



सत्यमेव जयते

आयुक्त का कार्यालय  
Office of the Commissioner  
केंद्रीय जीएसटी, अपील अहमदाबाद आयुक्तालय  
Central GST, Appeals Ahmedabad Commissionerate  
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आज़ादी का  
अमृत महोत्सव

**By SPEED POST**

DIN:- 20230864SW0000000D58

(क)	फाइल संख्या / File No.	GAPPL/COM/STP/2359/2022-APPEAL /नम्र - ६५
(ख)	अपील आदेश संख्या और दिनांक / Order-In-Appeal No. and Date	AHM-EXCUS-003-APP-065/2023-24 and 31.07.2023
(ग)	पारित किया गया / Passed By	श्री शिव प्रताप सिंह, आयुक्त (अपील) Shri Shiv Pratap Singh, Commissioner (Appeals)
(घ)	जारी करने की दिनांक / Date of issue	16.08.2023
(ङ)	Arising out of Order-In-Original No. KLL DIV/ST/Paras Mani Tripathi/108/2021-22 dt. 12.04.2022 passed by Deputy Commissioner, CGST Division Kalol, Gandhinagar Commissionerate.	
(च)	अपीलकर्ता का नाम और पता / Name and Address of the Appellant	M/s Reckitt Benckiser Healthcare India Pvt Ltd [Formerly known as Paras Pharmaceuticals Ltd) 1/7 GIDC, Kalol Industrial Estate, Gandhinagar.

कोई व्यक्ति इस अपील-आदेश से असंतोष अनुभव करता है तो वह इस आदेश के प्रति यथास्थिति नीचे बताए गए सक्षम अधिकारी को अपील अथवा पुनरीक्षण आवेदन प्रस्तुत कर सकता है, जैसा कि ऐसे आदेश के विरुद्ध हो सकता है।

Any person aggrieved by this Order-in-Appeal may file an appeal or revision application, as the one may be against such order, to the appropriate authority in the following way.

भारत सरकार का पुनरीक्षण आवेदन:-

**Revision application to Government of India:**

(1) केन्द्रीय उत्पादन शुल्क अधिनियम, 1994 की धारा अतत नीचे बताए गए मामलों के बारे में पूर्वोक्त धारा को उप-धारा के प्रथम परन्तुक के अंतर्गत पुनरीक्षण आवेदन अधीन सचिव, भारत सरकार, वित्त मंत्रालय, राजस्व विभाग, चौथी मंजिल, जीवन दीप भवन, संसद मार्ग, नई दिल्ली: 110001 को की जानी चाहिए :-

A revision application lies to the Under Secretary, to the Govt. of India, Revision Application Unit Ministry of Finance, Department of Revenue, 4<sup>th</sup> Floor, Jeevan Deep Building, Parliament Street, New Delhi - 110 001 under Section 35EE of the CEA 1944 in respect of the following case, governed by first proviso to sub-section (1) of Section-35 ibid :-

(क) यदि माल की हानि के मामले में जब ऐसी हानिकार खाने से किसी भण्डागार या अन्य कारखाने में या किसी भण्डागार से दूसरे भण्डागार में माल ले जाते हुए मार्ग में, या किसी भण्डागार या भण्डार में चाहे वह किसी कारखाने में या किसी भण्डागार में हो माल की प्रक्रिया के दौरान हुई हो।

In case of any loss of goods where the loss occur in transit from a factory to a warehouse or to another factory or from one warehouse to another during the course of processing of the goods in a warehouse or in storage whether in a factory or in a warehouse.



(ख) भारत के बाहर किसी राष्ट्र या प्रदेश में निर्यातित माल पर या माल के विनिर्माण में उपयोग शुल्क कच्चे माल पर उत्पादन शुल्क के रिबेट के मामले में जो भारत के बाहर किसी राष्ट्र या प्रदेश में निर्यातित है।

In case of rebate of duty of excise on goods exported to any country or territory outside India of on excisable material used in the manufacture of the goods which are exported to any country or territory outside India.

(ग) यदि शुल्क का भुगतान किए बिना भारत के बाहर (नेपाल या भूटान को) निर्यात किया गया माल हो।

In case of goods exported outside India export to Nepal or Bhutan, without payment of duty.

