CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
ALLAHABAD

REGIONAL BENCH - COURT NO.I

Service Tax Appeal No.70297 of 2019

(Arising out of Order-in-Appeal No.NOI-EXCUS-001-APP-1561-18-19, dated - 12/10/2018 passed by Commissioner (Appeals) CGST, Noida)

M/s Ritnand Balved Education Foundation .....Appellant
(Amity University Campus
Sector-125, Noida, U.P. 201303)

VERSUS

Commissioner, Central Goods & Service Tax, Noida
....Respondent
(C-56/42, Renu Tower Sector
62, Noida-201301)

APPEARANCE:

Shri Atul Gupta, Advocate for the Appellant
Shri Santosh Kumar, Authorized Representative for the Respondent

CORAM: HON'BLE MR. P.K. CHOUDHARY, MEMBER (JUDICIAL)
HON'BLE MR. SANJIV SRIVASTAVA, MEMBER (TECHNICAL)

FINAL ORDER NO.-70756/2024

DATE OF HEARING : 16.10.2024
DATE OF DECISION : 16.10.2024

SANJIV SRIVASTAVA:

This appeal is directed against the Order-In-Appeal No. NOI-EXCUS-001-APP-1561-18-19, dated -12/10/2018 passed by Commissioner (Appeals) CGST, Noida. By the impugned order following has been held:-

> *"4. I have gone through the case records, submissions made by the appellant, record of personal hearing and citations relied upon by the appellant/advocate, carefully. The issues to be decided in the present appeal are as follows:- (A) Whether the instant proceedings has been initiated against wrong person; (B) Whether sponsorship pertaining to sports event like CG2010 was taxable*

under service tax at the time of provision of Impugned 'sponsorship service by ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 to the appellant; (C) Whether liability of service tax under RCM can be sustained against the appellant as they are neither a body corporate ner a firm, as claimed by the appellant; (D) Whether value of sponsorship service should be taken as Rs. 30.06 lakhs equivalent to cost of imparting training to the games workforce by the appellant; (E) Whether value of service should be treated as cum-tax; (F) Whether extended period of I have gone through the case records, submissions made by the appellant, record of personal hearing and citations relied upon by the appellant/advocate, carefully. The issues to be decided in the present appeal are as follows:- (A) Whether the instant proceedings has been initiated against wrong person; (B) Whether sponsorship pertaining to sports event like CG2010 was taxable under service tax at the time of provision of Impugned 'sponsorship service by ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 to the appellant; (C) Whether liability of service tax under RCM can be sustained against the appellant as they are neither a body corporate ner a firm, as claimed by the appellant; (D) Whether value of sponsorship service should be taken as Rs. 30.06 lakhs equivalent to cost of imparting training to the games workforce by the appellant; (E) Whether value of service should be treated as cum-tax; (F) Whether extended period of limitation is Invokable In the Instant demand; (G) Whether provisions of Sec 60 of the Act is applicable for waiver of penalty)

5. From the copy of the letter dated 22/03/2010 issued by the appellant to ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 as available the case records, I notice that at the time of submission of their proposal to be official sponsor and trainer to CG2010, they, for the first time, declared that they had formed a consortium of international organizations with proven track record in multi sporting events and requested the ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 to grant the sponsorship right to them. I further find that vide approval letter dated 05/04/2010, ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 had informed the appellant that the sponsorship approval committee (SAC) had approved the sponsorship offer of the Amity University Consortium along with permission to use co-branded logo of the CG2010. However, I find that not a single evidence is available in file regarding formation *and activity of the so- called consortium which invalidates the very existence of such consortium. In general terms, a consortium is an association of two or more individuals, companies, organizations or governments (or any combination of these entities) with the objective of participating in a common activity or pooling their resources for achieving a common goal. Each participant retains its separate legal status and the consortium's control over each participant is generally limited to activities Involving the joint endeavor, particularly the division of profits. A consortium is formed by contract, which delineates the rights and obligations of each member. However, no such contract of consortium or any other document in evidence is available on record in support of the appellant's claim that the sponsorship right was granted to and executed by the so-called consortium. On the contrary, it is on record that all the correspondence exchanged in this regard between the ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 and the appellant at the time of execution of the training project were without any reference of the consortium. I find that till date, the name of the appellant, i.e., 'AMITY UNIVERSITY is being distinctly shown as co-sponsor in the homepage of the official website of CG2010 <http://d2010.thecgf.com> which proves beyond doubt that the right of such sponsorship was granted to the appellant exclusively and benefit of such sponsorship was availed and utilized by the appellant alone for promoting their brand image and brand value bypassing such non-existing consortium. I also find no reasonable answer to the obvious question as to why such other members of so-called consortium having foreign origin would be interested to sponsor the CG2010 on the back of the fact that they had no declared activity in this region which required brand promotion and also nowhere their company logo or brand/trade name was displayed during CG2010 in order to achieve any benefit from such sponsorship. From the facts and circumstances discussed above, I find that no such consortium was in existence at the material time and the appellant had apparently indicated their names in their proposal letter only to inflate their credentials and also to fulfill the mandatory preconditions in order to grab the sponsorship right and to avail the huge benefits of such sponsorship of such prestigious mega event, I.e., CG2010. So, I find that the claim of the appellant in this regard is baseless and the sponsorship was granted to the appellant alone and liability of service tax, if any leviable for the sponsorship services, provided by the ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 , is on the* *appellant under RCM as the sole recipient of such service. Accordingly, I hold that the proceedings under the impugned SCN have been correctly Initiated against the appellant.*

6. I find that vide Finance Act 2010, w.e.f. 01/07/2010, certain changes have been made in taxing provisions relating to 'sponsorship services' as follows:-

<u>Position upto 30-06-2010:-</u> (1) Service provided to only body corporate or firm was covered;

(2) Sponsorship relating to sports events was not taxable;

<u>Position after 01-07-2010:-</u> (1) Service provided to any other person is covered;

(2) Sports events are taxable with some exemptions to specified tournaments or championships (CG2010 not exempted);

