IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO.1761 OF 2018

Principal Commissioner of
Income Tax-10 .... Appellant

versus

NEO Sports Broadcast Pvt. Ltd. ... Respondent

…….

- Mr.Akhileshkumar Sharma, Advocate for Appellant.
- Mr.Rahul Hakani, Advocate for Respondent.

CORAM : AKIL KURESHI &
SARANG V. KOTWAL, JJ.
DATE : 23rd APRIL, 2019.

P.C. :

1. This Appeal is filed by the revenue to challenge the judgment of Income Tax Appellate Tribunal. Following questions are presented for our consideration;

"(a) *Whether on the facts and in the circumstances of the case and in law, the Hon'ble ITAT erred in deleting the addition towards Satellite Space Fees/transponder charges relying on the decision of Hon'ble Delhi High Court in the case of Asia*

Satellite Telecommunication 238 CTR (Del) 233, without considering the amendment in section 9(1)(vi) w.r.e.f. 01.06.1976 [by Finance Act, 2012], wherein the intent of legislature in respect of 'royalty' has been clarified thereby deeming the said charges to be 'royalty' in nature?

(b) Whether on the facts of the case and in law the Hon'ble ITAT erred in upholding the decision of the Ld. CIT (A) in deleting the addition of Rs.59,60,557/- [Rs.40,73,880/- towards dealers conference and Rs.18,86,757/- towards relaunch of Neo Sports channel], without considering the facts that by way of incurring these expenses towards dealers conference held in Malaysia and towards "re-launch" of "New Cricket Channel" the assessee has constitute brand building expenses with enduring benefits and does not constitute revenue expenditure?

2. Question (a) is similar to which we have dealt with in a detailed discussion in Income Tax Appeal No.1487/18 involving this very assessee. Without recording separate reasons, such question is therefore not considered.

3. Question (b) pertains to an expenditure of Rs.59.60 lakhs (rounded of), incurred by the assessee towards dealers conference and relaunching of its TV channel. The revenue argues that such expenditure was capital in nature, resulting into enduring benefits to the assessee and therefore ought not to have been disallowed. CIT (Appeals) and Tribunal however held that expenditure was revenue in nature. We have perused the discussion on this issue in such orders. We notice that the larger portion of the expenditure was for dealers conference and therefore correctly treated as revenue expenditure. Small portion 18 lakhs was for relaunch of the assessee's TV channel. We would not like to entertain this Appeal.

4. In the result the Appeal is dismissed.

(SARANG V. KOTWAL, J.) **(AKIL KURESHI, J.)**