

**GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
OFFICE OF THE DY. COMMISSIONER OF EXCISE, ET & LT
L BLOCK, VIKAS BHAWAN, NEW DELHI**

F.No. 13(4)/ETO/12-13/6455

Dated 21-02-2013

ORDER

Sub. :- Assessment of Cable Operators – reg.

1. After implementation of Digital Addressable System (DAS) Local Cable Operator-wise (LCO) figures of number of subscribers have been provided by the Multi System Operators (MSOs) to the Department. There is a wide discrepancy between the number of subscribers being shown by cable operators in the returns vis-à-vis figures given by MSOs. Obviously LCOs are evading entertainment tax by under-writing the figures.
2. Frequent audits carried out by AGCR have pointed out the non-recovery of dues from cable operators and number of replies to audit paras in this regard are pending in the Department.
3. Accordingly the Department has started process of assessment of cable operators and notices are being issued to them.
4. In view of above cited facts the cable operators are directed to do the following:
 - i) Start paying due tax as per number of subscribers with them. They must check the figures given by their MSO to the Department.
 - ii) Respond to the notices issued by the Department in a time bound manner.
 - iii) Got their addresses corrected in the Tax Collection Authorization Certificate issued by the Entertainment Department, if there is any change.
 - iv) Check from the ET Branch of the Department whether any assessment proceeding/dues are pending against them.
5. Attention of LCOs is also invited to order No. 4284 dated 17.12.12 (copy enclosed) as per which following has been ordered:
 - i) LCOs will collect and pay tax to the Department till the month of March. Thus last return regarding collection of tax will be filed by LCOs for the month of March in the month of April.
 - ii) They will deposit SAF forms with MSOs immediately. MSOs and LCOs may re-visit their contractual relationship, if needed, in the mean time.
 - iii) From the month of April, 2013, MSOs will collect and pay tax to the Department. Thus returns for the month of April to be filed in May will be filed by MSOs and for that they must take prior registration with the Department in time.

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6. Any failure of above instructions will be viewed seriously and proceeded against under the appropriate provisions of the Delhi Entertainments and Betting Tax Act, 1996. Orders will also be sent to MSOs directing them to stop giving digital signals to cable operators who violate these instructions.

(S.K. GUPTA)

ADDL. ENTERTAINMENT TAX OFFICER

To

1. Multi System Operators (MSOs)) through ETIs
- 2.. All Cable Operators) -do-

Copy to :-

1. PS to EC
2. System Analyst – for publishing the same in the website of the Department.
3. Departmental Notice Board.

(S.K. GUPTA)

ADDL. ENTERTAINMENT TAX OFFICER

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GOVT. OF N.C.T. OF DELHI
OFFICE OF THE COMMISSIONER EXCISE, ENT. & LUXURY TAX
L-BLOCK, VIKAS BHAWAN, NEW DELHI
(ENTERTAINMENT TAX BRANCH)

No. F. 13(4)/ETO/12-13/4284

Dated: 17/12/2012

To,

The All MSOs (List enclosed).
National Capital Territory of Delhi.

Sub.- Payment of due Entt. Tax for operation of cable network.


Sir,

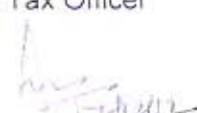
You are aware that the Central Govt. had made it obligatory for every Cable Operator to transmit or re-transmit telecast of any channel in an encrypted form through the Digital Addressable System (DAS) from 1st November, 2012 in four metros i.e. Delhi, Mumbai, Chennai and Kolkata. After implementation of DAS in NCT of Delhi control over the cable television network has been shifted from LCOs to MSOs. Under the new system only the MSOs can encrypt the cable signal and decrypt the same through their set-top boxes. Every MSO has its own set top box and local cable operator has no control over it except seeding it to the subscriber. Through set-top boxes MSOs are in position to know exact number of subscribers/connections at a given point of time. However, in a recent meeting held with the MSOs they have submitted that they are in the process of compiling the entire data base of subscribers by collection of SAF forms from the customers through cable operators.

It would have been ideal for the Department in the changed situation, as elaborated above, to collect tax only through MSOs. However, keeping in view, the submissions of MSOs. It has been decided that the existing system of collection and deposition of tax through LCOs will continue till 31st March, 2013. In this period MSOs will make sure that the entire data base of subscribers is ready with them. From the month of April, 2013 onwards the tax will be collected by the MSOs and deposited with the Department by the 7th of May, 2013. However, it is also clarified here that MSOs & LCOs are jointly and severally responsible for payment of Entertainment Tax and will be liable to be proceeded against in case of default.

Copy to :

1. All ETIs for strict compliance.


17/12/12
(S.N.SAH)
Entt. Tax Officer


17/12/12
(S.N.SAH)
Entt. Tax Officer