(घ) अंतिम उत्पादन की उत्पादन शुल्क के भुगतान के लिए जो ड्यूटी क्रेडिट मान्य की गई है और ऐसे आदेश जो इस धारा एवं नियम के मुताबिक आयुक्त, अपील के द्वारा पारित वो समय पर या बाद में वित्त अधिनियम (नं 2) 1998 धारा 109 द्वारा नियुक्त किए गए हो।

Credit of any duty allowed to be utilized towards payment of excise duty on final products under the provisions of this Act or the Rules made there under and such order is passed by the Commissioner (Appeals) on or after, the date appointed under Sec.109 of the Finance (No.2) Act, 1998.

(2) केन्द्रीय उत्पादन शुल्क (अपील) नियमावली, 2001 के नियम 9 के अंतर्गत विनिर्दिष्ट प्रपत्र संख्या इए-8 में दो प्रतियों में, प्रेषित आदेश के प्रति आदेश प्रेषित दिनांक से तीन मास के भीतरमूल-आदेश एवं अपील आदेश की दो-दो प्रतियों के साथ उचित आवेदन किया जाना चाहिए। उसके साथ खाता इ का मुख्य शीर्ष के अंतर्गत धारा 35-इ में निर्धारित फी के भुगतान के सबूत के साथ टीआर-6 चालान की प्रति भी होनी चाहिए।

The above application shall be made in duplicate in Form No. EA-8 as specified under Rule, 9 of Central Excise (Appeals) Rules, 2001 within 3 months from the date on which the order sought to be appealed against is communicated and shall be accompanied by two copies each of the OIO and Order-In-Appeal. It should also be accompanied by a copy of TR-6 Challan evidencing payment of prescribed fee as prescribed under Section 35-EE of CEA, 1944, under Major Head of Account.

(3) रिविजन आवेदन के साथ जहाँ संलग्न रकम एक लाख रुपये या उससे कम होतो रुपये 200/- फीस भुगतान की जाए और जहाँ संलग्नरकम एक लाख से ज्यादा हो तो 1000/- की फीस भुगतान की जाए।

The revision application shall be accompanied by a fee of Rs.200/- where the amount involved is Rupees One Lac or less and Rs.1,000/- where the amount involved is more than Rupees One Lac.

सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवा कर अपीलीय न्यायाधिकरण के प्रति अपील:-  
Appeal to Custom, Excise, & Service Tax Appellate Tribunal.

(1) केन्द्रीय उत्पादन शुल्क अधिनियम, 1944 की धारा 35-बी/35-इ के अंतर्गत:-  
Under Section 35B/ 35E of CEA, 1944 an appeal lies to :-

(2) उक्तलिखित परिच्छेद में बताए अनुसार के अलावा की अपील, अपीलो के मामले में सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (सिस्टेट) की पश्चिम क्षेत्रीय पीठिका, अहमदाबाद में 2<sup>nd</sup> माला, बहुमाली भवन, असरवा, गिरधरनागर, अहमदाबाद-380004।

To the west regional bench of Customs, Excise & Service Tax Appellate Tribunal (CESTAT) at 2<sup>nd</sup> floor, Bahumali Bhawan, Asarwa, Girdhar Nagar, Ahmedabad: 380004. In case of appeals other than as mentioned above para.

The appeal to the Appellate Tribunal shall be filed in quadruplicate in form EA-3 as prescribed under Rule 6 of Central Excise(Appeal) Rules, 2001 and shall be accompanied against (one which at least should be accompanied by a fee of Rs.1,000/-, Rs.5,000/- and Rs.10,000/- where amount of duty / penalty / demand / refund is upto 5 Lac, 5 Lac to 50 Lac and above 50 Lac respectively in the form of crossed bank draft in favour of Asstt. Registrar of a branch of any nominate public



sector bank of the place where the bench of any nominate public sector bank of the place where the bench of the Tribunal is situated.

(3) यदि इस आदेश में कई मूल आदेशों का समावेश होता है तो प्रत्येक मूल आदेश के लिए फीस का भुगतान उपर्युक्त ढंग से किया जाना चाहिए इस तथ्य के होते हुए भी कि लिखा पढी कार्य से बचने के लिए यथास्थिति अपीलीय न्यायाधिकरण को एक अपील या केन्द्रीय सरकार को एक आवेदन किया जाता है।

In case of the order covers a number of order-in-Original, fee for each O.I.O. should be paid in the aforesaid manner notwithstanding the fact that the one appeal to the Appellant Tribunal or the one application to the Central Govt. As the case may be, is filled to avoid scriptoria work if excising Rs. 1 lacs fee of Rs.100/- for each.

