 80P, 119(2)(b), 139(1) and 148 | CBDT Circular No. 13/2023 dated 26.07.2023

High Court of Andhra Pradesh | 2-judge bench (Division Bench) | Ninala Jayasurya, J. | T.C.D. Sekhar, J.

Assessment years: 2019-20

Directs return filed on 23.08.2023 to be treated as within time (without a remand to CCIT)

Rather than remanding the condonation application to the CCIT, paragraph 11 on page 8 directly mandates the respondents to treat the return filed on 23.08.2023 as filed within time.

01 FACTS OF THE CASE

The petitioner, a cooperative credit society registered under the A.P. Co-operative Societies Act, 1964 providing credit facilities to employees of Bharat Electronics Limited (Ministry of Defence) at Machilipatnam, was required for the first time from AY 2018-19/2019-20 (consequent to the Finance Act, 2018 amendment to section 80AC) to file its return within the section 139(1) due date to claim deduction under section 80P. Upon receiving a notice under section 148, the society filed its return for AY 2019-20 on 23.08.2023 claiming section 80P deduction along with a condonation application under section 119(2)(b) read with CBDT Circular No. 13/2023 dated 26.07.2023. By order dated 12.02.2025 (DIN: ITBA/COM/F/17/2024-25/1073158274(1)), the CCIT, Hyderabad rejected the application on the ground that the society had not produced documentary evidence of circumstances beyond its control.

Source: [Pages 1-2 and 4-6 of 10 \(Paragraphs 1-4 and 7\) \(20260701_APHCo10372102025.pdf\)](#)

02 DISCUSSION BY THE HON'BLE COURT

The Division Bench held that following the Finance Act, 2018 amendment to section 80AC w.e.f. 01.04.2018, small employees' cooperative societies run with minimal, non-specialized staff were often unaware of the newly introduced mandatory return-filing precondition for section 80P deductions, which was the very reason CBDT issued Circular No. 13/2023 dated 26.07.2023 covering AYs 2018-19 to 2022-23. When substantial justice and technicalities are pitted against each other, substantial justice must prevail: denying condonation to a first-time filing employees' cooperative society would inflict severe hardship by forfeiting its lawful section 80P deduction and defeat the object of Circular No. 13/2023.

Source: [Pages 6-8 of 10 \(Paragraphs 7-10\) \(20260701 APHC010372102025.pdf\)](#)

03 JUDICIAL DECISION

Allowing W.P. No. 19243 of 2025, the Andhra Pradesh High Court set aside the CCIT's order dated 12.02.2025 and directed the respondents to treat the return filed by the petitioner on 23.08.2023 for AY 2019-20 as filed within time.

Source: [Pages 8-9 of 10 \(Paragraphs 11-12\) \(20260701 APHC010372102025.pdf\)](#)

04 OUTCOME / IN WHOSE FAVOUR

In favour of the assessee (Bharat Electronics M.C. Unit Employees Co-op. Credit Society Ltd.); section 119(2)(b) rejection order dated 12.02.2025 set aside and return directed to be treated as within time.

Source: [Pages 8-9 of 10 \(Paragraphs 11-12\) \(20260701 APHC010372102025.pdf\)](#)

05 AKHB REVIEW POINT

AKHB analysis: Read alongside the Orissa High Court's decision in Reserve Bank Employees Co-op Credit Society Ltd. (W.P.(C) No. 7708/2025, decided 09.01.2026), this Andhra Pradesh High Court judgment goes even further by holding that for small employees' cooperative credit societies filing for the first time after the Finance Act, 2018 amendment to section 80AC, lack of trained staff and bona fide unawareness constitute 'genuine difficulty' under section 119(2)(b) and Circular No. 13/2023.

Source: [Full judgment PDF \(10 pp.\)](#)

SOURCE & VERIFICATION

[Original judgment PDF \(20260701 APHC010372102025.pdf\)](#)

Reviewed from the complete 10-page official High Court judgment PDF (20260701_APHC010372102025.pdf, SHA-256: d566a2d642boee54dee7881ea382e41d7410ee19021coa9c46f2731babfad1d9).

Supplied source-reviewed note retained; original bytes and identity validation checked in this release. Substantive re-review is not claimed for this record.

Open cited source rendition

Primary source verified page-by-page (10 physical pages, 580,938 bytes, SHA-256: d566a2d642boee54dee7881ea382e41d7410ee19021coa9c46f2731babfad1d9). Cloud Google Drive File ID: 1YQho2HNY43tM5T9vXV14aL4gb1QniWQD (https://drive.google.com/file/d/1YQho2HNY43tM5T9vXV14aL4gb1QniWQD/view).

STATUTORY SCOPE

Refers to the Income-tax Act, 1961 and allied statutory rules/circulars as applicable to the relevant assessment years.

LATER TREATMENT

Source checked 2026-10-18. No subsequent Supreme Court reversal or stay is recorded in the source judgment text.

AI DISCLOSURE

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