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

\+ ITA 642/2018 & CM APPL. 22621/2018

THE COMMISSIONER OF INCOME TAX -EXEMPTION
..... Appellant

Through: Mr. Ruchir Bhatia, Advocate.

versus

ERNET INDIA ..... Respondent

Through:

CORAM:
HON'BLE MR. JUSTICE S. RAVINDRA BHAT
HON'BLE MR. JUSTICE A. K. CHAWLA

ORDER

% **28.05.2018**

The Revenue's appeal complains that the Income Tax Appellate Authority ('ITAT') erred in law in holding that the assessee's activities are charitable and that it was not engaging in any business or commercial activity. The ITAT had noticed that for the previous Assessment Years 2009-10 and 2010-11, the assessee's claims had succeeded.

The assessee, a society registered under the Societies Registration Act, was promoted by the Department of Electronics and is subject to its control. The assessee was registered under Section 12AA of the Income Tax Act, 1961 on 26.03.2004 and its objects are to advance the computer communication in India in all aspects with a view to promote rapid nationwide development of the sector and to promote the technological growth of the country.

The Revenue felt that the assessee is engaged in non-charitable and business activities because of certain services it provided for consideration; these were video conferencing facilities, provision for conferencing in workshops etc. The ITAT relied upon the ruling of this Court in *'GS1 India vs. Director General of Income Tax'*, 360 ITR 138 where it was held that the similar activities of promoting technology or technology related activities could not be considered commercial or business activities, *per se*. Having regard to the facts of this case, the Court is of the opinion that the ratio of *GS1 India* (supra) applies in this case as well.

No question of law arises. The appeal is therefore dismissed along with the pending application.

S. RAVINDRA BHAT, J

A. K. CHAWLA, J

MAY 28, 2018
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