

**PRESS RELEASE**

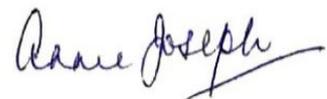
**FOR IMMEDIATE RELEASE**

**New Delhi: September 1, 2025:** Mr. Rajat Sharma, President of News Broadcasters & Digital Association ("NBDA"), the leading association of 24x7 television broadcasters and digital news broadcasters that telecast and/or publish news and current affairs programmes, has, on behalf of the Members addressed a representation to Hon'ble Finance Minister & Chairperson, GST Council, Smt. Nirmala Sitharaman. In the representation, two critical concerns emerging from the current GST regime, which have an impact on the financial health and operational efficiency of the news broadcasting industry, have been highlighted.

In the letter dated 28.08.2025, NBDA has respectfully requested that the point of taxation for GST in the case of the TV and digital news broadcasting industry for the sale of advertising space, particularly to Government agencies including DAVP, PSUs, and State Governments, should be shifted from invoicing (under Section 13 of the Central Goods and Services Tax Act, 2017) to the collection/receipt of payments.

In addition, NBDA has requested that the Input Tax Credit on certain expenditures, such as the hire of vehicles, food & beverages/outdoor catering, beauty treatments, and insurance coverage for employees, which is currently restricted under Section 17(5) of the Central Goods and Services Tax Act, 2017, be allowed.

A copy of the letter submitted to the Hon'ble Finance Minister is attached to this Press Release.



Annie Joseph  
Secretary General

By Hand & Email <fmo@nic.in>

28<sup>th</sup> August 2025

**Smt. Nirmala Sitharaman**

Honourable Finance Minister &  
Chairperson, GST Council  
Ministry of Finance  
Room No. 134, First Floor,  
North Block  
Government of India  
**New Delhi – 110001**

**Subject: Representation for Change in Point of Taxation from Invoicing to Collection under Section 13 of the Central Goods and Services Act, 2017, for Advertising revenues from Government agencies like DAVP, PSUs, and State Governments, and seeking Input Tax Credit on expenditures vital for the TV and Digital News Broadcasting Industry**

Dear Nirmala ji,

The News Broadcasters & Digital Association (NBDA) is the leading association of 24x7 television broadcasters and digital news broadcasters that telecast and/or publish news and current affairs programmes. NBDA represents several important and leading national and regional private news and current affairs broadcasters who run news channels and digital platforms in Hindi, English, and regional languages. Its membership includes 29 of the nation's leading television broadcasters and digital news broadcasters, and it is verily believed that Members of NBDA command over 80 percent of the total television news viewership.

Since its inception in 2007, NBDA has served as the collective voice of the news industry. NBDA has consistently represented the interests of news broadcasters and digital news broadcasters, engaging with the Government on critical matters affecting the rapidly evolving landscape of news media.

On behalf of its Members, NBDA would like to bring to your attention important issues that impact the financial health and operational efficiency of the news broadcasting industry. These issues concern the levy of GST on the sale of advertising spaces to Government agencies, including DAVP, PSUs, and State Governments, as well as the restriction on Input Tax Credit (ITC) for certain expenses, which are vital for the smooth functioning of the news broadcasting industry. These concerns are elaborated in detail herein after.

**A. Time of Supply**

At present, the liability to pay GST on the sale of advertising spaces arises on the date of issuance of the invoice or receipt of advances, if any, in accordance with Section 13 of the Central Goods and Services Tax Act, 2017 ("CGST Act"). The time of supply presents significant challenges for the television broadcasters and digital news broadcasters, especially when dealing with Government agencies like DAVP, PSUs, and State Governments, where extended credit periods and payment delays exceeding 120-180 days are common.

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**Consequently, the industry encounters the following challenges:**

1. **Cash Flow constraints:** The requirement to pay GST upon invoice under Section 13 of the CGST Act 2017 raises substantial cash flow challenges as payments from Government agencies, PSUs, and State Governments are often delayed up to 180 days or more. This creates a severe cash flow mismatch where the broadcaster must pay a tax on revenue it has not yet collected.
2. **Financial Loss due to failure to receive consideration after GST Payments:** In some instances, the TV and digital news broadcasters may face difficulties in the collection of full or partial payments from Government billings. This situation may arise due to a variety of reasons, such as a change in Government. etc. In such cases, although the GST on the total amount has already been deposited, TV and digital news broadcasters may not receive the corresponding payments, resulting in a permanent financial loss for them.
3. **Interest and Penalty Provisions:** If there is a delay in payment of GST, businesses are liable to pay interest on such late payments even in cases where payments have not been received from clients, adding financial strain. Besides, penalty provisions are invoked under Section 74A of the CGST Act, 2017.
4. **Additional burden of cost of borrowed funds:** To bridge this situation of cash flow mismatch, TV and digital news broadcasters are often forced to borrow funds at higher interest rates, which disturbs the operational economies of the business.
5. **GST notices on account of a mismatch in timings of issuance of invoice by the Taxpayer and GST TDS deduction by the Government.:** As per Section 51 of the CGST Act, 2017, the Government deducts GST TDS at the time of making payments, while taxpayers discharge GST at the time of issuance of the invoice. The discrepancy in the timing of invoice issuance by the supplier and TDS deduction by the recipient Government Department creates a persistent mismatch in the quantum of taxable supply reported. This inconsistency often triggers multiple notices and ensuing litigation, highlighting the need for harmonization in compliance procedures

