

Sub: Clarification as to whether the Producers' of TV Programme are liable to pay works contract under the Assam Value Added Tax Act, 2003.

Extract of the Order

The question for determination is whether the development of a programme or serial on behalf of Prasar Bharati falls within the purview of "works contract" as defined under the Assam Value Added Tax Act, 2003.

Prasar Bharati entered into an agreement with an eligible Producer for production of a TV programme/serial on identified themes/subjects. The agreement, inter-alia, provides:

- (a) The producer shall supply the script of the programme to the Prasar Bharati,
- (b) The Producer shall commence production of the programme after the script has been approved by Prasar Bharati,
- (c) The tape submitted by the producer would be previewed by Prasar Bharati,
- (d) On completion of the programme/final episode, the script and version of the programme and all masters, shooting tapes, preview cassettes, publication material, photographs, promo material, recording of songs, if any, shall become the property of Prasar Bharati and shall be transferred to and/or handed over to the Prasar Bharati,
- (e) All copy right and broadcasting right shall vest with Prasar Bharati in perpetuity.

The agreement involves production of a programme and transfer of the same in tapes, disks or cassette etc. which are material component.

Therefore, the producer shall be liable to pay tax on the material component such as tape, disk, cassette etc. in which there is transfer of ownership from Producer to Prasar Bharati.

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