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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **ITA No. 586/2017**

COMMISSIONER OF INCOME-TAX (EXEMPTION) ..... Appellant

Through: Mr. P. Roychaudhuri, Sr. Standing Counsel

versus

INSTITUTE OF ROAD SAFETY & FLEET MANAGMENT SOCIETY ..... Respondent

Through: None.

CORAM: JUSTICE S. MURALIDHAR
JUSTICE PRATHIBA M. SINGH

<u>O R D E R</u>

% **01.08.2017**

<u>C.M. No. 27325/2017 (Exemptions)</u>

1. Allowed subject to all just exceptions

<u>C.M. No. 27326/2017 (delay in refiling)</u>

2. For the reasons stated in the application, delay in re-filing is condoned and the application is disposed of.

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3. This is an appeal filed by the Revenue under Section 260A of the Income Tax Act, 1961 ('Act') challenging the order dated 2nd September, 2016 passed by the Income Tax Appellate Tribunal ('ITAT') in ITA No.596/Del/2014 for the Assessment Year ('AY') 2014-15. The issue sought to be agitated by Mr. P. Roychaudhuri, Senior standing counsel for

the Revenue is that whether the ITAT erred in directing the Director of Income Tax (Exemption) ['DIT(E)'] to grant registration to the Assessee under Section 12AA and deduction under Section 80G of the Income Tax Act, 1961 ('Act').

4. In the impugned order, the ITAT has observed, as a matter of fact, that the genuineness of the activities of the Assessee stood established and that the ingredients of Section 12AA of the Act stood satisfied. This finding has not been shown to be perverse by the Revenue. It is in fact found by the DIT (E) that the activities carried on by the Assessee did fall under the last limb of Section 2(15) of the Act, that is, for advancement of any other object of general public utility. The mere fact that the Assessee had received service charges from the various organizations for conducting programmes would not convert its essential function to that of a business and this is what has also weighed with the ITAT to finally accept the case of the Assessee. Consequently, the ITAT had rightly directed the DIT (E) to grant registration to the Assessee under Section 12AA and exemption under Section 80G of the Act.

5. The appeal is, accordingly, dismissed.

S. MURALIDHAR, J.

PRATHIBA M. SINGH, J.

AUGUST 01, 2017/*'anb'*