APHC010494112026

**IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI**

**Bench Sr.No:-187
[3543]**

WRIT PETITION NO: 27011 of 2026

Vatsavai Primary Agricultural Co-operative Credit Society Limited ...Petitioner

Vs.

the chief commissioner of income tax ...Respondent

****

**CORAM : SRI JUSTICE NINALA JAYASURYA
SRI JUSTICE T.C.D.SEKHAR**

DATE : 4th November 2026

Present :

Advocate for Petitioner: RAVULA NAGARJUNA

Advocate for Respondent: Y N VIVEKANANDA

HON'BLE SRI JUSTICE NINALA JAYASURYA

AND

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

WP No.27011 OF 2026

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

1. The petitioner is Primary Agricultural Co-operative Credit Society registered under the provisions of Andhra Pradesh Co-operative Societies Act, 1951, who engaged in providing Agricultural Credit Facilities to its members.

2. The respondent authorities issued notice dt.28.03.2023 under Section 148 of the Income Tax Act, 1951 calling upon the petitioner to furnish return of income for the assessment year 2018-19. The petitioner filed application under Section 119 (2) (b) of the Income Tax Act, seeking to condone the delay in filing the return claiming deduction under Section 80P of the Act, by placing reliance on Circular issued by CBDT vide Circular No.13 of 2023, dt.26.07.2023. It was further stated that the delay occurred as the petitioner society 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 the return. *Inter alia* it was contended that the Secretary of the

Society Mr. Samineni Hari Krishna, who was authorized signatory for filing Income Tax Return was hospitalized. In support of the said contention, Medical Certificate issued by Deputy Civil Surgeon, Jaggaiahpet was furnished along with the delay application.

3. The respondent after considering the matter, by order under challenge dt.17.07.2025 rejected the delay application on the ground that the petitioner failed to meet the statutory and procedural requirements for the 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 filed counter affidavit reiterating what has been stated in the impugned order. It was stated that though the petitioner had finalized statutory audit on 28.09.2018, no explanation whatsoever was forthcoming from the petitioner as to why the return was not filed in time.

5. Heard Sri Ravula Nagarjuna, learned counsel for the petitioner and Sri Vamsi Krishna, Junior Standing Counsel for CBDT.

6. Perused the material available on record.

7. It is pertinent to note that the Co-operative Societies 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. As a result of this amendment, the Co-operative Societies are 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 deductions under Section 80P would be allowed upon furnishing returns within the time stipulated under the Act.

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 assessment year AY 2018-2019, 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 and accept the belated returns filed by the Co-operative Societies. 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 2018-2019. 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. Apart from the same, the petitioner has stated that the Secretary of the Society Mr. Samineni Hari Krishna was hospitalized and medical certificate issued by Deputy Civil Surgeon, Jaggaiahpet was furnished along with the delay application. Therefore, it is construed that the petitioner society has shown sufficient cause for condoning the delay.

11. For the foregoing reasons, the impugned order dt.17.07.2025 passed by the respondent is set aside and the

department authorities shall 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.

No order as to costs. As a sequel, pending applications, if any shall stand closed.

_____

JUSTICE NINALA JAYASURYA

_____

JUSTICE T.C.D. SEKHAR

04.11.2026
DR

68

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

WP No.27011 OF 2026
Date 04.11.2026

U
DR