IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'H': NEW DELHI

BEFORE SHRI SUDHIR KUMAR, JUDICIAL MEMBER
AND
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER

ITA No.5328/Del/2024
(ASSESSMENT YEAR 2016-17)

ITA No.5331/Del/2024
(ASSESSMENT YEAR 2017-18)

ITA No.5333/Del/2024
(ASSESSMENT YEAR 2018-19)

ACIT, Delhi.	Vs.	Times Content Limited (Now known as Time Internet Limited), 10, Daryaganj, New Delhi-110002. ***PAN-AAFCT4385D***
(Appellant)		**(Respondent)**

Assessee by	Shri Mukesh Gupta, CA and Shri Sourabh Gupta, CA
Department by	Shri Bhopal Singh, CIT-DR
Date of Hearing	23/06/2026
Date of Pronouncement	03/09/2026

ORDER

PER MANISH AGARWAL, AM:

All these three appeals are filed by the Revenue against the orders of the Ld. Commissioner of Income Tax (Appeals), National Faceless Appeal Centre (NFAC), Delhi ['CIT(A)' in short] all dated 05.10.2024 passed u/s 250 of the Income Tax Act, 1961 (the Act, in short) arising out of the assessment orders for Assessment Years 2016-17 to 2018-19.

2. All the three appeals having common issues, therefore, they are taken together for consideration. First we take Assessment Year 2016-17 as the lead case.

ITA NO. 5328/Del/2024 for AY 2016-17

3. Brief facts of the case are that the assessee filed its return of income on 10.10.2016 declaring total income at Rs.12,40,54,987/-. The case was selected for limited scrutiny. The assessee was engaged in the business of live streaming of sports events outside India, rights of such sports events were also purchased from outside India. The assessee has entered into the media rights agreement with the company namely Willow TV International Limited, a British Virgin Island Corporation (Licensor) who had been assigned the rights by the Star Middle East FZ LLC ("STAR") located at UAE. As per the agreement, that STAR was having certain rights for exploitation of broadcasting delivery system and digital delivery system which has been assigned to the Licensor and who has sub licensed the same to assessee company for a particular territory. It is further observed that rights with the STAR are in turn granted from ICC (Internationals Cricket Council) and assessee company is having sub-licensed for broadcasting/ life telecast cricket matches in the territory of USA, Puerto Rico, Guam, Northern Mariana Island and the US Virgin Islands and American Samoa. The assessee has paid total composite rights fees of USD 30,40,000 (INR 20,25,55,200/-) for live and non-live (post-match) broadcasting. The AO alleged that the assessee has made payment to non-resident and no TDS has been conducted on such payments, therefore, he had ignored the provisions of section 40(a)(i) of the Act and disallowed the same of Rs.15,19,16,400/- apportioned out of the total license fee paid.

4. In first appeal, the Ld. CIT(A) vide order dated 05.10.2024 has held that the payment made was not on account of royalty and further by following the judgments of various Benches of the Tribunal and Hon'ble High Court has confirmed the ration at 95:5 for bifurcation of the viewership of live and non-live and post-matches which has also been adopted by the assessee in subsequent years and thus restricted the disallowance to 5% being allocated to non-live (post-match) broadcasting.

5. Against the said order, the Revenue is in appeal before the Tribunal by taking following grounds of appeal.

1. *Whether, on the facts and circumstances of the case and in law the Ld. CIT(A) has erred in deleting the disallowance u/s 40(a)(i) of the Act for non deduction of TDS u/s 195 of Rs. 14,43,20,580/- out of total Rs. 15,19,16,400/- without any basis in holding that only 5% of the payment made towards acquisition of composite media rights under MRA is Royalty payment and balance 95% is in the nature of payment made towards live feed and not in the nature of royalty.*
2. *Whether on the facts of the case and in law, the Ld.CIT(A) has erred in ignoring that the payment made by the assessee is in the nature of royalty payments as per terms of the media rights assessee is an exclusive sub-license to exploit on the designated website and /or the designated mobile platform the live program and the exclusive right (but no obligation) to distribute, transmit, exhibit, duplicate, promote, perform, telecast and otherwise exploit each live program and its constituent elements throughout the territory on a live basis, only by means of digital delivery systems.*
3. *The appellant craves leave to add, alter, amend, append or delete any of the above grounds of appeal.*

5.1 Since both the effective grounds of appeal taken by the Revenue are with respect to the action of the Ld. CIT(A) in restriction the disallowance made by the AO u/s 40(a)(ia) of the Act at 5% of the total disallowance thus they are taken together for consideration.

