

## **Channel placement fee liable for Sec. 194C TDS and not Sec. 194J TDS**

**Summary – The High Court of Bombay in a recent case of Star Entertainment Media (P.) Ltd., (the Assessee) held that Channel placement fee liable for Sec. 194C TDS and not Sec. 194J TDS**

### **Facts**

- Assessee incurred expenditure by way of marketing and publicity expenses for promoting its regional channels and claimed the expenses as deduction under section 37(1).
- The Assessing Officer held that the promotion expenses incurred not only benefitted the respondent but also resulted in benefit to Brand owner and allowed 75% of expenditure.
- The DRP deleted the disallowance made by Assessing Officer.
- The Tribunal held that once it was not disputed that the expenses were primarily incurred for the purpose of business, incidental benefit to some other party from such expenses, would not reduce the allowability of such expenditure as a deduction, particularly when the same had been incurred in the course of and for the purpose of business. The Tribunal thus held that the 100 per cent expenditure by way of marketing and publicity expenses were allowable as expenses deductible under section 37(1).
- On revenue's appeal:

### **Held**

- The revenue has not been able to controvert findings recorded by the Tribunal. Thus no substantial question of law arose from Tribunal's order.
- In the result, the revenue's appeal is dismissed.