*7. In the grounds of appeal, the appellant have pleaded that the impugned sponsorship service was provided by the ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 and received by the appellant on the date of approval of the sponsorship in favour of them by the ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 , I.e. on 05/04/2010, which is prior to the amendment of Act effective from 01/07/2010. It is also contended therein that no liability to pay service tax on sponsorship service under RCM can be sustained against them/consortium as they are neither body corporate nor firm. To examine their claim, I hereby refer the definition of 'sponsorship' as provided in Section 65(99a) of the Act, which is as follows "sponsorship" Includes naming an event after the sponsor, displaying the sponsor's company logo or trading name, giving the sponsor exclusive or priority booking rights, sponsoring prizes or trophies for competition; but does not include ** ". From the definition, it is clear that formal approval of sponsorship in favour of any person does not create any taxable event or perform any rendering of service unless the specific activities defined under the Act are in point of fact performed by the service provider in order to make available the benefits of sponsorship to recipients of such service, i.e., the sponsors. At the material period when Rule 5B of Service Tax Rules, 1994, Section 67A of Finance Act, 1994 and Point of Taxation Rules, 2011 were not in effect, it was settled law that taxable event for service tax was rendition of service and rate of tax applicable was the one on date on which services were rendered and not the date on which agreement/approval/contract for service was made. I notice that the CG2010 vas held in Delhi from 03/10/2010 to 14/10/2010 and* *all the activities related to provision of sponsorship service have been undertaken by the ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 , viz., naming an event after the sponsor, displaying the sponsor's company logo or trading name, giving the sponsor exclusive or priority booking rights, sponsoring prizes or trophies for competition etc. in order to pass on the sponsorship benefits to the sponsors only at the time or immediately before the event, in any way not before 01/07/2010 and hence the taxable event was occurred after amendment of Finance Act 1994 w.e.f. 01/07/2010.*

8. As discussed in the previous para, I opine that, in the instant case, amended provisions of Act as effective form 01/07/2010 for levy of service tax on sponsorship service received by the appellant from ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 are applicable for assessment of service tax payable by them under RCM. Accordingly, I hold that during the period of rendering taxable sponsorship service by OCCWO to the seppeliant, service provided to any person was covered and exclusion of sports sponsorship was removed and appellent's contention for sponsorship of sports event and/or not being a body corporate or firm makes no difference and proposal of levy of service tax on gross value of service was correct as per provisions of Service Tax Law, Rules and procedures thereof.

9. However, it is worth mentioning here that as per provisions of Rule 2(1)(d) (C) of the Service Tax Rules 1994 as amended, 'the person liable for paying service tax in relation to service provided by way of sponsorship to anybody corporate or partnership firm located in the taxable territory has been defined as the recipient of such service and this Rule has not been amended at the time of amendment of Act in the year 2010. From plain reading of the above, it is found that RCM is applicable only in cases where sponsorship service has been provided to anybody corporate or partnership firm and in all other cases, service provider is liable to pay service tax on forward charge basis. In other word, legal identity of the recipient is relevant for application of RCM for assessment of service tax on sponsorship service at the relevant period. Here, I rely on "The Amity University Uttar Pradesh Act 2005 [U.P. Act No. 11 of 2005] [Ref: http://www.lawsofindia.org/pdf/uttarpradesh/2005/2005UP11.pdf) passed by the Uttar Pradesh Legislature on 24/03/2005 to establish and incorporate the Amity University wherein Section 3(2) of the said Act has clearly laid down that the Amity University Uttar Pradesh shall be a 'body corporate'. I find that this provisions *of the Amity University Uttar Pradesh Act 2005 clearly negates all the defence submissions along with case laws relied upon by the appellant and establishes that being a 'body corporate' as stipulated in a State Act, they cannot escape applicability of RCM in their case for levy and assessment of service tax payable for receiving sponsorship service from ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 during the material period.*

10. Relating to valuation of taxable service, the appellant have contended that the value of the said services should be limited to Rs. 30,06,871.00 on which they have already paid service tax. In support of their claim, they have submitted a statement of expenditures stated to be made for imparting the training of Games Workforce consisting of various items like cost of faculty, catering, transportation, training materials, consumables etc. They have also submitted copies of some correspondences made with OCCGW, long after the CG2010 is completed, proposing adjustment of revenue generated as per actual cost of training project. However, from the case records, I find that at the time of submitting proposal for official sponsor and trainer to CG2010, they have Indicated therein that this huge job of giving specialized and customized games time training to more than 30000 work-force at no cost basis would cost them more than Rs. 15 Crore and after realistic negotiations, the VIK of Rs. 5.00 Crore has been agreed and approved by the high power sponsor committee of CG2010 as evident in copy of resolution. As per completion certificate submitted by the appellant to ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 on 01/10/2010, it is clearly Indicated therein that they have successfully completed their assigned job of giving training to 30000 games workforce within stipulated timeframe and I find no logic in lowering the value of service from pre-agreed VIK of Rs. 5.00 Crore to mere Rs. 30.00 lakh equivalent to projected cost of training of games workforce as submitted by the appellant. I also find that the figure of Rs. 30.00 lakh is appeared to be grossly undervalued owing to the fact that 30000 nos. [i.e., Rs. 100/- per person) of workforce have been trained by the appellant specifically for the games purpose, which also includes catering and transportation of trainees apart from Imparting training to them.

11. I hereby rely upon the provisions of Section 67(1)(ii) of the Finance Act 1994 wherein it has been provided that where service tax is chargeable on any taxable service with reference to its value, then such value shall, in a case where the provision of service is for a consideration not wholly or partly consisting of *money, be such amount in money as, with the addition of service tax charged, is equivalent to the consideration. Further reliance is also placed on provisions of Rule 3(a) of the Service Tax (Determination of Value) 2006, wherein it has been prescribed that the value of taxable service, where such value is not ascertainable, shall be determined by the service provider equivalent to the gross amount charged by the service provider to provide similar service to any other person in the ordinary course of trace and the gross amount charged is the sole consideration. I find from the case records that sponsorship amount of Rs. 18 Crore to Rs. 50 Crore (in cash and also VIK) have been charged to and realized from other companies having same status of co-sponsors like Coca-Cola, Reebok, Agility Logistics etc. by ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 against providing such sponsorship services to them. On application of spirit of provisions of law as laid down in Section 67(1)(ii) of the Finance Act 1994 read with Rule 3(a) of the Service Tax (Determination of Value) 2006 for determination of value of service on the basis of gross amount charged by the service provider to provide similar service to any other person in the ordinary course of trade when such provision of service is for a consideration not consisting of money, I hereby determine the value of service for the purpose of levy and assessment of service tax in the instant case is Rs. 5.00 Crore (VIK) as mutually agreed between the service provider (ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010) and the recipient (Appellant) at the time of awarding sponsorship right of CG2010 to the appellant rejecting appellant's claim for determination of lower taxable value on the basis of projected cost of training or proposal of paper adjustment of revenue generation long after the event.*

