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APHC010372102025



**IN THE HIGH COURT OF ANDHRA
PRADESH
AT AMARAVATI
(Special Original Jurisdiction)**

[3543]

THURSDAY, THE 2nd DAY OF JULY 2026

PRESENT

THE HONOURABLE SRI JUSTICE NINALA JAYASURYA

THE HONOURABLE SRI JUSTICE T.C.D.SEKHAR

WRIT PETITION No.19243/2025

Between:

1.BHARAT ELECTRONICS M C UNIT EMPLOYEES CO-OP.
CREDIT SOC LTD.,, REPTD. BY ITS PRESIDENT,
MAGANTI SATYANARAYANA VARA PRASAD, SON OF
RAMA CHANDRA RAO, EDEPALLI, MACHILIPATNAM-
521001 KRISHNA DISTRICT, ANDHRA PRADESH

...PETITIONER

AND

1.THE CHIEF COMMISSIONER OF INCOME TAX, I T
TOWER, A C GUARDS, MASAB TANK, HYDERABAD-500
004, TELANGANA.
2.THE PRINCIPAL COMMISSIONER OF INCOME TAX,
VIJAYAWADA, NTR DISTRICT.
3.THE UNION OF INDIA, THROUGH THE PRINCIPAL
SECRETARY, MINISTRY OF FINANCE, GOVERNMENT
OF INDIA, 3RD FLOOR, JEEVAN DEEP BUILDING,
SANSAD MARG, NEW DELHI-110 001

...RESPONDENT(S):

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 or order or direction more particularly in the nature of mandamus, under Article 226 of the Constitution of India, quashing the impugned rejection order dated 12.2.2025 passed under Section 119(2)(b) of the Act vide DIN and Order No. ITBA/COM/F/17/2024-25/1073158274(1) by the 1st respondent, for the Assessment Year 2019-20, without considering the detailed grounds of condonation, as arbitrary, illegal, unjustified and contrary to the provisions of the Act and in violation of Principles of Natural Justice, and consequently direct the 1st Respondent to provide one more opportunity and adjudicate the same on merits and pass

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 may be pleased to suspend the operation of the impugned Order of the 1st Respondent, passed vide DIN & Order No. ITBA/COM/F/17/2024- 25/1073158274(1) dated 12.2.2025, and desist/stay the respondents from taking any further steps pursuant to the impugned rejection order for the Assessment Year 2019-20, pending the hearing and final disposal of the above writ petition, for an order restraining the respondents, its officers, sub-ordinates from taking any steps in furtherance or in connection with the impugned rejection order, aⁿ otherwise, the Petitioner would be put to severe loss and hardship.

Counsel for the Petitioner:

1.C SANJEEVA RAO

Counsel for the Respondent(S):

1.Pasala Ponna Rao,DEPUTY SOLICITOR GENERAL OF
INDIA

2.Y N VIVEKANANDA

The Court made the following:

HON'BLE SRI JUSTICE NINALA JAYASURYA

AND

HON'BLE SRI JUSTICE T.C.D. SEKHAR

WP No.19243 OF 2025

ORDER:- *(Per Hon'ble Sri Justice T.C.D. Sekhar)*

1. The petitioner is a society registered under Andhra Pradesh Co-operative Societies Act, 1964, engaged in the activity of lending credit facilities to its members who are the employees of Bharat Electronics Limited, Machilipatnam, an organization under the Ministry of Defense, Government of India.

2. The respondent authorities issued notice under Section 148 of the Income Tax Act, 1961 calling upon the petitioner to furnish its tax return as per Section 139 (1) of the Act. Thereafter, the petitioner filed its return for the Assessment year 2019-2020 on 23.08.2023 along with an application seeking to condone the delay under Section 119(2)(b) of the Act, in furnishing the return by claiming deduction under Section 80P of the Act. It was *inter alia* contended that the petitioner was under bonafide belief that the activities of the society are exempted from the provisions of Income Tax Act, and therefore it could not furnish return. It was further averred that after receiving the notice under

Section 148, and after consulting the tax consultant, the petitioner filed its return as aforesaid with an application seeking to condone the delay by placing the reliance on the circular issued by CBDT vide Circular No.13/2023, dt.26.07.2023.