6. Heard both the parties and perused the materials available on record including agreement executed between the parties dated 01.05.2016 placed in the paper book. It is observed that the Ld. CIT(A) vide its order has held that the payments made for live events there was no copyright, therefore, cannot be taxed as 'Royalty' however, has restricted the disallowance to 5% of the total Revenue being in the nature of the royalty u/s 9(1)(vi) for non-live rights and has deleted the balance being the nature of payment towards the live feed. The relevant observations of the Ld. CIT(A) as contained in pages 12 to 15 are as under:

> *"Having considered the submissions of the assessee and in light of the material placed on record, it is observed that.*
>
> *Licensor, Willow TV International Ltd has granted media rights to assessee (being a sub licensor) of the live Program (as defined in Media Right Agreement-MRA) rights to distribute the program(s) in accordance with the terms of agreement, in the basic provisions clause 1. The MRA defines broadcasting of cricket tournaments hosted by International Cricket Council-ICC as Live Feed/ Live Programme. The MRA also defines assessee's designated website and/or the designated mobile platform being broadcasting platforms that can be used for broadcasting of Live Programme and further defines digital delivery systems to be used for broadcasting of such Live Programmes. Further in clause II, MRA defines Rights granted to assessee as exclusive sub-license to exploit the live program on the designated website and/or the designated mobile platform. MRA further grants assessee exclusive right (but no obligation) to distribute, transmit, exhibit, duplicate, promote, perform, telecast and otherwise exploit each live program and its constituent elements throughout the territory (defined in MRA in USA and Canada) on a live basis, only by means of digital delivery systems. Assessee has thus been granted two types of rights, one set of rights for live broadcast of cricket tournaments and other set of rights to duplicate/ record promote or other wise exploit the live broadcast. Thus composite rights have been granted in which main and primary rights are for live broadcast and broadcasting of recording of live broadcast for promotion and marketing is secondary and emanating rights.*
>
> *Further assessee has made payment for obtaining media rights for live match feed for broadcasting these matches live and subsequent replay of those matches on approved digital media thru digital delivery system. AO however, held that payment is made by assessee for rights (as a sub licensor) in websites and mobile application and rights to sublicense the website which is host by the nonresident server, such proposition is clearly not emanating from a plain reading of the contents of MRA.*

AO further held and correctly appreciated that assessee has made payment not only on account of live feed of the program but also for the distribution, transmission, exhibition, duplication, promotion, performance, telecast and otherwise exploitation of each live program. Thus, MRA is a composite rights agreement wherein assessee has rights for both live and non-live broadcasting of cricket matches, however, it has not bifurcated the consideration paid and has treated entire consideration towards Live broadcast.

The assessee has not allocated the consideration towards non-live broadcast rights, AO, however treated the entire payment towards non live rights and held entire amount paid as Royalty. It is noteworthy that the assessee has submitted that in the subsequent years AY 2017-18 and 2018-19, it has allocated 5% of total consideration towards non live rights and balance 95% of consideration towards live rights. The assessee further submitted that a bifurcation of consideration towards Non Live and Live rights has been accepted by AO in principle in assessment orders of AY 2017-18 and 2018-19.

The principle of treating such agreements as composite and offering a certain part of total consideration towards non-live rights as Royalty has also been upheld in [2011] 15 taxmann.com 17 in Assistant Director of Income-tax (International Taxation) (2) Mumbai v. Neo Sports Broadcast (P.) Ltd. also as below;

> *"13 ---In our considered opinion the live telecast of a match or any other event cannot be considered as transfer of copyright in such match. It is only when the live telecast of a match is done that the question of creation of copyright in such match arises. The second or later telecasting of such event shall be considered as use of the "work" and consideration for the broadcasting of such recorded matches shall be considered as payment for the use of copyright in such event. It is for this reason and rightly so that the Assessee volunteered to include the consideration for the license of the recorded broadcast as royalty---"*

This practice can also be deciphered from [2020] 121 taxmann.com 330 (Delhi-Trib.) Fox Network Group Singapore Pte. Ltd. v. Assistant Commissioner of Income Tax (International Taxation) Circle 1(3)(1), New Delhi wherein it was submitted by appellant company.

> *"9. Before us, Id. Senior Counsel, Mr. Porus Kaka, after explaining the entire facts and background of the case submitted that, Thereafter, he drew our attention to various agreements with various sporting bodies which were filed before the authorities below to point out that the agreement itself acknowledges that the value of the commercial live fee was attributable to 95% to live transmission and 5% to non-live transmissions. He submitted in all the agreement there was a clear-cut agreement and specific clause that the value of the license fee was attributable to 95% to live transmission and 5% to non-live. Once, it is an admitted fact that if 95% of the licensing*

> *fee was on account of live transmission, then the main issue remain is, whether live transmission constitutes any copyright so as to fall within the ambit and scope of 'royalty' either under the Act or in terms of Article 12 of India-Singapore DTAA."*