12. The appellant have also pleaded that they have paid appropriate service tax on such amount of Rs. 30.00 lakhs and no further tax is payable. I find from the copy of e-payment challan submitted in this regard that Rs. 9,88,087/- has been paid on 31/03/2011 under the service category 'commercial training or coaching', which is their main output service. Interestingly, it is to be noted here that in one hand they are claiming that they have spent Rs. 30.00 lakh in course of imparting training to games workforce and on the other hand they are claiming that they have paid service tax through e-challan on that amount spent by them even when 'commercial training or coaching' service was not taxable under RCM. Accordingly, I hereby take note that this clear misstatement, claiming payment of tax against present demand *through the e-payment challan which has already been appropriated/adjusted against their usual liability, has been made by the appellant as a feeble effort to misguide the appellate authority to the wrong way and hold that no tax is so far paid by the appellant against the demand.*

13. The appellant have also claimed cum-tax benefit for calculation of service tax payable in the instant case. However, I find that in the reverse charge mechanism (RCM), the provider of service is no way liable for payment of service tax and accordingly not required/authorized to realized the service tax component along with the gross value of service from the recipient. Accordingly, I hereby reject the appellant's claim for cum-tax benefit in the instant case.

14. I also find that, in spite of being a "body corporate' specified in the Sharda University Act 2009 [U.P. Act No. 11 of 2005]' passed by the Uttar Pradesh Legislature on 24/03/2005, engaged in lucrative business of running a private university, the appellant all along pretended as a charitable education trust taking the shield of the sponsoring body 'Ritnand Balved Education Foundation" in order to escape the liability of payment of service tax under RCM as recipient of sponsorship service. I further find that appellant's argument for bonafide belief or reasonable cause or ignorance of law behind their act of non-payment of service tax under RCM is not at all acceptable on the background of fact that the appellant is running a well established university which used to offer various courses of law education and all the information regarding his legal status is available in his own official website. Hence, I opine that the adjudicating authority correctly held that the appellant suppressed the facts and contravened provisions of the Act and Rules made there-under with an intent to evade payment of service tax and confirmed extended period of demand under proviso to section 73(1) of the Act and also correctly imposed penalties U/S 76, 77 and 78 of the Act.

15. In view of above discussion and findings, I reject the appeal no. 1165/ST/Noida/APPL/NOI/2017-18 dated 01/08/2017 filed by the appellant M/s. Ritnand Balved Education Foundation [Amity University or Amity Institute of Training & Development (AITD)], Amity University Campus, Sector-125, Noida."

2.1 The Appellant is registered with the service tax Authorities for providing taxable services for the category of 'Commercial Coaching & Training Services'. On the basis of inter-departmental information, enquiry was initiated against the Amity University regarding services provided by/to them by the Organizing Committee of Commonwealth Games 2010 by way of imparting training of volunteers and sponsorship. The enquiry was viz-a-viz the actual value of expenditure incurred towards sponsorship as there was a difference in the sponsorship value intimated by the ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 and that claimed by the Amity University.

2.2 On inquiry and scrutiny of the documents it was found that:-

(a) that the bids were invited by the ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 for appointment of training agency/agencies for Games-Time Training

(b) that Amity University participated in the aforesaid bid

(c) that Amity University offered to become the sponsor as well as the official trainer for training of Games Work Force

(d) that the Amity University formed a consortium for the said assignment

(e) that the Tender Opening Evaluation Committee for the Appointment of Training Agency/ Agencies for the Games declared the party eligible to be the official sponsor for the Game Time Training and could be awarded the contract for the Games Training Sponsorship

(f) that ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 intended for written agreement with the party but the latter defaulted in compliance

(g) that ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 confirmed the value of the party's proposal as

Rs. 5 Crores and also confirmed that the party (AITD) to be a "Co-Sponsor" level Sponsor of D2010 Games

(h) that ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 granted permission to the party to use D2010 Games Logo

(i) that Shri Aashish Bindra's submissions that RBEF had not obtained any sponsorship from ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 is in contradiction with the facts narrated above

(i) that the party has obtained the sponsorship services as co-sponsor and official trainer for the Commonwealth Games 2010.

2.3. Thus Revenue was of the view that Appellant has availed sponsorship rights under the category of Co-sponsor and were liable for service tax under the category of Sponsorship Service. In lieu of the provisions of Sponsorship service Appellant had imparted training programme to the volunteers of the Commonwealth Games, 2010 which was evaluated to Rs. 5 crore by Organizing Committee of Commonwealth Games, 2010 and this evaluated service value of training programme should be taken as consideration against sponsorship service availed by the Appellant.

2.4 After completion of the inquiry/investigation a Show Cause Notice dated 21.08.2015 was issued to the Appellant asking them to show cause as to why:-

" a) Service Tax (including Education Cess and SHE Cess) amounting to Rs.51,50,000.00 (Rupees Fifty One Lacs Fifty Thousand only), demanded and recovered from them under proviso to Section 73(1) of Finance Act 1994,

b) interest under Section 75 of the Act ibid on the aforesaid amount should not be demanded,

c) penalty should not be imposed upon them under Section 78 of the Act ibid for the contravention of various provisions *of the Finance Act, 1994 and the Service Tax Rules, 1994 as discussed supra.*

d) Penalty should not be imposed upon them under section 77 of the Act for violation of Section 69 read with Rule 4 of the Rules in case of non-registration.

e) Penalty should not be imposed upon them under section 77 of the Act for violation of Section 70 of the Act read with Rule 7 of the Rules improper submission of ST-3 return."

2.5 This Show Cause Notice have been adjudicated by the Additional Commissioner vide Order dated 12.10.2018 holding as follows:-

1) I confirm Service Tax demand amounting to Rs.51,50,000/- (Rupees Fifty One Lacs Fifty Thousand only) under Section 73(2) of the Finance Act, 1994 and order it to be recovered from them, along with applicable Interest under Section 75 of the Finance Act, 1994 as amended.

2) I impose penalty of Rs.51,50,000/- (Rupees Fifty One Lacs Fifty Thousand only) under Section 78 of the Finance Act, 1994 as they have willfully and deliberately suppressed the facts of not discharging due service tax & order it to be recovered from them.