**Proposed Solution:**

To address this situation, NBDA respectfully proposes and requests that the point of taxation for GST in the case of the TV and digital news broadcasting industry for the sale of advertising space, particularly to Government agencies including DAVP, PSUs, and State Governments, should be shifted from invoicing (u/s 13 of the CGST Act 2017) to the collection/receipt of payments. This approach has worked well even in the service tax era, where the point of taxation was based on the collection of consideration from the customer. It is the need of the hour to bring back/revive that model in the GST era as well, especially in the current scenario, which is a fitting case.

NBDA would appreciate it if this could be implemented at least in the case of invoicing to Government agencies like DAVP, PSUs, and State Governments, where payments often get stranded for a longer duration.

**Benefits of the Proposed Solution:**

1. **Improved Cash Flows:** Aligning GST liability with actual receipt of payments would significantly ease cash flow management.
2. **Reduced Financial Burden:** It would also eliminate the requirement to pay GST before receiving payments, which would remove the burden of arranging borrowed funds and payment of interest thereon.
3. **Operational Efficiency:** This change will allow businesses to allocate resources more effectively, ensuring sustained competitive performance. This would provide much-needed relief to the news broadcasting industry, allowing it to invest more in content creation and technological advancements, which would ultimately benefit the public.
4. **Less compliance burden and ease of doing business:** If the GST liability is payable upon receipt of consideration from the Government, there would be no mismatch between the timings of payment of tax and deduction of TDS leading to lesser notices, lesser litigation, more compliances and lesser compliance burden on the news broadcasting industry, ultimately leading to true Ease of Doing Business in India.

**B. Restriction on ITC**

At present, there are certain business expenses for which ITC is blocked and not available against the amount of GST paid, even though these expenses are incurred in furtherance of business. Section 17(5) of the CGST Act, 2017, provides a list of transactions wherein ITC in respect of certain goods and services is restricted. It includes expenses, which are vital for smooth business operations of the news broadcasting industry, such as:

1. **Charges for Vehicle Hire** – Under Section 17(5)(a) of the CGST Act, 2017, ITC is not allowed on the GST paid for motor vehicles hired for the pan-India movement of news reporters for news gathering, except in cases specifically allowed for such as for transportation of passengers or training.
2. **Food & Beverages (F&B) / Outdoor Catering Expenses and Beauty Treatments**– In the news broadcasting industry, organizing news/current affairs events is an important part of content delivery, where F&B forms a significant cost component. Additionally, expenses incurred on beauty treatments are also a significant part of the business expenses incurred by the news broadcasting industry. However, ITC on such expenses is blocked under Section 17(5)(b)(i) of the CGST Act.
3. **Insurance Coverage for Employees** – Employees of TV and Digital News Broadcasters, including reporters, cameramen, drivers, and other technical personnel, are often deployed in the field for news gathering. For their safety and welfare, various insurance policies are taken. However, ITC on such insurance (health/life/employee cover) is restricted under Section 17(5)(b)(iii) of the CGST Act, unless such coverage is mandated by law.

Since the GST paid on the above expenditures is not eligible for input credit due to the said blocking provisions, this results in a substantial financial burden and cost escalation to the TV and digital news broadcasters.

**Proposed Solution:**

In view of the above, it is suggested that the news broadcasting industry should be allowed ITC on the aforementioned expenses incurred by them in the course of their business.

It is believed that the proposed amendments will foster a more equitable business environment and support the growth and sustainability of the news broadcasting sector.

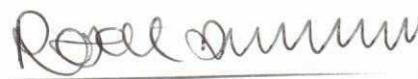
NBDA acknowledges the complexities involved in GST operations and is willing to provide detailed feedback and participate in discussions to further elaborate its proposal.

It is also ready to provide any additional information or clarification, which may be sought by the Council, pursuant to this representation.

NBDA expresses its sincere gratitude for your kind consideration of its representation and looks forward to positive action from the Council in addressing these aforementioned critical issues.

Kind Regards,

Yours sincerely



Rajat Sharma  
President, NBDA

CC: Mr. Samrat Chaudhary, Deputy Chief Minister & State Finance Minister, Bihar  
Mr. Ashwini Vaishnaw, Minister for Information & Broadcasting  
Mr. Sanjay Kumar Chairman, Central Board of Indirect Taxes & Customs & Special Secretary to the Government of India