

Pr. Commissioner of Income Tax (Exemptions), Delhi v. Servants of People Society

Civil Appeal No. 614 of 2023

[2023] 1 S.C.R. 865 | 2023-01-31

Whether the society's exemption claim should be reconsidered under the Supreme Court's intervening Ahmedabad Urban Development Authority interpretation of section 2(15).

2(15) | 11

Two-judge bench | S. Ravindra Bhat, J. | Dipankar Datta, J.

Assessment years: 2010-11, 2011-12

01 FACTS OF THE CASE

The registered society carried out educational, medical and welfare activities and also ran a newspaper and printing press. The Assessing Officer denied exemption, invoking the trade, commerce or business proviso to section 2(15). CIT(A), the Tribunal and the Delhi High Court allowed its claim, relying on India Trade Promotion Organisation. The Revenue appealed, emphasising the substantial advertising receipts as well as newspaper sales.

Source: [reported supreme court judgment / paragraphs 1-8 / PDF pages 2, 3, 4](#)

02 DISCUSSION BY THE HON'BLE COURT

The Court applied the intervening Ahmedabad Urban Development Authority framework for general-public-utility charities. It reproduced the distinction between achieving a charitable object and complying with restrictions on commercial receipts, including year-specific quantitative conditions and related accounting requirements. It also referred to that judgment's newspaper discussion: advertising does not cease to be commercial merely because it supports the publication's wider public purpose. Since the lower authorities had relied on the earlier Delhi approach, the nature of this society's receipts and its entitlement required fresh examination. The quoted findings about the Tribune Trust were not substituted for factual findings about this assessee.

Source: [reported supreme court judgment / paragraphs 9-11 / PDF pages 4, 5, 6, 7, 8](#)

03 JUDICIAL DECISION

The Revenue's appeal succeeded in part. The matter was remitted to the Assessing Officer to examine the documents and relevant papers, make fresh findings on charitable status and income exemption, and complete the hearing and order within the historical four-month direction.

Source: [reported supreme court judgment / paragraphs 11-12 / PDF pages 7, 8](#)

04 OUTCOME / IN WHOSE FAVOUR

In whose favour: Revenue obtains fresh consideration; final exemption entitlement unresolved

Appeal partly allowed; fresh examination directed before the Assessing Officer

Remand applying the intervening section 2(15) framework; no final exemption grant or denial

The Court did not universally disqualify charitable newspapers or decide the ultimate exemption result for this society. Later compliance and the remand outcome are unverified.

Source: [reported supreme court judgment / paragraphs 12 / PDF pages 8](#)

05 AKHB REVIEW POINT

For the relevant year, separate receipt streams, their connection to the charitable objects, pricing and cost evidence, statutory limits and separate-books requirements. Do not assume that using advertising revenue for charitable purposes alone resolves section 2(15). Keep the case-specific remand distinct from the earlier Tribune findings and do not apply a later percentage threshold to an earlier year without checking the operative statute.

Source: [reported supreme court judgment / paragraphs 9-12 / PDF pages 4, 5, 6, 7, 8](#)

ADDITIONAL STATUTORY CONTEXT, NOT SEPARATE HOLDINGS

11(4A); 12AA; 80G; 10(23C); 13(8)

SOURCE & VERIFICATION

[Hon'ble Supreme Court source PDF \(reported supreme court judgment\)](#)

Identified source rendition: 8 PDF pages; SHA-256

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The excerpt of Ahmedabad Urban Development Authority discusses multiple amendment years. The note does not portray its later 20% figure as automatically applicable to AYs 2010-11 or 2011-12.

Paragraph 10 quotes the earlier Tribune Trust findings, including exceeded limits. That is not an independent quantified finding against Servants of People Society.

The four-month period is a historical case-specific remand direction, not a current filing or decision deadline.

Paragraph 3 records exemption denials for these two years. The common narrative does not allocate each year to a separate appeal; older exemption years in that paragraph are background.

STATUTORY SCOPE

Historical provisions and years as considered in the judgment; no comprehensive subsequent-law or 2025 Act check.

LATER TREATMENT

Source checked 2026-10-04. Subsequent appeals, review proceedings, stays, reversals and later judicial treatment have not been comprehensively checked. This note is not a citator status certificate.

IDENTIFIED SOURCE LINKS

[reported supreme court judgment - PDF pages: 8](#)

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