3) I also impose penalty of Rs.10,000/- (Rupees Ten Thousand only) under Section 77 of the Finance Act, 1994 for violation of Section 69 read with Rule 4 of the Service Tax Rules 1994 for non-registration of the party within prescribed time.

4) I also impose penalty of Rs.10,000/- (Rupees Ten Thousand only) under Section 77 of the Finance Act, 1994 for violation of Section 70 of the Act read with Rule 7 of the Service Tax Rules 1994 for improper submission of ST-3 return by the party.

The adjudged dues may be deposited forthwith.

2.6 The appeal filed by the Appellant has been dismissed as per the impugned order. Hence this appeal.

3.1 We have heard Shri Atul Gupta, learned Advocate appearing on behalf of the Appellant and Shri Santosh Kumar learned Departmental Representative appearing on behalf of the Revenue.

3.2 Arguing for the Appellant learned counsel submits that:-

(a) Appellant is not liable to pay service tax under the head of sponsorship services. The demand of service tax has been made from the Appellant on reverse charge basis as per Rule 2(d)(vii) of the Service Tax Rules, 1994 on the alleged sponsorship services received by the Appellant.

(b) Rule 2(d)(vii) categorically states that the recipient of the sponsorship is liable to pay service tax only when it is received by a body corporate or a firm. Without establishing that the Appellant is a body corporate or a firm to invoke the provisions of Rule 2(d)(vii) could not have been invoked and Appellant **had** liable to pay service tax.

(c) Appellant is a society registered under the Societies Registration Act, 1860 and the Hon'ble Supreme Court in the case of Board of Trustees, Ayurvedic and Unani Tibia College, Delhi V/s State of Delhi, AIR 1962 SC 458 held that though a society may have characteristics of a legal entity under Societies Registration Act yet there was no intention under the said Act to incorporate the society.

(d) Same view has been expressed by Ministry of Corporate Affairs vide Circular No.8(26)/2(7)/63-PR, dated 13.03.1963 and the decision of the Hon'ble Supreme Court in the case of **Llachi Devi v. Jain Society, Protection of Orphans India, AIR 2003 SC 3397**.

(e) Service Tax Rules also makes distinction between a body corporate and society registered under Societies Act. Thus the demand by invoking provisions of Rule 2(d)(vii) is bad in law.

(f) There was no agreement or written contract or signed MOU between the parties to establish that the Appellant have availed sponsorship services from ORGANIZING COMMITTEE OF

COMMONWEALTH GAMES 2010 . No such agreement was ever entered into or signed by the Appellant or any member of the consortium. The consortium has valued the sponsorship to around Rs.45 Crores which was subsequently reevaluated by the Assessing Committee as Rs.5 Crores. This revised value was never admitted/accepted by the Consortium/Appellant and hence was never implemented. To the contrary consortium confirmed to OCCGW the total cost incurred for training of the volunteers is Rs.30,06,871/- and requested to OCCGW to update their Revenues accordingly. In respect of this cost incurred they have discharged the service tax on forward charge basis.

(g) These proceedings are without the jurisdiction as Show Cause Notice was issued to the wrong person. Even if it was admitted that Sponsorship rights were granted by OCCGW to Amity University Consortium and other members then also the demand could not have been made from the Appellant as the Appellant is only a constituent of the said consortium. The consortium comprises of (a) The Event Knowledge Services (EKS), Switzerland, (b) Knowledge Systems & Solutions (KSS), Monaco, and (c) Anglia Ruskin University, Cambridge, UK. It was this consortium of various persons including the Appellant, which was assigned subject rights by ORGANIZING COMMITTEE OF COMMONWEALTH GAMES 2010 .

(h) The alleged activities are not taxable because they are in limitation to the sports event. It is a settled position in law that the date of rendering service is determined by the date of agreement entered into by parties. In absence of any such agreement Show Cause Notice or impugned order do not establish or demonstrate at which point of time such services were rendered to the Appellant. In any case if such services were rendered the value of such services was limited to Rs.13,16,871/- for which the Appellant have already discharged service tax liability.

(i) Extended period of limitation is not invokable. In the present case has have been held in series of decisions which are as follows:-

- **Commissioner v. Gowri Computers (P) Ltd., 2012 (25) STR 380 (Tri. - Bang)**
- **Commissioner v. Chemphar Drugs & Liniments, 1989 (40) ELT 276 (SC)**
- **Padmini Products v. Commissioner, 1989 (43) ELT 195 (SC)**
- **Commissioner v. HMM Limited, 1995 (76) ELT 497 (SC)**
- **Nizam Sugar Factory v. Commissioner, 2006 (197) ELT 465 (SC)**
- **PVR Ltd. vs. Commissioner of Service Tax, New Delhi 2021 (55) G.S.T.L. 435 (Tri- Del.)**
- **Ajay Mishra vs. Commissioner of Service Tax, Delhi -III 2023 (386) E.L.T. 310 (Tri- Del.)**

(j) In view of the above penalties and interest cannot be imposed upon the Appellant in the present case.

3.3 Learned Authorized Representative has reiterated the findings recorded in the impugned order.

4.1 We have considered the impugned order alongwith the submissions made in the appeal and during the course of argument.

4.2 In the present case the basic issue to be decided is whether the Appellant have received any service of Sponsorship by the assessing committee of Organizing Committee Of Commonwealth Games 2010 Delhi. Revenue has contended that the Appellant has received these services and was liable to pay service tax on reverse charge basis in respect of the said services.

4.3 In response to request for proposal dated 23.12.2009 issued by Organizing Committee Of Commonwealth Games 2010 for appointment of training agency/agencies for games-time training, Appellant vide Letter dated 08.02.2010 submits proposal stating as follows:-

"We hereby again reiterate our consent to enter into any collaboration or joint venture, with any national, multinational or a foreign, organization who has such experience in a multi-sporting event such as the Asian Games or Commonwealth Games or Olympic Games & the like and who has been seeking partnership for the Commonwealth Games 2010 for the aforesaid training programme.

It will be a matter of pride and pleasure for us to conduct the aforesaid training programme.

Further, we hereby place on record and convey our readiness and willingness to be The Sponsor for delivering and conducting the training programmes for Games Time Training for the Commonwealth Gamer 2010 as per terms & conditions to be manually agreed upon."