(4) न्यायालय शुल्क अधिनियम 1970 यथा संशोधित की अनुसूची -1 के अंतर्गत निर्धारित किए अनुसार उक्त आवेदन या मूलआदेश यथास्थिति निर्णयन प्राधिकारी के आदेश में से प्रत्येक की एक प्रतिपर रु 6.50 पैसे का न्यायालय शुल्क टिकट लगा होना चाहिए।

One copy of application or O.I.O. as the case may be, and the order of the adjournment authority shall a court fee stamp of Rs.6.50 paise as prescribed under scheduled-I item of the court fee Act, 1975 as amended.

(5) इन ओर संबंधित मामलों को नियंत्रण करने वाले नियमों की ओर भी ध्यान आकर्षित किया जाता है जो सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (कार्याविधि) नियम, 1982 में निहित है।

Attention is invited to the rules covering these and other related matter contended in the Customs, Excise & Service Tax Appellate Tribunal (Procedure) Rules, 1982.

(6) सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (सिस्टेट) एके प्रति अपील के मामले में कर्तव्यमांग (Demand) एवं दंड (Penalty) का 10% पूर्व जमा करना अनिवार्य है। हालांकि, अधिकतम पूर्व जमा 10 करोड़ रुपए है। (Section 35 F of the Central Excise Act, 1944, Section 83 & Section 86 of the Finance Act, 1994)

केन्द्रीय उत्पाद शुल्क और सेवाकर के अंतर्गत, शामिल होगा कर्तव्य की मांग (Duty Demanded)।

- (1) खंड (Section) 11D के तहत निर्धारित राशि;
- (2) लिया गलत सेनवैट क्रेडिट की राशि;
- (3) सेनवैट क्रेडिट नियमों के नियम 6 के तहत देय राशि।

यह पूर्व जमा 'लंबित अपील' में पहले पूर्व जमा की तुलना में अपील दाखिल करने के लिए पूर्व शर्त बना दिया गया है।

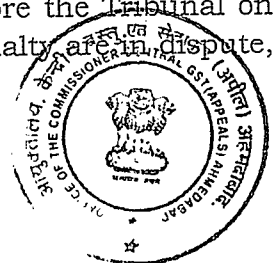
For an appeal to be filed before the CESTAT, 10% of the Duty & Penalty confirmed by the Appellate Commissioner would have to be pre-deposited, provided that the pre-deposit amount shall not exceed Rs.10 Crores. It may be noted that the pre-deposit is a mandatory condition for filing appeal before CESTAT. (Section 35 C (2A) and 35 F of the Central Excise Act, 1944, Section 83 & Section 86 of the Finance Act, 1994).

Under Central Excise and Service Tax, "Duty demanded" shall include:

- (i) amount determined under Section 11 D;
- (ii) amount of erroneous Cenvat Credit taken;
- (iii) amount payable under Rule 6 of the Cenvat Credit Rules.

(6) (i) इस आदेश के प्रति अपील प्राधिकरण के समक्ष जहाँ शुल्क अथवा शुल्क या दण्ड विवादित हो तो मांग किए गए शुल्क के 10% भुगतान पर और जहाँ केवल दण्ड विवादित हो तब दण्ड के 10% भुगतान पर की जा सकती है।

In view of above, an appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute."



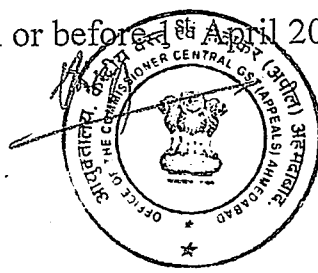
अपीलिय आदेश / ORDER-IN-APPEAL

This Order arises out of an appeal filed by M/s. Reckitt Benckiser Healthcare (India). Ltd. Plot No.48, Sector-32, Institutional Area, Gurgaon, formerly known as M/s Paras Pharmaceuticals Ltd., 1/7, GIDC, Kalol Industrial Estate, Gandhinagar [hereinafter referred to as the appellant] against OIO No. KLL/DIV/ST/PARA MANI TRIPATHI/108/2021-22 dated 12.04.2022 [hereinafter referred to as the impugned order] passed by Deputy Commissioner, Central GST, Division : Kalol, Commissionerate : Gandhinagar [hereinafter referred to as the adjudicating authority].