In case of composite payment consisting of Live Feed and non-live feed, on the question whether payment for rights to live broadcast the cricket match amounts to Copy righted rights and Royalty in nature, this issue stands covered by the judgment of Hon'ble Jurisdictional High Court in the case of Delhi Race Club (1940) Ltd. (supra), where Hon'ble Delhi High Court has held that live telecast does not fall in the category of royalty u/s 9(1)(vi) as it does not have any copyright. Further jurisdiction Tribunal in [2020] 121 taxmann.com 330 (Delhi - Trib.) in the case of Fox Network Group Singapore Pte. Ltd. v. Assistant Commissioner of Income Tax (International Taxation) Circle 1(3)(1), New Delhi has also held in relation to sub-licensed sports broadcasting rights of live feeds, that live feed cannot constitute a 'work' in which copyright can subsist and broadcast or live coverage does not have a copyright, payment for live telecast is neither payment for transfer of any copyright nor any scientific work so as to fall under ambit of royalty under Explanation 2 to section 9(1)(vi). This principle has also been upheld in the case of Asstt. DIT (II) v. Neo Sports Broadcast (P.) Ltd. [2011] 15 taxmann.com 175/133 ITR 468 (Mum.) and Dy. DIT (IT) v. Nimbus Communication Ltd. [2013] 32 taxmann.com 53/57 SOT 92 (Mum.)

The assessee had paid a total consideration of Rs 15,19,16,400/- during the year under consideration towards acquisition of composite media rights under MRA. Considering the principle laid down in various judgments discussed above, it is held that there is no copyright on live events, and therefore, it is not taxable as 'royalty'. Accordingly, it is just and fair to restrict the addition made by AO @100% of amount paid, to 5%. Accordingly the addition of Rs.75,95,820/- being 5% of total consideration is upheld, being in nature of Royalty u/s 9(1)(vi) and balance Rs 14,43,20,580/- is deleted being in the nature of payment made towards Live feed (not in nature of Royalty u./s 9(1)(vi) therefore not liable to deduction of tax u/s 195).”

7. Before us, the Revenue has failed to controvert the findings of Ld. CIT(A) that live broadcast of the matches do not carry any copyright and, therefore, these payments could not be held as the Royalty as defined in section 9(1)(vi) of the Act. This view is supported by the following judgments.

CASE LAWS CITED

On Live Broadcast ≠ Royalty (Principal Issue)

Court	Case	Relevance
Delhi HC	**CIT vs. Fox Network Group Singapore Pte. Ltd.** [2024] 158 taxmann.com 434	Explanation 5 does not make live feed taxable as royalty even post-2012 amendments
Delhi HC	**Trans World International LLC vs. DCIT** [2024] 167 taxmann.com 517	Live broadcast rights not royalty; reiterated 95:5 bifurcation – industry norm.
Delhi HC	**CIT vs. Delhi Race Club (1940) Ltd.** [2014] 51 taxmann.com 550	Live telecast not a "work" under Copyright Act
Delhi HC	**ESPN Star Sports vs. Global Broadcast News Ltd.** [RFA(OS) 25/2008]	Live feed is not copyright; sports event is a performance
Delhi HC	**Akuate Internet Services vs. Star India** [FAO(OS) 153/2013]	Live feed not copyright
Delhi HC	**[2026] 182 taxmann.com 537** — CIT-IT-3 vs. Sri Lanka Cricket	Live broadcast not royalty
ITAT Delhi	**Fox Network Group Singapore vs. ACIT** [2020] 121 taxmann.com 330	Industry practice of 95:5 split recognized; live rights not royalty
ITAT Delhi	**Trans World International LLC vs. DCIT** [2025] 175 taxmann.com 703	95:5 split upheld; 5% towards non-live largely acceptable
ITAT Delhi	**Lex Sportel Vision (P.) Ltd. vs. ITO** [2024] 158 taxmann.com 129	Live rights not royalty

Court	Case	Relevance
ITAT Delhi	**Cricket Australia vs. ACIT** [2023] 153 taxmann.com 630	Live broadcast not royalty
ITAT Delhi	**Cricket Australia vs. ACIT** [2024] 164 taxmann.com 664	Live broadcast not royalty
ITAT Delhi	**ESS (ESPN Star Sports) vs. ACIT** [IT Appeal No. 7903/Del/2018, dt. 21.2.2023]	Live rights not royalty
ITAT Delhi	**Sri Lanka Cricket vs. ACIT** [2025] 177 taxmann.com 156	Live broadcast not royalty
ITAT Mumbai	**Asstt. DIT vs. Neo Sports Broadcast (P.) Ltd.** [2011] 15 taxmann.com 175	96:4 split accepted (4% non-live); cricket, India territory
ITAT Mumbai	**Dy. DIT vs. Nimbus Communications Ltd.** [2013] 32 taxmann.com 53	Live rights not royalty
ITAT Mumbai	**ADIT vs. Global Cricket Corporation (P.) Ltd.** [2022] 145 taxmann.com 570	75:25 split (25% non-live) — cricket in India; higher ratio justified by high popularity in India and multiple media of broadcasting.