4.4 Subsequently, vide letter dated 25.02.2010 they again stated as follows:-

"During the technical presentation and also our subsequent interaction with you, followed by our letter of 8" February 2010, we hereby reiterate our desire as well as readiness to become the sponsor as well as official trainer for the training of 'Games Work Force'.

During our verbal interaction we have agreed for our willingness to enter into collaboration with any national/multi-national or foreign organization which has experience of multi-sporting event such as Asian/Commonwealth Games or Olympics etc.

The organization selected for collaboration would fulfill the conditions as mentioned in your letter under reference, which are reproduced as under:

- *The training organization must have a proven track record in Multi Sporting events such as Asian, Commonwealth of Olympic Games in order to support the Scope of work in the RFP.*
- *The international vender that our organization chooses to tie up with must be able to propose an approach which exhibits variety and depth in their content creation and raining delivery.*
- *The international training organization that we choose to be the collaborator, must have a Scheduling and Logistics management system to support a project of this magnitude.*
- *The agency with whom we would collaborate must be able to provide a competent pool of trainers and project management team with the relevant experience over and above the list of CV's submitted by your institute in the technical bid.*

- *Hence we are sponsoring the training as well as conducting the same we may be given the status of "Partner" and the associated rights, benefits and privileges of that level."*

4.5 By letter dated 22.03.2010 they intimated with regards to the consortium formed for undertaking these activities:-

"We have a consortium of International organisations which together have extensive and proven track record in multi sporting events in terms of providing training for trainers and providing general, role, venue, event, and leadership training for volunteers

The International consortium members are:

a) Event Knowledge Services (EKS), Switzerland

EKS, headquartered out of Switzerland, provides a full suite o consulting services and knowledge transfer support to large multi-sport events making it a uniquely powerful event partner with unequalled breadth of event coverage and with few pears in terms of its advanced knowledge transfer methodologies and technology applications.

EKS has a lot of experience with Olympic and Commonwealth Games.

More information can be found at www.eks.com

b) Knowledge Systems and Solutions (KSS), Monaco

KSS is a Monaco based intellectual property management and development organisation which acts as a provider to major consulting organisations including in the major events sector. As a result of its ownership of a broad range of intellectual property, including relevant training content, process information and related delivery tools.

More information can be found at www.knowledgess.com

c) Anglia Ruskin University, Cambridge, UK

Anglia Ruskin is one of the largest and leading Universities of England established over 160 years ago and they have been involved in developing and delivering innovative training programs in a number of areas which include leadership and management, sport, health and exercise science and tourism and project management.

More information can be found at www.anglia.ac.uk

The letters of the International consortium members are enclosed at Annexure-1. Some additional information is enclosed at Annexure-II."

4.6 By the Note-sheet dated 05.04.2010 moved in the office of Organizing committee following has been stated:-

April 5, 2010

Approval of the Sponsorship offer of Amity University Consortium for Games Time Training for D2010 Volunteers.

The Sponsorship Approvals Committee (SAC) has approved the Sponsorship offer of Amity University Consortium for Games Time Training for D2010 Volunteer. The salient features of the accepted proposal are as follows:

> *1) Amity University consortium to be given the "Co-Sponsor" Rights & Benefits as per Annexure 1 (enclosed)*
>
> *2) Amity University Consortium is permitted the use of D2010 Co-Branded logo (Co-Branded logo to be approved by the OC every time before use)*

The approval of Amity University Consortium at the 'Co-Sponsor' level and the use of D2010 Co-Branded logo has been done on the basis of commitment given by Amity University Consortium for application of marketing rights in newspapers, television etc. (at their own cost)

4.7 In the minutes of the Sponsorship Approval Committee (SAC) dated 05.04.2010 following has been stated:-

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ORGANISING COMMITTEE
COMMONWEALTH GAMES DELHI 2010

April 5, 2010

Subject: - Minutes of the Sponsorship Approval Committee (SAC) held on 05.04.2010.

Members present:

Name	Designation	
Dr. Lalit Bhanot	Secretary General	in the chair
Shri Anil Khanna	Treasurer	
Shri Jarnail Singh	Chief Executive Officer	
Shri V.K. Verma	Director General	

The Sponsorship proposal offered by Amity University Consortium for providing Volunteers Training to D2010 was discussed.

The Committee noted that the original budget provided for the Volunteers Training Program was only Rs. 1.91 Cr. As against this, the lowest technically suitable offer received was for Rs. 10.21 Cr. However, the tender was neither finalized nor the lowest technical suitable offer was certified by the Evaluation Committee as reasonable and acceptable. In the light of the above, the Committee is of the view that the sponsorship offer of Amity University can at best be valued at Rs. 5 Cr. including the value of catering proposed to be provided by the University to the Volunteers during the seven (7) days of training.

The Committee noted that while recommending the sponsorship proposal of Hero Honda it was recommended by the consultants that the same could be accepted for a Partner Level Sponsorship in view of the fact that was the only one of its kind in the two wheeler category. On the same analogy, the Committee is of the view that the present proposal received from Amity University, being the only proposal received from any University for the Volunteers Training Program, the same can be accepted for a Co-Sponsor Category notwithstanding the fact that the estimated value as stated above, is only Rs. 5 Cr.

Considering the value additions proposed by the University the SAC is of the view that they can be permitted the use of D2010 Co-Branded Logo as well. The use of D2010 Co-Branded Logo as a special case may kindly be approved by the Chairman.

V. K. Verma	Jarnail Singh	Anil Khanna	Dr. Lalit K. Bhanot
Director General	CEO	Treasurer	Secretary General

5/4/2010

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Chairman

4.8 It is also noted that in response to the query made by the Assistant Commissioner, Anti-Evasion, Service Tax investigation is related to the Commonwealth Games 2010 following information was provide:-

S No.	Financial Year	Nature of activities/ services outsourced / provided/ received	Name of Contractor / Vendor/ Consultant to whom activities outsourced / provided/ received	Name, address & contact number of Authorized Representative of the Vendor or Consultant or Contractor	Whether the agreement is written or not. If written, copy may be supplied	Total Contract value of the agreement signed	Combined value of the bills received and total amount paid against the contract along with copies of bills received / raised
1	2010-2011	Sponsorship	Central Bank of India	Mr. BNS Ratnakar, General Manager, Central Bank of India, Chander Mukhi, Nariman Point,	Yes (CBI – LFA)	Rs. 50 crores (including service tax)	