2. Briefly stated, the facts of the case are that the appellant are registered with Service Tax under Registration No. AAACP9268JST001 and were engaged in providing taxable services relating to 'Advertising Agency', 'Market Research Agency', 'Business Auxiliary Service', 'Transport of Goods by Road Service' and 'Renting of Immovable Property Service'. During the course of an Inquiry initiated by the Preventive & Investigation Wing of the erstwhile Central Excise Commissionerate, Ahmedabad-III it was observed that the appellant had entered into a Memorandum of Understanding (MOU) with the M/s Jaipur IPL Cricket Pvt. Ltd., on 14.11.2009. As per the MOU M/s Jaipur IPL Cricket Pvt. Ltd. had agreed to grant Associate Sponsorship to the appellant for the Indian Premier League 3 2010 (IPL) which was conducted from 12.03.2010 to 25.04.2010.

2.1 The investigating officers also gathered that M/s Jaipur IPL Cricket Pvt. Ltd. owned the franchisee for 'Rajasthan Royal' the Jaipur Team of the Indian Premier League (IPL) formed by the BCCI for Twenty-20 Cricket Tournament. In terms of the MOU dated 14.11.2009 as a part of the associate sponsorship rights/entitlement the appellants were allowed the following rights/entitlements in relation to their brand 'Moov' (including Moov N&S) and 'Set Wet' (Set Wet Hair Gel) :

- ▣ Logo of their brand can be displayed on front of the team jersey on right side of the chest.
- ▣ Appellants have the right to use picture/footage of 3 to 6 players of the team for promotion of their brands.
- ▣ Appellants will pay to M/s Jaipur IPL Cricket Pvt. Ltd a sponsorship fee of Rs.3,50,00,000/- (net) in two tranches, i.e 50% of the sponsorship fee on signing of the MOU and remaining 50% on or before 1st April 2010.



- The appellants will pay M/s Jaipur IPL Cricket Pvt. Ltd a team performance financial bonus of Rs. 20,00,000/- in addition to the sponsorship fee if the team reaches semi-final of IPL 2010.
- The appellants will pay M/s Jaipur IPL Cricket Pvt. Ltd a team performance financial bonus of Rs. 20,00,000/- in addition to the sponsorship fee if the team reaches final of IPL 2010.

2.2 'Sponsorship Service' was notified as a taxable service vide notification No.15/2006-ST dated 24.04.2006 with effect from 01.05.2006. The said services were defined under Section 65 (99) (a) of the Finance Act, 1994. Further vide letter Dy.No. 42/Comm(ST)/2008 dated 26.07.2010 issued by the Commissioner (Service Tax), CBEC, New Delhi it was clarified that 'the exclusion clause for Sponsorship service in respect of any sporting event would apply to the Sponsorship of the Event and not the Team'. Hence, the team sponsorship would fall outside the orbit of exclusion clause. Accordingly, sponsorship received by a team or a player would be independent of the sport event and hence they would be taxable.

3. Show Cause Notice F.No. V.ST/15-102/Off/OA/2012 dated 16.05.2013 was issued to the appellant wherein it was proposed to :

- demand and recover Service Tax amounting to Rs. 36,05,000/- (considering the sponsorship fee of Rs. 3,50,00,000/- as the taxable value) under proviso to Section 73(1) of the Finance Act, 1994 read with Section 68(2) of the Finance Act, 1994 read with Rule 2(d)(vii) of the Service Tax Rules, 1994;
- Demand and recover interest on the demand of service tax under Section 75 of the Finance Act, 1994;
- Impose Penalty under Section 77(i) and Section 78 of the Finance Act, 1994.
- Recover a specified amount under Section 70 of the Finance Act, 1994 read with Rule 7C of the Service Tax Rules, 1994.

