

**CIT Vs NIIT Ltd (Dated: September 22, 2009)**

Income tax - Sec 194I - Assessee is into the business of providing computer education and training - enters into contract with franchisees in metro cities - franchisees provide land, building, other fittings and fixtures and marketing of computer coursewares - as per the terms of agreement, the entire fee is deposited in the account of the assessee which in turn makes payments to the franchisees under two heads - marketing claims and infrastructure claims - Revenue treats the payment for infrastructure claims as rent, liable to TDS u/s 194I - Tribunal disagrees with the AO - held, the dominant intention of the parties of the agreement is to do business and not to let out the building and furniture and the sum shared between them is not fixed nor any minimum amount is guaranteed by the assessee and above all, it was a composite contract for providing training. Since the broad objective was to share the profit and not to hire premises, the assessee is not liable to TDS u/s 194I - Revenue's appeal dismissed: **DELHI HIGH COURT**;

**(Click here for Judgment)**