				Mumbai 400021			
a	2009-2010	Installment	Central Bank of India				Rs. 20 crores (CBI, Invoice - 1a)
b	2010-2011	Installment	Central Bank of India				Rs. 30 crores (CBI,Invoice - 1b)
c	2010-2011	Venue Signage Cost	Central Bank of India				Rs. 6.26 lakhs (CBI,Venue Signage – 1c)
2	2009-2010	Sponsorship	Hero Honda	Mr. Pawan Munjal, Md & CEO, Hero Honda Motors Ltd.	Yes (Hero Honda – MOU)	Rs. 38 crores	
a	2010-2011	Installment	Hero Honda				Rs. 3.80 crores (Payment pending) (Hero Honda, Invoice – 2a)
b	2010-2011	Installment	Hero Honda				Rs. 9.5 crores (Hero Honda, Invoice – 2b)
c	2010-2011	Venue Signages	Hero Honda				Rs. 6.26 lakhs (Hero Honda,Venue Signage – 2c)
3	2010-2011	Sponsorship	Indian Railways	Shri Vivek Sahai, Chairman Railway Board, Ministry of Railways, Rail Bhawan, ND-1	IR (Confirmation Letters)	Rs. 100 crores (including VIK)	
a	2010-2011	Installment					Rs. 75 Crores (submitted to MoYAS – IR, payment)
b	2010	Venue Signages	Indian Railways				Rs. 18.3 lakhs (IR, Venue Signages – 3b; Pending confirmation)
4	2009-2010	Sponsorship	NTPC	Mr. R.S.Sharma, Chairman & MD, NTPC Limited	NTPC (MOU)	Rs. 50 crores	

	2011	t					crores(Coke, Invoice – 8c)
d	2010-2011	Instalment	Coke				Rs. 6.63 lakhs (Coke, Invoice – 8d)
e	2010-2011	Installment	Coke				Rs. 50 lakhs(Coke, Invoice – 8e)
9	2010-2011	Sponsorship	Agility	Mr. Tom Joseph, COO;Enkay Centre, A-Block 1st floor, Vanijiya Nikunj, Udyog Vihar, Phase – V, Gurgaon Haryana-122016	Yes (Agility, contract)	Rs. 12.50 crores (Rs. 11 crores VIK and Rs. 1.5 crores Cash)	
a	2010-2011	Payment	Agility				Rs. 1.5 crores (Agility, Invoice)
10	2010-2011	Sponsorship	Reebok	Mr. Subhinder Singh Prem, MD, Reebok Indian Company, signature Tower 8, South City-I, Gurgaon, Haryana 122001	Yes (Reebok)	Rs. 9.85 crores (VIK)	
11	2010-2011	Sponsorship	'Amity	Mr. K.S.Bains, Director General, RBEF, Amity University Campus, Sector 125, Noida, UP. Ph: 91-120-4392157	(Amity)	Rs. 5 crores (VIK)	
12	2010-2011	Sponsorship	Joola	Mr. Andreas Hain, M/S Joola Tischtennis GmbH & Co. KG, Wiesenstrasse	(Joola)	Rs. 45 lakhs (VIK)	

4.9 From the above table it is evident that in case of sponsorship in column 6 titled "Whether the agreement is written or not. If written copy may be supplied". It is specifically stated "Yes" and the details of the agreement in form of MOU/ Confirmation letter etc is shown. In the case of Amity University and few others the column there is only mention of "Amity" and nothing else as in case of others with whom there is a sponsorship agreement. The basic reason for the same is not clearly stated. It may be guess that organizing committee did not agreed with proposal made by the consortium in which the appellant was part in terms of value of other condition and entered into the agreement with them. This fact is confirmed by letter dated 16.03.2011 stating as follows:-

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Organising Committee Commonwealth Games 2010 Delhi

DELHI 2010

1255
18/3/11

March 16, 2011

Dear Shri Atul Chauhan,

Subject: VIK valuation of Co-sponsor level Sponsorship arrangement between OC and the Amity University

Kindly refer to the enclosed letter dated 3.2.2011 from the Service Tax Department, New Delhi, indicating that you have informed the Service Tax Department that the value of the Sponsorship works out to only Rs.30,06,871/-. The matter needs to be clarified, as earlier in terms of your email dated 31.3.2010 (copy enclosed) you had worked out the total cost at Rs.45.20 crores. After negotiations it was agreed to assign a value of Rs. 5 crores, even though no formal Sponsorship Agreement was ever signed between OC and the Amity University. Thereafter in terms of the letter dated 1.10.2010 from Shri K.S. Bains sent by email, details of work done by Amity University have been indicated (copy enclosed for ready reference). It may kindly now be confirmed that the total cost incurred by you on this project only adds up to Rs. 30.06.871/-, so that we may also revise our record of revenue generation accordingly.

With regards,

Yours sincerely,

(V.K. SAKSENA)
Jt. Director General (Sponsorship)

Encl: As above

Shri Atul Chauhan,
CFO
AKC Group of Companies
AKC House, E-27
Defence Colony
New Delhi – 110 024

Copy (with enclosures) to : Shri V.K. Bharel, Asst. Commissioner, Service Tax (Anti-Evasion-STF), IAEA House, 17-B, I.P. Estate, M.G. Marg, New Delhi – 110 002 : with the request that a copy of the final order determining the value of the Amity University's Sponsorship may be forwarded to the OC so that this sponsorship is valued at the correct amount, by the OC.

4.10 From the perusal of the above letter it is quite evident that the total cost incurred by the Appellant on this project is only Rs.30,06,871/- and no formal sponsorship agreement was entered between the Amity University and the Organizing Committee.

4.11 The above facts were confirmed by the organizing committee in letter dated 06.05.2013 to the Deputy Commissioner (AE) enclosing the letter of appellant. The letter of organizing committee to Deputy Commissioner is reproduced below:-

Organising Committee Commonwealth Games 2010 Delhi

RAM MOHAN
Additional Director General (Legal)

6th May, 2013

To,

Dr. Neha Garg,
Deputy Commissioner (A.E.)
Central Excise: Noida
C-56/42. Sector-62,
Noida.

Subject : Service Tax Investigation related to CWG, 2010 - reg.

Madam,

Please refer to your letter No.CNo.IV.CE(9)CP/N/ST/138/2012/714 dated 30.04.2013 regarding the case related to value of Sponsorship provided by Amity University during Commonwealth Games.