3. The 1st respondent after considering the matter by impugned order dt.12.02.2025 rejected the delay application filed by the petitioner by observing that the petitioner has failed to meet the statutory and procedural requirements for condonation of delay, including establishing sufficient cause or demonstrating circumstances beyond its control. Aggrieved by the same, the present writ petition is filed.

4. The respondent Nos.1 & 2 filed counter affidavit reiterating what has been stated in the impugned order. It was further stated that in the absence of documentary evidence in support of the delay caused in the matter, the petitioner is not entitled to get the benefit under Circular No.13/2023, dt.26.07.2023.

5. Heard, Sri C.Sanjeeva Rao, learned counsel for the petitioner and the learned Senior Standing Counsel Sri Y.N.Vivekananda for CBDT.

6. Perused the material available on record.

7. It is not in dispute that the petitioner has filed its income tax returns on 23.08.2023 for the Assessment year 2019-2020. It is pertinent to note that the Co-operative Societies had earlier were exempted from filing of its Income Tax returns by virtue of Section 80AC of the Act. This provision was amended with effect from 01.04.2018 by the Finance Act, 2018. By virtue of this amendment, the Co-operative Societies were required to file returns within the stipulated date. Further, as per Section 80P of the Act, an exemption is granted to the Co-operative Societies by allowing certain deductions from the income. The said deduction under Section 80P would be allowed upon furnishing returns within the time stipulated under the Act. In the case on hand, admittedly the petitioner filed its return on 23.08.2023.

8. The 1st respondent while rejecting the application made by the petitioner observed that the petitioner did not show any reason to condone the delay so as to enable it to take benefit under Circular No.13/2023, dt.26.07.2023. Be that as it may, a perusal of the said circular would show that the same was issued upon receipt of applications by Central Board of Direct Taxes from the Co-operative Societies claiming deduction under Section 80P

of the Act for various assessment years from AY 2018-2019 to AY 2022-2023, regarding condonation of delay in furnishing return of income to treat such returns as returns furnished within the due date under Sub Section (1) of Section 139 of the Act. Under this circular, certain guidelines were fixed so as to satisfy/ accept the belated returns filed by the Co-operative Societies. The petitioner filed its return on 23.08.2023 after receipt of the notice under Section 148. Further, it is pertinent to note by virtue of Amendment made to the Income Tax Act, 1961 with effect from 01.04.2018, the Co-operative Societies were made to file Income Tax returns as per Section 139(1). In the case on hand, the petitioner is filing return for the first time for the Assessment year 2019-2020. If the application filed by the petitioner is not allowed, it will be put to serious hardship inasmuch as the deductions that are lawfully entitled by the petitioner would be denied. In such a situation, the very object of issuing circular No.13/2023, dt.26.07.2023 would be defeated.

9. Further, on a perusal of the order under challenge it is clear that the same was dismissed on the ground that the petitioner has not offered any plausible explanation for the delay caused in filing the returns. In this connection, it is to be noted that, whenever

substantial justice and technicalities are pitted against each other, the Constitutional Courts have time and again held that substantial justice would prevail over the technicalities. As already observed supra, there is no dispute insofar as the fact that the petitioner is entitled to certain deductions under Section 80P of the Act, if the petitioner is allowed to file its returns.

10. Further, the authorities manning the Act have to take liberal approach towards the Co-operative Societies, especially in the teeth of Circular No.13/2023, while dealing with applications filed seeking to condone the delay under Section 119(2)(b) of the Act. Further, it is also not out of place to mention that the Cooperative Societies like that of the petitioner were not fully aware of the provisions of the Act and its applicability, inasmuch as, it is being run with a minimal staff who were not fully trained. This aspect of the matter has to be treated as a genuine difficulty faced by the petitioner society.

11. For the foregoing reasons, the impugned order dt.12.02.2025 passed by the 1st respondent is set aside and the respondents are directed to treat the returns filed by the petitioner is within time.

12. Accordingly, the writ petition is allowed. There shall be no order as to costs.

As a sequel, pending applications, if any shall stand closed.

JUSTICE NINALA JAYASURYA

JUSTICE T.C.D. SEKHAR

02.07.2026
DR

Whether the order is:-

Speaking Yes/No /Reasoned Yes/No

Reportable Yes/No /Non-Reportable Yes/No

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**HON'BLE SRI JUSTICE NINALA JAYASURYA
AND
THE HONOURABLE SRI JUSTICE T.C.D. SEKHAR**

**WP No.19243 of 2025
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