4. The SCN was adjudicated vide the impugned order wherein the demand for service tax amounting to Rs. 36,05,000/- (considering the taxable value as Rs. 3,50,00,000/-) was confirmed along with interest. Penalty amounting to Rs. 36,05,000/- was imposed under Section 78 of the Finance Act, 1994. Penalty amounting to Rs.10,000/- was imposed under Section 77 of the Finance Act,



1994 and Penalty amounting to Rs. 40,000/- was Section 70 of the Finance Act, 1994 read with Rule 7C of the Service Tax Rules, 1994.

5. Being aggrieved with the impugned order, the appellant have filed the instant appeal on following grounds:

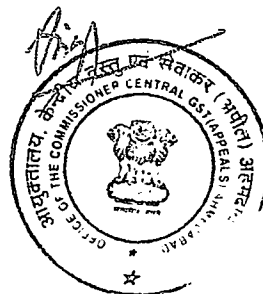
(i) The erstwhile company of the appellant – M/s Paras Pharmaceuticals Limited was engaged in the manufacture and clearance of P.P.Medicines and were registered under Central Excise as well as service tax. The said company was taken over by M/s Reckitt Benckiser Healthcare India Limited in the Year 2011 and registered with the Registrar of Companies (RoC) under Certificate of Incorporation dated 12.06.2012.

(ii) The appellant entered into an arrangement with M/s Jaipur IPL Cricket Pvt. Ltd (owns the franchisee of team 'Rajasthan Royals') for the sponsorship of event called Indian Premier League (IPL) for Rajasthan Royals. MoU dated 14.11.2009 was signed between them vide which the appellant were granted Associate Sponsorship Rights as an Associate Sponsor of IPL Season Three (2010) conducted from 12.03.2010 to 25.04.2010.

(iii) The appellant paid sponsorship fee of Rs. 3,50,00,000/- to M/s Jaipur IPL Cricket Pvt. Ltd for promotion of their brands. The scope of levy of service tax in respect of sponsorship service was clarified vide Letter No. 334/4/2006-TRU dated 28.02.2006, vide which the Sponsorship of sports events were excluded from the scope of Service Tax. As per this understanding the appellants did not pay any service tax on the sponsorship amount.

(iv) As the impugned order was issued after a period of One Year from the date of SCN, hence the same is not sustainable. Sponsorship services received by the appellant are covered by the exclusion clause of the definition of taxable service as defined under Section 65(105) of the Finance Act, 1994.

(v) They relied on TRU Circular DOF No. 334/1/2010 dated 26.02.2010 vide which advertisements through sponsorship of sporting events were exempted from Service Tax. As IPL is a sporting event, the sponsorship fee received by the appellant is exempted from Service Tax.



(vi) The appellant have received advertisement agency service/sale of space service from M/s Jaipur IPL Cricket Pvt. Ltd and these services are not classifiable under Sponsorship service, hence M/s Jaipur IPL Cricket Pvt. Ltd are liable to pay service tax and not the appellant. Department has failed to discharge their burden of proof regarding the liability of service tax on the appellant. The computation of demand was incorrect as cum-duty benefit should have been given to the appellant.

(vii) As there was no intention of evasion on part of the appellant, penalty cannot be imposed on them. The relied on the following decisions :

- Renuka Power Co.Ltd Vs GEC, AIR 1985 SC 1156;
- State Waqf Board Vs Abdul aziz, AIR 1968 Mad 79;
- Union Carbide India Ltd. Vs CCE, 1996 (86) ELT 613;
- State of Kerala Vs Kurian Abraham Pvt.Ltd. – 2008 (224) ELT 354 (SC);
- Union of India Vs Arviva Industries Ltd. reported as 2007 (209) ELT (SC)
- Tega India Ltd. Vs CCE, Calcutta-II reported as 2004 (164) ELT 390 (SC);
- Mahavir Aluminium Ltd. Vs CCE, Jaipur 1999 (114) ELT 371 (SC).
- CCE Pune Vs ABhi Chemicals & Pharmaceuticals Ltd. 2005 (181) ELT 351 (SC)
- CCE, Kanpur Vs Krishna Carbon Paper Co. (1988) 37 ELT 480 (SC);
- Kisan Trimbak Kothula Vs State of Maharashtra, AIR 1977 SC 435;
- Union of India Vs Garware Nylons Ltd. 1996 (87) ELT 12 (SC) ;
- Oswal Agro Mills Ltd. Vs CCE 1993 (66) ELT 37 (SC) ;
- Honda Motors Ltd Vs Commr. of ST, Delhi, 2013 (31) STR 162 (Tri.Delhi)
- Hero Motocorp Ltd. Vs Commissioner of Service Tax, Delhi 2013 (32) STR 371 (Tri. Delhi);
- CCE Vs Maruti Udyog Limited reported as 2002 (141) ELT 3 (SC);
- Hindustan Steel Ltd. Vs State of Orissa, AIR 1970 SC 253.
- CCE, Trichy Vs Grasim Industries 2005 (183) ELT 123 (SC);
- Tata Yodagwa Ltd Vs ACCE 1983 (12) ELT 17 (Pat).

