

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI “E” BENCH: NEW DELHI**

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER &
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

ITA No.965/Del/2025

[Assessment Year : NIL]

Shalimar Bagh Samaj Seva Samiti , BR-64A, West Shalimar Bagh, Delhi-110088 PAN-ABDAS5882R	vs	CIT(Exemption) Delhi
APPELLANT		RESPONDENT
Appellant by	Shri V.K.Sabharwal, Adv. Shri Ashok Babbar, Adv. & Shri Rajiv Kumar, Adv.	
Respondent by	Ms. Amish S Gupt, CIT DR	
Date of Hearing	28.01.2026	
Date of Pronouncement	28.01.2026	

ORDER

PER MANISH AGARWAL, AM :

The present appeal is filed by assessee against the order dated 20.12.2024 by Ld. Commissioner of Income Tax (Exemption), Delhi [“Ld.CIT(E)”] passed u/s 80G clause (ii)(b)(B) of the Income Tax Act, 1961 [“the Act”] pertaining to Assessment Year NIL.

2. Heard the parties and perused the material available on record. The assessee is a charitable society and is having registration u/s 12A of the Act. The assessee applied for the registration u/s 80G of the Act in form 10AC before the ld. CIT(E) who rejected the same on the ground that assessee has failed to satisfy the genuineness of the charitable nature of its activities. Upon perusal of the impugned

order, it is observed that assessee was providing medicines at concessional rates to the poor section of the society and gross margin earned from the sale of medicines of Rs.4,04,93,883/- was of Rs. 27,40,322/- which comes to 6.77%. The CIT(E) observed that this margin of profit is not a nominal markup and further observed that assessee has not provided complete details of the bills etc. to establish that the genuineness of charitable activities. Since the assessee has been able to demonstrate that it had earned GP of only 6.77% on the sale of medicines which is comparatively very low as compared to the GP prevailing in the retail trading of medicines. Further, the assessee has also submitted copies of few bills in support however, since complete details were not filed, therefore, in the larger interest of justice, we remand back the matter to the file of Id. CIT(E) with the directions to properly verify the genuineness of the activities of the assessee. At the same time, assessee is also directed to file all the relevant details in order to justify the charitable nature of activities carried out by it. With these directions, all the grounds of appeal of the assessee are partly allowed for statistical purposes.

3. In the result appeal filed by the assessee is partly allowed.

Order pronounced in the open court on 28.01.2026.

Sd/-

**(SATBEER SINGH GODARA)
JUDICIAL MEMBER**

Sd/-

**(MANISH AGARWAL)
ACCOUNTANT MEMBER**

Date:- 29.01.2026

Amit Kumar, Sr.P.S

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT
6. Guard File

ASSISTANT REGISTRAR
ITAT, NEW DELHI