



2026:DHC:1074-DB



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

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Date of decision: 4th February, 2026.

+ W.P.(C) 15023/2025 & CM APPL. 61867/2025

GODADDY.COM LLC

.....Petitioner

Through: Mr. Sachit Jolly, Sr. Advocate with
Mr. Mayank Chaturvedi and Mr.
Abhyudaya Shankar, Advocates.

versus

ASSISTANT/DEPUTY COMMISSIONER OF INCOME TAX
CIRCLE 1(3)(1), INTERNATIONAL TAXATION
DELHI

.....Respondents

Through: Mr. Siddhartha Sinha, SSC with Ms.
Easha Gurung, JSC.**CORAM:****HON'BLE MR. JUSTICE DINESH MEHTA****HON'BLE MR. JUSTICE VINOD KUMAR****J U D G M E N T****DINESH MEHTA, J. (Oral)**

1. By way of present writ petition, the petitioner has challenged the order dated 06.03.2025 (wrongly dated) so also the consequential certificate dated 21.08.2025 passed/issued by respondent No.1 (*hereinafter referred to as 'Competent Authority'*) under Section 197 of the Income Tax Act, 1961 (*hereinafter referred to as 'the Act of 1961'*).
2. As per the petitioner, it is engaged in the business of providing domain name services, including domain name registration, web hosting, web designing, SSL certification, etc.
3. Mr. Sachit Jolly, learned Senior Counsel submitted that the petitioner had not only succeeded in its appeal before the Income Tax Appellate Tribunal Delhi Benches 'D', New Delhi (*hereinafter referred to as 'Tribunal'*), but said order has been affirmed by this Court in the case of



GoDaddy.com LLC vs. Asst. Commissioner of Income Tax, 2023:DHC:8834:DB vide its order dated 11.12.2023. He submitted that it has been clearly held that domain name registration charges are essentially for granting the right to use the petitioner's services and are not exigible to income tax as per the provisions of the Act of 1961 read with the terms of the India-USA Double Taxation Avoidance Agreement (*hereinafter referred to as 'India-USA DTAA'*), still the Competent Authority has outrightly rejected petitioner's application under Section 197 of the Act of 1961.

4. Learned senior counsel expressed his concern that in spite of the above order dated 11.12.2023 passed by this Court, the Competent Authority has gone to the extent of recording that the Department has proposed to file an SLP against the said order.

5. While informing that even till today, the petitioner has not received any notice, learned senior counsel argued that even on the date of passing of the impugned order, despite knowing that no SLP has been filed in Hon'ble the Supreme Court, let alone any interim order or issuance of notice the Competent Authority has refused to follow the order of this Court, wherein the taxability of the transaction has been decided after considering the nature of the service provided by the petitioner so also the provision of Act of 1961 and India-USA DTAA. He argued that refusal to follow the binding dictum of this Court needs to be taken seriously in order to uphold the rule of law.

6. Mr. Siddhartha Sinha, learned Senior Standing counsel for the Department could not defend the impugned order passed by the Competent Authority by any manner, though he tried his best.

7. Heard learned counsel for the parties and perused the record.

8. On perusal of the order dated 06.03.2025, we find that no reason other



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than the bald assertion that the Department is proposing to file an SLP against the order dated 11.12.2023 has been assigned by the Competent Authority in the impugned order. Such reason, according to us cannot be said to be a reason in the eyes of law, much less a plausible or sustainable one. While noticing that limitation of filing SLP has since passed, we are constrained to record that impugned order unravels the mindset of the authority, for whom Revenue collection appears to be the sole objective.

9. The Authority deciding application under Section 197 of the Act of 1961 has an obligation of deciding the application as per the provisions of the Act of 1961, while having due regard to the treaties between the two countries. He should not be driven or swayed by the Revenue targets/considerations.

10. For what we have stated hereinabove and following the reasoning which we have given in our order of even date in **Writ Petition No. 14299/2025** (AECOM International Holdings UK Ltd. vs. Assistant Commissioner of Income Tax, Circle Int Tax 1(1)(1), Delhi & Ors.), we hereby allow the present writ petition; quash and set aside the impugned order dated 06.03.2025 so also the consequential certificate dated 21.08.2025. We hereby direct the Competent Authority to issue a certificate at 'nil' rate within a period of fifteen days from today with the additional directions, as below:

- (i) The competent officer or any other authority who is supposed to consider the petitioner's application under Section 197 of the Act of 1961, shall issue a certificate of nil rate of tax not only for the Financial Year 2025-26 (AY 2026-27), but also for the subsequent years in case an application is filed. The certificate(s)



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shall be issued within 30 days of the day when application is filed.

(ii) The competent authority dealing with petitioner's subsequent application(s) under Section 197 of the Act of 1961 shall not be bound by direction given in clause(i) above, if he comes to a conclusion and records a finding that the petitioner is having a PE in India and the transactions which the company has carried out in India are liable to be taxed in India. However, before recording such finding, a notice in this regard shall be issued to the petitioner.

(iii) It will also be required from the petitioner-company to disclose truly and fully all facts in its applications to be filed each year. It shall be required of the petitioner to extend full cooperation when any such notice (as provided in clause (ii) above) is issued for the subsequent year(s).

7. While parting with the order, we record our displeasure about the casual rather callous manner, in which the petitioner's application under Section 197 of the Act of 1961 has been rejected, completely disregarding the binding judgment of this Court, that too, in an appeal under Section 260A of the Income Tax Act, 1961.

8. The Writ Petition along with pending application stands disposed of in the aforesaid terms.

**DINESH MEHTA
(JUDGE)**

**VINOD KUMAR
(JUDGE)**

FEBRUARY 4, 2026/MR