(viii) They also submitted copies of M/s. Auditors Report as on 31.03.2010, copy of ITR for the F.Y. 2009-10 and F.Y. 2010-11.

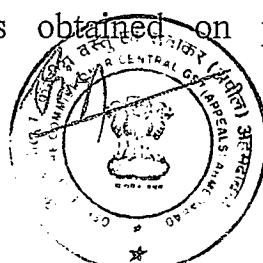


6. Personal hearing in the case was held on 26.06.2023. Shri Amber Kumrawat, Advocate, appeared on behalf of the appellant for hearing. He submitted additional written submission in the appeal and referred to cases relied upon by them as submitted alongwith the additional submissions. He submitted that the issue of services in relation to sponsorship of sports event has already settled by the Hon'ble CESTAT, Ahmedabad in case of Vodafone West Limited relying on the case law of Hero Honda Motors which was affirmed by the Hon'ble Supreme Court of India. Therefore, he requested to set aside the impugned order and to allow the appeal.

6.1 Vide their additional submission dated 26.06.2023 they submitted copies of various definitions of services under the Finance Act, 1994, Circulars issued by thye CBEC, and copies of various citations.

7. I have gone through the facts of the case, submissions made in the Appeal Memorandum, oral submissions made during the personal hearing, additional submissions made by the appellant and materials available on records. The issue before me for decision is whether the demand of Service Tax amounting to Rs. 36, 05, 000/- confirmed alongwith interest and penalty vide the impugned order, in the facts and circumstances of the case, is legal and proper or otherwise. The demand pertains to the period F.Y. 2009-10.

8. It is observed from the case records that the appellant were registered under Service Tax as well as Central Excise and during the relevant period that they were engaged in manufacturing of P.P.Medicines as well as providing taxable services falling under the category of 'Advertising Agency', 'Market Research Agency', 'Business Auxiliary Service', 'Transport of Goods by Road Service' and 'Renting of Immovable Property Service'. They had entered into a MoU on 14.11.2009 regarding associate sponsorship of the Team - 'Rajasthan Royals' with the sponsors of the said team M/s Jaipur IPL Cricket Pvt. Ltd. As per the conditions of the MoU the appellant was given the status of 'Associate Sponsors' of the team- 'Rajasthan Royals' for the Season-3 of IPL-2010 scheduled from 13.03.2010 to 25.04.2010. The MoU also granted the appellant ways to advertise their brands during the course of the IPL tournament by way of flashing their Brand Logos on the Jerseys of the players of the team. It is also observed that the 'Associate Sponsorship' achieved by the appellant was obtained on payment of a





'Sponsorship fee' of Rs. 3,50,00,000/- which was paid by them in two (2) equal instalments amounting to Rs. 1,75,00,000/- on 31.11.2009 and 20.04.2010 respectively. Apart from the above amount they were also in agreement to further pay an amount of Rs.20,00,000/- each after semi-finals and Finals of the IPL-Season-3 to M/s Jaipur IPL Cricket Pvt. Ltd in case their team - 'Rajasthan Royals' reach semi-finals and finals of the tournament.

