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

Co-operative society's condonation refusal set aside; AY 2019-20 return 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) | Justice Ninala Jayasurya | Justice T.C.D. Sekhar

Assessment years: 2019-20

01 FACTS OF THE CASE

Bharat Electronics M. C. Unit Employees Co-operative Society challenged the 12 February 2025 rejection of its section 119(2)(b) request for AY 2019-20. Its members were BEL employees. After a section 148 notice, it filed a return on 23 August 2023 with a request concerning its section 80P claim, explaining its belief about exemption and its limited, untrained staffing.

Source: PDF pp.2,4–5, paras 1–4

02 DISCUSSION BY THE HON'BLE COURT

The Court considered the transition following the filing condition introduced through section 80AC and Circular 13/2023 dated 26 July 2023. This was the society's first return for the year in question. The Court accepted its staffing and knowledge difficulties as genuine hardship in that setting and held that refusal would defeat the circular's remedial purpose.

Source: PDF pp.6–8, paras 7–10

03 JUDICIAL DECISION

The rejection order was set aside and the return directed to be treated as filed within time. The writ was allowed without costs.

Source: PDF pp.8–9, paras 11–12

04 OUTCOME / IN WHOSE FAVOUR

Petitioner obtained a timely-return direction, rather than a remand for another condonation decision.

Source: PDF pp.8–9, paras 11–12

05 EXPERT COMMENTS

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

The transitional setting explains the accepted hardship: The Court combined the changed filing condition, the circular's specified period and the society's limited staff capacity. That reasoning should not become a general excuse for every late co-operative return. The relevant year and evidence of the actual administrative difficulty are central to a useful comparison. (PDF pp.6–8, paras 7–10)

The operative relief directly resolved timeliness: The Court did not merely ask the Commissioner to reconsider. It directed that the return be treated as within time. That removes the filing-delay obstacle identified here; it does not independently compute the deduction or decide every substantive eligibility condition under section 80P. (PDF pp.8–9, paras 11–12)

Distinguish a deduction condition from all return-filing duties: The judgment's transition discussion should be read in the context of the section 80P claim and condonation request. It is not a safe basis for asserting that co-operative societies previously had no return-filing obligations of any kind. Practical application requires the actual return, notice and condonation chronology alongside the circular's coverage. (PDF pp.4–8, paras 1–10)

Source: PDF pp.6–8, paras7–10

SOURCE & VERIFICATION

Original judgment PDF (20260701_APHC010372102025.pdf)

All 10 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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