CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL
CHANDIGARH

REGIONAL BENCH - COURT NO. I

Service Tax Appeal No. 170 of 2016

[Arising out of Order-in-Appeal No. JAL-EXCUS-000-APP-249-15-16 dated 31.12.2015 passed by the Commissioner (Appeals), Central Excise and Customs, Chandigarh]

M/s Taruwar Kohli ......**Appellant**
SCO-108, Industrial Area,
Jalandhar, Punjab-140004

VERSUS

Commissioner of Central Excise and Customs, Chandigarh-II ......**Respondent**
Central Revenue Building, Plot No. 19,
Sector-17 C, Chandigarh-160017

APPEARANCE:

Shri Harvinder Singh, Advocate for the Appellant

Shri Aniram Meena, Authorized Representative for the Respondent

CORAM: HON'BLE MR. S. S. GARG, MEMBER (JUDICIAL)
HON'BLE MR. P. ANJANI KUMAR, MEMBER (TECHNICAL)

FINAL ORDER NO. 60218/2026

DATE OF HEARING: 27.02.2026
DATE OF DECISION: 27.02.2026

P.ANJANI KUMAR :

The appellant, Shri Taruwar Kohli is a cricketer, who had entered into agreements with M/s Jaipur IPL Cricket Pvt Ltd and M/s KPH Dream Cricket Pvt Ltd, who are franchises of M/s Indian Premier League. It appeared to the Revenue that the appellant had contractual agreement for promoting/marketing logos/brands/marks of the franchisee and sponsors and has received remuneration from the same and that the same is taxable under "business support services" as per Section 65 (104c) of the Finance Act, 1994. A Show-Cause Notice dated 02.04.2013 demanding service tax of Rs. 1,85,835/-, along with penalty and interest, for the remuneration received during the years 2008-09 and 2009-10. Assistant Commissioner vide order dated 25.02.2014 confirmed the demand along with interest and imposing equal penalty under Section 78 and penalty of Rs. 5,000/- under Section 77 of the Finance Act, 1994. On an appeal preferred by the appellants, Commissioner (Appeals) vide order dated 31.12.2015 upheld the impugned order and rejected the appeal.

2. Shri Harvinder Singh, advocate, for the appellant submits that the issue is no longer *res integra* having been decided by the Tribunal in a number of cases of Cricketers identically placed. He relies on the following cases:

- Sourav Ganguly v. Union of India &Ors.(2016) 96 CCH 0150-Kol HC
- Commissioner of Service Tax &Anr. v. Sourav Ganguly &Ors.F.M.A.No.2102 of 2018 Dtd. 14.08.2019-Kol HC
- Sourav Ganguly v. Comm. of Service Tax, Kolkata-ST No. 77117 of 2019 Dtd. 14.12.2020-Kol. Tribunal.
- Pinal Rohit Shah v. C.C.E. & S.T-ST No. 13204 of 2013 dtd. 21.06.2023-Ahd. Tribunal.
- Rahul Dravid v. Comm. of ST- [2012] 23 taxmann.com 439 Bang. Tribunal.
- Yusuffkhan M. Pathan v. C.C.E.& ST. [2024] 158 taxmann.com 22 Ahd. Tribunal.
- R. Ashwin v. Comm. of GST and Central Excise- [2024] 159 taxmann.com 504
- CE, C & CGT-Delhi-iii v. Piyush Chawla- ST/54359/2015 Dtd. 03.07.2018-Del. Tribunal.

- Karan Sharma v. C.C.E. & S.T-Meerut-i-ST/59766/2013Dtd. 06.03.2018-All Tribunal
- CCE & ST vs. L. Balaji (Common Judgement for 48 Assesses)-ST/41245- 41246/2014-Chn. Tribunal.
- Ajitesh Kamlesh Argal v. C.C.E. & S.T-ST No. 11229 of 2013 dtd. 03.04.2023-Ahd. Tribunal.
- Ishant Sharma v. C.C.E. &S.T-ST No. 249 of 2016 dtd. 11.08.2023-Del. Tribunal.
- Comm. ST, Delhi v. Ms. Shriya Saran- [2014] 48 taxmann.com 209-Del. Tribunal.
- Comm. Of C.C.E., Goa v. Swapnil Asnodkar-2018(1) TMI 266 Dtd. 10.11.2017- Mum. Tribunal.
- Faiz Fazal v. C.C.E. Nagpur- ST/86456/14-Mum. Tribunal.