In all the aforesaid cases, the Hon'ble Delhi High Court and coordinate benches of Tribunal has held that live broadcast cannot be termed as Royalty in terms of section 9(1)(vi) of the Act and further confirmed the bifurcation of gross Revenue from Live and non-live broadcast in 95:5 ratio. The issue whether the live broadcast is Royalty or not, recently the hon'ble Supreme court in the case ***CIT Vs. Sri Lanka Cricket*** reported in ***[2026] 189 Taxmann.com 687 (SC)*** has confirmed the order of hon'ble jurisdictional high court as reported in [2026] 182 Taxmann.com 537(Delhi) by making following observations:

> *Section 9 of the Income-tax Act, 1961 / Section 9 of the Income-tax Act, 2025, read with Article 12 of the DTAA between India and Sri Lanka - Income - Deemed to*

> *accrue or arise in India (Royalties/fees for technical services - Broadcasting services) - High Court held that consideration received by a non-resident for enabling live telecast of cricket matches does not constitute royalty under section 9(1)(vi) or Article 12, where rights granted do not extend beyond live feed and no copyright or derivative exploitation rights are transferred - Further, revenue having failed to show that rights of exhibition exceeded beyond 'live feed', no interference was warranted with Tribunal's order holding that such income was not taxable as royalty - Whether by following Dy. DIT, International Taxation v. Shine Satelite Public Company Ltd. [C.A. Nos. 586-593 of 2012, dated 13-1-2026], SLP was to be dismissed - Held, yes [Para 3] [In favour of assessee]*

Accordingly, we hold that the ld. CIT(A) has rightly held the live telecast as not the Royalty u/s 9(1)(vi) of the Act. However, the repeat telecast i.e. non live telecast is not out of the scope of Royalty. We order Accordingly.

8. With respect to non-live broadcast of cricket matches, it is observed as per ComScore data, viewership of live broadcast was 93% and non-live broadcast was 7%. Before us, ld. AR has fairly admitted that in the instant case, total revenue can be bifurcated in 93:7 ratio. Considering the overall facts and by respectfully following the aforesaid judgments of hon'ble jurisdictional high court and of various benches of ITAT, we are in agreement with the observations of Ld. CIT(A) that revenue from non-live rights could be taxed as Royal u/s 9(1)(vi) of the Act. Now the question remained about the bifurcation of total revenue between live broadcast and non-live broadcast. As observed above, as per ComScore data, live broadcast viewership was of 93% and viewership of non-live broadcast was 7%. Thus by taking the same as basis, we modify the order of the Ld. CIT(A) and hold 93% revenue was from live broadcast viewership and 7% from non-live broadcast viewership. Accordingly, 7% of the total payment made is allocated to non-live broadcast rights and since no TDS was made on such payment though the same is held as Royalty income u/s 9(1)(vi) of the Act, the disallowance u/s 40(i)(a) of the Act of such payment is hereby confirmed. The AO is directed to recomputed the

amount of disallowance accordingly. With these directions, both the grounds of appeal of the Revenue are partly allowed.

9. The appeal of the revenue in ITA No. 5328/Del/2024 is partly allowed.

ITA No. 5332/Del/2024 (AY 2017-18) and
ITA No.5333/DEL/ 2024 (AY 2018-19)

10. Before us, both the have fairly admitted that the facts involved are identical. Further on perusal of the grounds of appeal taken in both the appeals, it is observed that all the grounds of appeal taken are similar with the grounds taken in AY 2016-17 except the change in figure of disallowances deleted by Ld. CIT(A). Considering these facts, by ***mutatis mutandis*** following the observations made for AY 2016-17, we hold that the Revenue related to live broadcast is not Royalty and further confirmed the bifurcation of live broadcast and non-live broadcast revenue in the ratio of 93:7. Accordingly, the AO is directed to take the 7% of the total Revenue for the purposes of applying the provisions of section 40(a)(ia) of the Act. Therefore, all the grounds of appeal in both the appeals of the Revenue are partly allowed.

11. In the result, all the three appeals of Revenue are partly allowed.

Order pronounced in the open court on 03.09.2026.

Sd/-
(SUDHIR KUMAR)
JUDICIAL MEMBER

Sd/-
(MANISH AGARWAL)
ACCOUNTANT MEMBER

Dated: 03.09.2026
PK, Sr. P.S

Copy forwarded to:

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