

S U P R E M E C O U R T O F I N D I A

RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (Civil) No(s).3826/2004

(From the judgement and order dated 06/01/2003 in ITA No. 155/2002 of The  
HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH)

COMMNR. OF INCOME TAX, JALANDHAR

Petitioner(s)

VERSUS

NAWANSHAHR CENTRAL COOP. BANK LTD.

Respondent(s)

(With appln(s) for c/delay in filing SLP and prayer for interim relief and office report ) (F  
or final disposal)

(Alongwith the record of SLP(C)No.9413-9414/2003)

WITH S.L.P.(C) NO. 3827 /2004

Date: 08/04/2005 This Petition was called on for hearing today.

CORAM :

HON'BLE MRS. JUSTICE RUMA PAL

HON'BLE MR. JUSTICE C.K. THAKKER

For Petitioner(s)

Mr. Mohan Parasaran,ASG.

Mr. Harish Chandra,Sr.adv.

Mr.Anuvrat Sharma,adv.

Mr. B.V. Balaram Das,Adv.

For Respondent(s)

Mr. Nidhesh Gupta,Adv.

Mr.Vinod Shukla,adv.

Ms. S. Janani,Adv.

UPON hearing counsel the Court made the following

O R D E R

Leave granted.

Appeals are dismissed without costs.

(SumanWadhwa)

(Madhu Saxena)

Court master

Court Master

Signed order is placed on the file.

IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. OF 2005  
(Arising out of SLP(C)No.3826 of 2004)

Commnr.of Income Tax,  
Jalandhar

.. Appellant

vs.

Nawanshahar Central Coop.  
Bank Ltd.

.. Respondent

WITH

CIVIL APPEAL NOS...../2005  
(Arising out of SLP(C)Nos.3827/2004)

O R D E R

Delay condoned.

Leave granted.

This Court has consistently held that investments made by a banking concern are part of the business of banking. The income arising from such investments would, therefore, be attributable to the business of bank falling under the head "Profits and Gains of business" and thus deductible under Sec.80-P (2)(a)(i) of the Income Tax Act 1961. This has been so held in Bihar State Cooperative Bank Ltd. vs. Commissioner of Income Tax (39 ITR 114), Commissioner

of Income Tax, Karnataka-III vs. Karnataka State  
Cooperative Apex Bank (2001 Supp. (2) SCR 35,  
Commissioner of Income Tax vs. Ramanathapuram

District Cooperative Central Bank Ltd. (2002 (255)

ITR 77.

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The principle in these cases would also cover a  
situation where a cooperative bank carrying on the  
business of banking is statutorily required to place  
a part of its funds in approved securities. The  
appeals are accordingly dismissed without costs.

.....J.  
(RUMA PAL)

.....J.  
(C.K.THAKKER)

New Delhi;  
April 8, 2005.