3. Shri Aniram Meena, learned Authorized Representative for the Department, reiterates the findings of the impugned order.

4. Heard both sides and perused the records of the case. It is submitted that cases against various cricketers playing for IPL have been decided in favour of the players by the Tribunal. We find that Tribunal, in its judgment, in the case of Sourav Ganguly (supra) has relied on the case of Shriya Saran (supra) and the Hon'ble Calcutta High Court's decision in the case of Sourav Ganguly (supra) and this judgment has been followed in many other cases. We find that the Hon'ble High Court of Calcutta held that:

> 69) Further, I find from the contract entered into by the petitioner with the IPL franchisee that the petitioner was engaged as a professional cricketer for which the franchisee was to provide fee to the petitioner. The petitioner was under full control of the franchisee and had to act in the manner instructed by the franchisee. The apparel that he had to wear was

team clothing and the same could not exhibit any badge, logo, mark, trade name etc.. The petitioner was not providing any service as an independent individual worker. His status was that of an employee rather than an independent worker or contractor or consultant. In my opinion, it cannot be said that the petitioner was rendering any service which could be classified as business support service. He was simply a purchased member of a team serving and performing under KKR and was not providing any service to KKR as an individual. In this regard, I fully endorse and agree with the order dated 6 June, 2014 passed by the Commissioner of Central Excise (Appeals) Delhi-III in Appeal No. 330- 332/SVS/RTK/2014, the facts of which case was similar to the facts of the instant case, excepting that the player concerned in that case was a member of the Chennai Super Kings.

(70) In so far the letter/instruction dated 26 July, 2010 issued by the CBEC is concerned, the material portion thereof has been extracted above in this judgment. The petitioner is aggrieved by the instruction in the said letter to the effect that in case the players (in IPL) are paid composite fee for playing matches and for participating in promotional activities, the component of promotional activities should be segregated for charging service tax and if it cannot be done then service tax should be leviable on the total composite amount. Having considered the submissions made in this regard and the decisions cited, I am of the view that the Board of Central Excise and Customs in its administrative capacity is not entitled to impose its views on its various subordinate authorities exercising quasi-judicial functions to interpret a particular provision of a statute in a particular manner. A circular/instruction/letter cannot create tax liability. The statutory provisions relating to service tax do not provide that the fees received by an IPL player would attract service tax. This is admitted by the Department even in the said circular which states,

inter alia, that charges for playing matches will fall outside the purview of taxable service. If the statute does not provide for levying service tax on fee received for playing matches, such a liability cannot be created by issuing a letter/instruction/circular. A circular cannot travel beyond the statute. The statute does not provide that if a player receives a composite amount for playing matches and promotional activities and the segregation of the two elements is not possible, then the composite entire amount may be taxed. Such an act on the part of the Department will be de hors the statute and without jurisdiction or authority of law. It will also be in contravention of Art. 265 of the Constitution of India. The Central Board of Excise and Customs cannot seek to legislate by issuing circulars/instructions. As observed by the Hon'ble Supreme Court in the case of Ratan Melting & Wire Industries (supra), the clarifications/circulars issued by the Central Govt. or the State Govt. represent merely their understanding of the statutory provisions. In my opinion, if such circulars/instructions/clarifications are contrary to or inconsistent with the statutory provision in question or seek to create a liability which the statute does not contemplate, such circular/instruction is liable to be struck down. A misconceived and legally untenable interpretation of a statutory provision and/or an erroneous understanding thereof, which if applied by the quasi-judicial authorities will unduly prejudice the citizens of the country, cannot be allowed to stand.

Accordingly the impugned circular/instruction dated 26 July, 2010 is quashed to the extent it states that if composite fee received for playing matches and for participating in promotional activities cannot be segregated, then service tax should be levied on the total composite amount.

(71) In view of the aforesaid, in my view, the remuneration received by the petitioner from the IPL

franchisee could not be taxed under business support service.

5. In view of the above, we find that the issue is no longer *res integra* and therefore, we allow the appeal.

(Operative part of the order pronounced in the open court)

(S. S. GARG)
MEMBER (JUDICIAL)

(P. ANJANI KUMAR)
MEMBER (TECHNICAL)

Palak