Commissioner of Income Tax, Chandigarh-II v. Punjab State Co-operative Milk Producers Federation Ltd.

ITA 584/2006

No neutral citation stated in source | 2007-09-10

Section 80P(2)(d) relief upheld on interest from working capital advanced to another cooperative society.

80P(2)(d) | 260A

High Court of Punjab and Haryana | Division Bench | M.M. Kumar | Ajay Kumar Mittal

Assessment years:

01 FACTS OF THE CASE

Revenue challenged the Tribunal order dated 27 April 2006 in ITA 1608/Chandi/2005. Its proposed question concerned deduction under section 80P(2)(d) for interest earned by the Federation on working capital advanced to another cooperative society.

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02 DISCUSSION BY THE HON'BLE COURT

The Court found that the Tribunal had correctly answered the issue against Revenue. It approved reliance on U.P. Co-operative Federation Ltd., (1989) 176 ITR 435 (SC), and Haryana Co-operative Sugar Mills Ltd., (1989) 180 ITR 631 (P&H). The short order supplied no separate extended statutory analysis.

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03 JUDICIAL DECISION

The Court found no basis to refer the proposed question, which had already been answered, and dismissed Revenue's appeal.

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04 OUTCOME / IN WHOSE FAVOUR

The Tribunal's section 80P(2)(d) relief on the described inter-cooperative working-capital interest stood.

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05 EXPERT COMMENTS

AKHB EXPERT COMMENTS — editorial analysis, distinct from the Court's findings.

The counterparty and receipt define the useful comparison — The question specifically concerns interest on working capital advanced to another cooperative society. That combination should remain visible when using the judgment. It does not pronounce on all interest earned by cooperatives, receipts from every bank or non-cooperative borrower, or every category of investment.

The Court approved the precedent-based answer — The order expressly endorses the Tribunal's reliance on two named authorities rather than reproducing their detailed reasoning. It supports the result on this stated transaction, but additional propositions about the cited cases should be checked in those judgments before being attributed to this Court.

Avoid importing facts or later statutory conclusions — The two-page order gives neither the assessment year nor an interest figure or detailed financing terms. Those omissions prevent a precise factual or temporal match based on this document alone. Its 2007 dismissal is a historical holding on the stated issue; application to a later year requires checking the applicable statutory version and subsequent treatment.

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SOURCE & VERIFICATION

20070910_PHHC010753222006.pdf

Complete source PDF reviewed: 2 physical pages.

All 2 original pages read and visually inspected; all five panels audited.

Open cited source rendition

Both source pages read and visually inspected. No assessment year, interest amount or recipient society name is stated.

STATUTORY SCOPE

Historical section 80P(2)(d) decision; subsequent treatment and current applicability unverified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment has 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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