

OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE
NO.1 WILLIAMS ROAD, CANTONMENT, TRICHIRAPPALLI-620 001.

Trade Notice No.8/2004 S Tax

Dated : 2-4-2004.

Subject: Service Tax on production on Television serials- regarding.

Board 's Service Tax Circular No. **78 / 08 / 2004-ST, dtd March 23, 2004 issued under F.No. 241/01/2004-CX-4** is communicated herewith for information, guidance and necessary action.

The contents of this Trade Notice may be brought to the knowledge of all constituent members of the Trade Associations and Chamber of Commerce.

(Issued from the C.No.IV/16/902/2004 S.Tax)

sd/-
(V. JAYARAMAN)
JOINT COMMISSIONER (T).

To

The Mailing list I / II / III

Copy of Board's Circular No. **78 / 08 / 2004-ST, dtd 23-3-2004 issued under F.No.241 / 01 /2004-CX-4**

Representations have been received in the Board with regard to levy of service tax on the activities undertaken by the television serial producers, who either

(i) Sell TV serial episodes to the TV channels.

(ii) Allow such episodes to be telecast by the channels in the lieu of procurement of Free Commercial Time (FCT), which is sold by them to advertising agencies for showing advertisements.

2. It appears that in some jurisdiction service tax is being demanded on the services listed at ('i') under the category of Videotape Production Services, and in respect of services listed at ('ii') under the category of Advertisement Agency Services.

3. The issue has been examined. The taxable service i.e. "videotape production service" is on the process of recording of any programme, event or function on magnetic tapes (including editing thereof). The tax is therefore limited to the technical function of recording or editing what is recorded and not on the entire gamut of production of serials. In case the producer hires a video-grapher or an editor, the payment made for services would be taxable at the hands of such service providers. However, no tax is leviable on the producers for selling the serial to channel.

4. Similarly, in case of FCT, selling the time allotted to a producer does not fall within the purview of "advertisement service" since this activity is not connected to making, preparation, display or exhibition of advertisement. This is akin to providing space in a newspaper or magazine for publishing an advertisement and has nothing to do with actual presentation of the advertisement.

(Sanjiv Srivastava)
Deputy Secretary to the Govt. of India.