2. In this connection you may kindly refer to OC's D.O. No.CWG/D/2010/SPN/IR/105 dated 16.08.2011 from the CEO OC CWG addressed to the Chairman of Central Board of Excise and Customs. It has been stated in our letter that as against the contemplated value of VIK (Value in Kind) at Rs.5 crores. M/s Amity University has informed the Delhi office of Service Tax Department that the cost of deliveries came to only Rs.30 lacs. OC had also endorsed a copy of the letter dated 16.03.2011, addressed to Mr. Atul Chauhan, CEO, AKC Group of Companies, to Assistant Commissioner, Service Tax (Anti-Evasion-STF), IP Estate with a request that a copy of the final Order determining the value of the Amity University's Sponsorship may be forwarded to OC so that his sponsorship could be valued at the correct amount by OC. Photocopies of the relevant communications are attached with this letter. No reply to these communications either from the Assistant Commissioner. Service Tax (Anti-Evasion-STF) or from Mr. Atul Chauhan. CEO, AKC Group of Companies, was received. As desired in your letter under reference, a copy of the minutes of the Sponsorship Approval Committee held on 5th April, 2010, according to which the Sponsorship offer of Amity University was valued at Rs.5 Crores, is also enclosed for reference and record.

3. The above is for your information and further necessary action.

Yours faithfully,

(Ram Mohan)
Addl.DG (Legal)

Encl : As above

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AMITY UNIVERSITY
UTTAR PRADESH

4th September, 2014

Mr. V K Saksena
Jt. Director General (Sponsorship)
Organizing Committee Commonwealth Games 2010
New Delhi City Centre - Tower II,
Opposite Jantar Mantar,
Jai Singh Road,
New Delhi 110 001.

Sub: VIK valuation of Co-sponsor level Sponsorship arrangement between OC and the Amity University

Dear Mr. Saksena,

The office of the Dy. Commissioner (A.E.), Central Excise, Noida has given us a copy of your letter dated March 16, 2011 addressed to Shri Atul Chauhan (copy enclosed).

Your said letter dated March 16, 2011 confirms that no formal sponsorship agreement was ever signed between the Organizing Committee and Amity University.

We hereby confirm that the total cost incurred by Amity University Uttar Pradesh towards training of volunteers for the Commonwealth Games adds upto Rs. 30,06,871/- (Rupees Thirty Lakh Six Thousand Eight Hundred Seventy One Only).

You are requested to revise your record of revenue generation accordingly under intimation to us and the Service Tax Department.

Sincerely yours,

(Aashish Bindra)
Treasurer

4.12 Above correspondence clearly shows that no formal sponsorship agreement was ever signed between the Organizing Committee and Amity University and total cost incurred by the Amity University, Uttar Pradesh towards training of volunteers was only Rs.30,06,871/-.

4.13 The above fact leads to a conclusion that the Appellant as such had ever obtained any such sponsorship from the organizing committee. This fact was stated by Shri Ashish Bindra in his statement dated 24.07.2015 wherein he has stated as follows:-

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STATEMENT OF SHRI AASHISH BINDRA, S/O LATE V.K.BINDRA R/O A-60, GUJRAWALA TOWN, DELHI-110009 ON 6TH DAY OF AUGUST, 2015 UNDER SECTION 14 OF THE CENTRAL EXCISE ACT, 1944 MADE APPLICABLE TO SERVICE TAX MATTERS VIDE SECTION 83 OF THE FINANCE ACT, 1994, BEFORE THE SUPERINTENDENT OF SERVICE TAX, ANTI-EVASION, NOIDA

I, Aashish Bindra, S/o Late V.K.Bindra R/o A-60, Gujrawala Town, Delhi-110009, Treasurer, Amity University, Plot No.4, Sector-125, Noida, Uttar Pradesh, hereby tender my statement under Section 14 of the Central Excise Act, 1944, made applicable to Service Tax matters vide Section 83 of the Finance Act, 1994, truly and correctly on 24.07.2015 before the Superintendent (AE), Service Tax, Noida. I have been explained the provisions of Section 14 of the Central Excise Act, 1944, according to which 'proceeding of recording of my statement' itself is a judicial proceeding and statement tendered by me may be used as an evidence against me or my company/firm in a proceeding before any court of law/adjudicating authority in India. If I give false statement or cause intentional insult or interruption to public servant sitting in this judicial proceeding, I am liable to be punished under Section 193 and Section 228 respectively of the Indian Penal Code, 1860 (45 of 1860).

Q.1 Please introduce yourself.

Ans.1. I am Treasurer of Amity University, Plot No.4, Sector-125, Noida, Uttar Pradesh for last ten years. All works related to accounts and taxes are done under my supervision.

Q.2. For what services Ritnand Balved Education Foundation, [alternatively Amity University or Amity Institute of Training & Development (AITD)], Amity University Campus, Sector- 125, Noida (hereinafter referred to as "RBEF") is registered with the Service Tax Department?

Ans:- To the best of my knowledge RBEF is registered for Commercial Training and Coaching Services only.

Q.3. It is fact on record that RBEF has obtained Sponsorship from Organizing Committee of Commonwealth Games 2010 Delhi, New Delhi. What do you have to say about it?

Ans. I deny that RBEF had ever obtained any such sponsorship from Organizing Committee. There was no written agreement entered between RBEF and the Organizing Committee of Commonwealth Games. Further, no consideration was received or given for execution of this assignment.

Q.4. It is on record that RBEF vide their letter dt. 8th February, 2010 addressed to the Additional Director (Workforce & Administration), of the OCCGW expressed their consent to collaborate with any national, multi-national or foreign organization who has such experience in a multi-sporting event, such as the Asian Games or commonwealth Games or Olympic Games & the like and who has also been seeking partnership

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for the Commonwealth Games 2010 for the training programme for games workforce. What do you have to say about it? Do you agree that such communication was made?

Ans. I am not aware of such communication but going through it I agree that such communication was made.

