CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
BANGALORE

REGIONAL BENCH - COURT NO. 1

Service Tax Appeal No. 21338 of 2014

(Arising out of Order-in-Appeal No. 14 & 15/2014 dated 01.01.2014 passed by the Commissioner of Central Excise (Appeals-II), Bangalore.)

Shri J Arun Kumar
No.88, Rainbow Drive,
Sarjapur Main Road,
Bangalore – 560 035.

Appellant(s)

VERSUS

The Commissioner of Service Tax
TTMC-BMTC Complex, Old Airport Road,
Domlur, Bangalore – 560 071.

Respondent(s)

WITH

Service Tax Appeal No. 21339 of 2014

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Respondent(s)

APPEARANCE:

Shri Pradyumna G.H, Advocate for the Appellant

Shri Vinod Kumar Garhwal, Superintendent (AR) for the Respondent

CORAM:

HON'BLE MR. P. A. AUGUSTIAN, MEMBER (JUDICIAL)
HON'BLE MRS. R. BHAGYA DEVI, MEMBER (TECHNICAL)

FINAL ORDER NO. 21213 - 21214 / 2025

DATE OF HEARING: 07.07.2025
DATE OF DECISION: 07.07.2025

PER: R. BHAGYA DEVI

Briefly the facts are that the appellant Shri J Arun Kumar, a cricketer was alleged to have rendered taxable services under the category of 'Business Auxiliary Services' by virtue of playing cricket for M/s. Royal Challengers Sports Pvt. Ltd. Bangalore (RCSPL) in the Indian Premier League (IPL) matches as per the player contract agreement. Show-cause notice dated 11.11.2011 was issued for period April 2008 to March 2010 and show-cause notice dated 21.10.2011 was issued for the period April 2010 to March 2011, allegint that the consideration received by the appellants was for the purpose of exploitignt he business potential of RCSPL. On adjudication of these two show-cause notices, demands were confirmed; and aggrieved by this order, appellant preferred appeals before the Commissioner (A). The Commissioner (Appeals) in the impugend order held that the player has been granted rights for the benefit of the franchisee to exploit the commerical interest and to maximise their respective promotional benefits. Since the brand 'King Fisher' belonging to United Breweries Limited (UBL) is displayed on the clothes of the player and they function as brand ambassadors/promoters of the brands belonging to the corporates and thus, promote the business and hence, liable to service tax under 'Business Auxiliary Serivces'. Aggrieved by this order, appellant is in appeals before us.

2. The learned counsel submitted that the appellant is a cricket player and has entered into agreement with RCSPL franchisee to play cricket in IPL cricket matches and received 'player fee' which is paid for playing / participating in cricket matches. It is submitted that as per the contract, if the appellant is unavailable, the 'player fee' is accordingly reduced, which clearly demonstrates that the appellant is paid only for playing cricket. As alleged by the Commissioner (A), there is no services rendered under the category of 'Business Auxiliary Services', since the contract clauses do not provide for rendering any marketing or promotion or sale of goods or services belonging to the RCSPL. It is further stated that this issue is no longer *res integra* and is settled in favour of the appellant in view of the following decisions:

- **Devraj Patil vs. CST, Bangalore: (2024) 17 Centax 202 (Tri.-Bang.)**
- **Bharat Chipli vs. CST, Bangalore: 2022-TIOL-273-CESTAT-BANG.**
- **Anil Kumble vs. CST, Bangalore: 2022 (63) GSTL 97 (Tri.-Bang.)**
- **Sourav Ganguly vs. CCE: 2020-TIOL-1687-CESTAT-Kol.**
- **CCE vs. Swapnil Asnodkar: 2018 (10) GSTL 479 (Tri.-Mum.)**
- **B. Akhil vs. CCE : Final Order No.21093/2025 dated 28.7.2025**

3. The learned Authorised Representative (AR) for the Revenue reiterated the findings of the Commissioner (A).

4. Heard both sides. The issue to be decided in the present appeal is whether the appellant is liable to pay service tax under the category of 'Business Auxiliary Services' for displaying the brand names on their clothes. In a similar set of facts and circumstances, this Tribunal in the case of **Devraj Petal vs. CST, Bangalore: (2024) 17 Centax 202 (Tri.-Bang.)** held that:

> "**4.** Heard both sides. The short issue involved in the present appeal is whether the services rendered by the appellant would fall under the category of 'Business Auxiliary Service'. We find that the issue has been considered at length by the Tribunal in *Sourav Ganguly's* case (*supra*) and it is observed as follows:
>
> > *"52. The contention of learned counsel for the appellant is that the findings recorded by the Commissioner that the appellant did not deny that he had promoted logo/brands/marks of franchisee/sponsors is factually incorrect and even otherwise the said activity would not be covered under BAS.*
> >
> > *53. It would, therefore, the appropriate to reproduce question numbers 4 and 8 and the answers given by the appellant and they are as follows:*
> >
> > *"Question No. 4: It is noted on perusal of Shri Sourav Ganguly's income details submitted on 15-3-2010 that, Shri Sourav Ganguly has received considerable amounts from M/s Knight Riders Sports Pvt. Ltd., Mumbai in control of Kolkata Knight Riders Team (subsidiary of M/s Red Chillies Entertainment Pvt. Ltd., Mumbai) relating to the IPL events.*
> >
> > *In this regard, out of total amount received by Shri Sourav Ganguly from M/s Knight Riders Sports Pvt. Ltd., Mumbai- please confirm the amount received (i) as cricket playing fees and (ii) Business promotional service fees other than (i)*

above. Please submit documentary evidence in support of your confirmation in this regard.

Ans:- Sourav Ganguly has received payments from M/s Knight Riders Sports Pvt. Ltd., Mumbai only for playing cricket in terms of the agreement entered into with them. This would be evident from the agreement - which will be submitted within seven days.

Question No. 8: Shri Mitra, do you agree that a service provided by a person-that includes a cricket player/celebrity also-for promoting or marketing of logos/brands/marks of the franchisee/sponsors falls under the taxable category of 'Business support services'? If you agree, please confirm whether due service tax has been paid by Shri Sourav Ganguly on this court in respect of IPL events. If non-the reasons there for.
Ans: No, I do not agree in principle. This is because there is a separate classification of service under Brand Ambassador promoting brand of goods/services;

Mr. Sourav Ganguly has duly obtained S. Tax registration as a service provider under 'Brand Ambassador for promoting brand of goods/services'-as already stated herein above. In IPL, only Franchisee had agreements with corporate houses-not players. So, in our perception, a Franchisee is liable for payment of service tax under Business support service provided to corporate clients because of their contractual obligations - and thus, so far as players are concerned, there cannot be twice or repeat taxation on the same service." 30 ST/77117/2019

54. Question No. 4 requires the appellant to give details of the amount received as cricket playing fees and business promotional service fees. The answer given by the appellant to this question was very specific. The appellant stated that he

> *had received payment from KKR "only for playing cricket in terms of the agreement entered into with them". Question No. 8 required a response from the appellant on the issue as to whether service provided by a cricket player/celebrity for promoting or marketing of logos/brand/marks of franchisee/sponsors falls under BSS. The answer given by the appellant is that it would not fall under BSS for the reason that there is a separate classification of service under "Brand Ambassador for promoting brands of goods/services" and the appellant had obtained service tax registration as a service provider under this category.*
>
> *55-57. …..*
>
> *58. The Commissioner has, in view of the aforesaid Instructions assumed that the amount received was a composite fee and the entire amount was leviable to service tax in terms of the Instructions dated July 26, 2010. The view taken by the Commissioner is not correct. In the first instance, as noted above, the appellant had received the fees for playing cricket only and even otherwise, it is a settled principle of law that if no machinery exists to exclude non- taxable service, a composite contract is not taxable since law must provide a measure or value of the rate to be applied and any vagueness in the legislative scheme makes the levy fatal.*
>
> *59. The confirmation of demand under this head, therefore, cannot be sustained."*

The aforesaid observations of the Tribunal has subsequently been followed in the cases of Bharat Chipli and *Anil Kumble* (*supra*) by this Tribunal."

Following the ratio of the above decision and various decisions relied upon by the learned counsel, the amounts received by the appellant as 'player fee' for playing cricket cannot be considered as promotional activities under the category of 'Business

Auxiliary Services'. Recently, this Tribunal following the ratio of the above decision in the case of **B. Akhil vs. CCE vide Final Order No.21093/2025 dated 28.07.2025** in a similar set of facts and circumstances, allowed the appeal of the appellant, being a Indian Cricket Player. Accordingly, the impugned order is set aside and the appeals are allowed.

(Operative portion of the order was pronounced
in open court on conclusion of hearing)

(P. A. AUGUSTIAN)
MEMBER (JUDICIAL)

(R. BHAGYA DEVI)
MEMBER (TECHNICAL)

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