9. The appellant have contended that sponsorship services received by them were covered under the exclusion clause as per the definition under Section 65(105) of the Finance Act, 1994. In order to understand the provisions of the relevant sections are reproduced below :

*Section 65 (99a) : "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 any financial or other support in the form of donations or gifts, given by the donors subject to the condition that the service provider is under no obligation to provide anything in return to such donors;*

*Section 65 (105) (zzzn) : "taxable service" means any service provided or to be provided to any person, by any other person receiving sponsorship, in relation to such sponsorship, in any manner;*

9.1 Examining the above legal provisions with the facts and circumstances of the case I find that, 'Sponsorship Service' was notified as a taxable service vide notification No.15/2006-ST dated 24.04.2006 with effect from 01.05.2006. Further, the said services were defined under Section 65 (99) (a) of the Finance Act, 1994 read with Section 65 (105) (zzzn) of the Finance Act, 1994. It is apparent that the appellants have entered into a MoU with M/s Jaipur IPL Cricket Pvt. Ltd for 'Associate Sponsorship of the team Rajasthan Royals'. Here, they have misconstrued the words and phrases "Sponsorship of Event" with the words and phrases "Associate Sponsorship of Team". Therefore, since they have not entered into any MoU for sponsorship/associate sponsorship of any "EVENT", therefore the exclusion clause is not attracted.

10. Further vide letter Dy. No. 42/Comm(ST)/2008 dated 26.07.2010 issued by the Commissioner (Service Tax), CBEC, New Delhi it was clarified that 'the exclusion clause for Sponsorship service in respect of any sporting event would apply to the Sponsorship of the Event and not the Team'. Hence, the team sponsorship would fall outside the orbit of exclusion clause. Accordingly, sponsorship received by a team or a player would be independent of the sport event



and hence they would be taxable. This clarification further confirms that the Services received by the appellant is taxable in nature.

11. The appellant has cited decisions of various authorities in support of their contention. They have heavily relied on the decision of the Hon'ble CESTAT, Ahmedabad in the case of Vodafone West Ltd. Vs Commissioner, Service Tax, Ahmedabad reported as 2022(10) TMI 141 – Cestat, Ahmedabad. Relevant portion of the above judgement is reproduced below:

...  
6. ...In the present case, the sponsorship received from BCCI-IPL is clearly in respect of cricket sports events which conducts cricket matches of T-20, therefore, the sponsorship is clearly related to the sports events which was not included under the sponsorship service as per sub clause (zzzn) prevailing prior to 01.07.2010, therefore, the same is not taxable. This issue is no longer res-integra as absolutely identical activity and in respect of identically placed company M/s Hero Honda Motors Limited who entered into agreement with M/s BCCI for the same sponsorship in relation to IPL matches ...

11.1 Examining the above decision with the facts of the instant case I find that the issue in the above referred case was related to 'Sponsorship of Sports Event' whereas in the instant case the appellants are co-sponsors of a 'Team' and not a 'Sports Event'. Therefore the above citation is not squarely applicable to the case.

12. In view of the above discussions I am of the considered view that the grounds of appeal of the appellant are not tenable, the citations are not squarely applicable to the facts of the case. Hence, I do not find any infirmity in the findings of the adjudicating authority in holding the services taxable and confirming the demand of service tax.

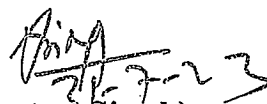
13. Accordingly, the impugned order is upheld and the appeal filed by the appellant is rejected.

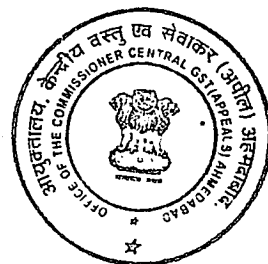
14. अपीलकर्ताद्वारा दर्ज की गई अपील का निपटारा उपरोक्त तरीके से किया जाता है।

The appeals filed by the appellant stands disposed of in above terms.

Attested:

(Somnath Chaudhary)  
Superintendent, CGST,  
Appeals, Ahmedabad

  
(Shiv Pratap Singh)  
Commissioner (Appeals)  
Dated: 21 July, 2023



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To

- M/s. Reckitt Benckiser Healthcare (India) Ltd.  
Plot No.48, Sector-32, Institutional Area, Gurgaon,
- M/s Paras Pharmaceuticals Ltd., 1/7, GIDC,  
Kalol Industrial Estate, Gandhinagar

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1. The Principal Chief Commissioner, Central GST, Ahmedabad Zone.
2. The Commissioner, CGST, Gandhinagar.
3. The Dy./Asstt. Commissioner, CGST & Central Excise, Division : Kalol,  
Commissionerate : Gandhinagar
4. The Dy/Assistant Commissioner (Systems), CGST Appeals, Ahmedabad.  
(for uploading the OIA)
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