Q.5. It is also on record that RBEF vide their letter dt. 25th February, 2010 reiterated their desire as well as readiness to become the sponsor as well as official trainer for the training of "Games Work Force". RBEF entered into agreements with Event Knowledge Services (EKS), Switzerland, Knowledge Systems Solutions (KSS), Monaco and Anglia Ruskin University, Cambridge, UK for their aforesaid training programme vide their letter dt. 22nd March 2010 reaffirming that they are committed to providing world class Volunteer training as the official trainer and sponsor of the Commonwealth Games 2010 Delhi through the consortium that they have established (consortium included the party and the EKS, KKS & Anglia Ruskin University). In the letter the party requested that they may be granted the sponsorship benefits as per the rules and regulations of the OCCWG and at the same time they also informed that the whole assignment would cost them Rs.15,00,00,000.00 (Rupees Fifteen Crores) to be borne by the party themselves. What do you have to say about it?

Ans. I am not aware of such correspondence but going through it I agree that such correspondence was made. I have to check up for the exact cost incurred with respect to the consortium although as already informed we had incurred the cost of Rs. 30,06,871.00 for training of the volunteers.

Q.6. The Tender Opening Evaluation Committee for the Appointment of Training Agency/ Agencies for the Games in their Minutes of the Meeting held on 26th March 2010 declared RBEF eligible to be the official sponsor for the Game Time Training and could be awarded the contract for the Games Training Sponsorship. RBEF vide their e-mail dt.31st March 2010 mentioned that the training would cost them Rs.15 Crores plus and if all value addition services are undertaken their total value delivered would cost them Rs. 35.2 Crores plus. RBEF intended to release advertisement worth Rs.10 Crore. What do you have to say about it?

Ans. I am not aware of such correspondence but going through it I agree that such correspondence was made. I have already provided the cost actually incurred for training of the volunteers. Details of other cost incurred, if any, would be provided latest by Tuesday i.e. 11th August 2015.

Q.7. The DDG (Sponsorship), OCCWG vide their communication dated 5th April 2010 approved the Sponsorship offer of the Amity University Consortium for the Games Time Training at the "Co-Sponsor" level and the use of D2010 Co-Branded Logo has been done on the basis of the

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commitment given by Amity University Consortium for application of marketing rights in newspapers, televisions etc. (at their own cost). What do you have to say about it?

Ans. I am not aware of such correspondence from DDG (Sponsorship). But as far as my knowledge goes there is no written communication to us in this regard by the Organizing Committee, and there is no MOU or Agreement between RBEF and OCCWG for sponsorship or costs to be incurred.

Q.8. The Sponsorship Approval Committee (SAC) in their Minutes of the meeting held on 5th April 2010 accepted the proposal received by the party for the Co-Sponsor Category and the sponsorship offer was valued at Rs. 5 Crores (Rupees Five Crore). The SAC also permitted the party the use of D2010 Co-Branded Logo. What do you have to say about it?

Ans. It seems to be document of the internal proceedings of the OCCWG to which we are not the party and to the best of my knowledge the same was not communicated to us. Further I would reiterate that there was no MOU or Agreement signed between RBEF and OCCWG assigning the value of Rs.5 crores or any amount whatsoever.

Q.9. The OCCWG vide their NOTE dt.19.10.2010 issued by the PO (Sponsorship) confirmed the value of the party's proposal as Rs. 5 Crores and also confirmed that the party (AITD) to be a "Co-Sponsor" level Sponsor of D2010 Games. The JDG (Sponsorship), OCCWG in his letter dt.9th November, 2010 informed the Service Tax department that the value in kind (VIK) of the party's Sponsorship activity was Rs. 5 Crores. What do you have to say about it?

Ans. I am not aware that how the value in kind was arrived at Rs.5 crore. Further, it is irrelevant as all the cost whatsoever incurred in training volunteers were borne by us and we have not charged anything from OCCWG.

Q.10. As you have said that there was no written agreement between RBEF and OCCWG for imparting training to the volunteers then how and why did you provide such training?

Ans. It is correct that there was no such written agreement, the training was imparted by us at our own cost as a service to the nation.

Q.11. During the event Billboards of the Commonwealth Games 2010 also displayed the Amity University as Co-sponsor. What do you have to say about it?

Ans. I am not aware of this thing. Even if Amity University logo was displayed on the Billboards of Commonwealth Games it was not under any written agreement between RBEF and OCCWG.

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Q.12. From all the questions above, it is apparent that you have received the sponsorship of the event under the category of co-sponsor. You have also trained the volunteers for the event in pursuance of the sponsorship so obtained. Under sponsorship service the recipient of the service is liable to pay the Service Tax under reverse charge. Even you had claimed to have paid the Service Tax under reverse charge for training the volunteers. But you have paid the service tax under the category of commercial training and coaching that too on the actual expenses incurred by RBEF on training. The VIK of the event was Rs.5 Crores but you have neither paid Service Tax under the category of sponsorship nor paid proper Service Tax. What do you have to say about it?

Ans. I deny of RBEF having received any sponsorship from OCCWG under the category of Co-sponsor. I reiterate that no written agreement was signed for the event for the purpose of sponsorship and/or value in kind. We have paid Service tax under the correct head i.e. Commercial Training and Coaching since we incurred cost only training for volunteers and no sponsorship was received or given.

The above statement is correct to the best of my knowledge and has been tendered voluntarily without duress. For any further clarification in the matter, I shall be obliged to present myself whenever required.

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(Aashish Bindra),
Treasurer,
Amity University Uttar Pradesh
Noida

4.13 As there is no evidence on record to show that any sponsorship service were received by the Appellant they could not have been made liable to pay service tax on the reverse charge basis.

4.14 We also observe that the Appellant as such was one of the member of the consortium which had entered bid for availment of such services but has had not in any case acted on his own behalf in respect of availment of these services. The liability if any in respect of these services should be on the consortium and not on the one of the consortium member of the consortium. That being so the demand made from the Appellant who is one of the members of consortium cannot be sustained.

4.16 Undisputedly appellant have paid the service tax on the expenses of Rs 30,06,871/- incurred by them on training activities for training the volunteers for Common Wealth Game.

4.17 In absence of any agreement between the appellant and the organizing committee towards the sponsorship of the Commonwealth games, we do not find any merits in the impugned order to the extent it demands service tax on the sponsorship services on reverse charge basis from the Appellant.

4.18 As we do not find any merits in the demand made we are not recording any findings on other issues like limitation etc raised by the appellant in their submissions. As we have set aside the demand of service tax, penalties imposed on the appellant too are set aside.

5.1 Appeal is allowed.

(Operative part of the order pronounced in open court)

(P. K. CHOUDHARY)
MEMBER (JUDICIAL)

(SANJIV SRIVASTAVA)
MEMBER (TECHNICAL)

Nihal