Taxation of Services – Joint Ventures/Joint Operation Agreements/Revenue Sharing Arrangements

- Contributed by CA Sri Harsha

The taxation of services provided in situations where two or more people come together to do a business is always a tricky one, both for the tax authorities and the assessee. The revenue intends that there was a provision of service by constituent member to the joint venture and there would be tax on the said transaction. The assessee on the other hand would argue that the relation with the other co-venturer is on principal to principal basis and cannot be said to be of contractor-contractee to bring into the ambit of service tax law. Before getting into the crux of the article, an important trip to the ancient wisdom on the subject issue is mandatory and accordingly we picked up certain important judgments of Supreme Court in the matter of association of persons and joint ventures.

The Supreme Court in the matter of G Murugesan and Brothers[1] has held that for forming an 'association of persons', the members of association must join together for the purpose of producing income. An 'association of persons' can be formed only when two or more individuals voluntarily combine together for a certain purpose. Hence, the Court held that volition on the part of the member of the association is an essential ingredient. The mere fact that the members jointly own one or more assets and share the income does not show that they acted as an 'association of persons'.

The Supreme Court in another occasion in the matter of New Horizons Limited[2] stated that the expression 'joint venture' connotes a legal entity in the nature of partnership engaged in the joint undertaking of a particular transaction for mutual profit or an association of persons or companies jointly undertaking some commercial enterprise wherein all contribute assets and share risks. It requires a community of interest in the performance of subject matter, a right to direct and govern the policy in connection therewith, and duty, which may be altered by agreement, to share both in profit and losses.

The Supreme Court in the matter of Faqir Chand Gulati[3] dealing with the nature of relationship between the land owner and developer in the context of development agreement, while interpreting the question, whether a land owner can be called as recipient of service under Consumer Protection Act, stated that where the contract is a true joint venture, the land owner is a true partner or co-adventurer in the venture where the land owner has a say or control in the construction and participates in the business and management of the joint venture, and has a share in the profits/loss of the venture. In such a case, the land owner is not a consumer and is the co-adventurer in the venture, a service provider, where land owner himself is responsible for the construction as a co-adventurer in the venture. The Supreme Court stated that such true joint ventures are comparatively rare.

From the above judgments, it is evident that a volition is required to form an association of persons and not just sharing the assets and profits. On the other hand, once the entities come together with volition to achieve a profit out of a business enterprise, the said entity would be different from the constituent entities. The only question that was unanswered is whether there can be any inference of provision of service between the constituent entities and the joint venture, be it, incorporated or unincorporated. The tax authorities were often confused with this particular transaction because there is a flow of consideration. Seeing such flow of consideration, the tax authorities try to put the constituent entities on

[1] (1973) 4 Supreme Court Cases 211
[2] 1995 SCC (1) 478
[3] 2008 (7) TMI 159 – Supreme Court

tax liability stating that they have provided services to unincorporated entity. On the other hand, the constituent entity tried to defend that they were contributing for the enterprise on a principal to principal basis and there cannot be any inference of provision of service. In this article, we shall explore the judgments which are dealing with the above issues. Before dealing with the judgments, it is important to understand the legislative backup, which is only in form of Circulars.

Circular 109:

The issue first arose in the context of the movie industry. CBIC[4] (then CBEC) has issued a Circular 109/03/2009 (for brevity 'Circular 109') dated 23.02.09 detailing the taxation on movie theatres. Circular 109 detailed different models as to how a distributor exploits the copyrights in the film received from producer by entering agreements with the theatre owners. The Circular stated that as long as the distributor leases the theatre and theatre owners gets a fixed amount for exhibition of the film, the said service provided by theatre owner to the distributor would be taxable under the 'renting of immovable property service'. Circular 109 further ruled out classifying the service as 'business support services' especially in a situation where the theatre owner screens the movie for a fixed number of days under a contract and receives a fixed sum, stating that exhibition is not a support or assistance activity but an activity on own accord. The Circular further stated that if the distributor and theatre owner enters into revenue sharing arrangement, as to the where the theatre owner gets a specified percentage of ticket sales, then there would not be any tax implications, since the theatre owner and distributor were acting on principal to principal basis.

Circular 148:

Then there was another Circular in 148/17/2011 (for brevity 'Circular 148') dated 13.12.11 dealing with the same issue. Circular 148 quoting that there were significant changes in service tax law after issuing of Circular 109, it is necessary to understand the tax implications qua the theatre owners and distributors. The Circular stated that if there is a temporary transfer of rights in the movie to a distributor and from distributor to another sub-distributor, then such transaction was subjected to tax in light of the changes brought to the taxation of copyrights under the service tax law[5]. Circular stated that if the rights are not transferred to the theatre owners, then there would not be any taxability under the copyright services but it is necessary to examine the possibility of taxation under the other heads. Dealing with the subject matter of the article, the Circular stated that it was being represented in certain situation the distributor and the theatre owner conduct business together and hence no service tax is leviable. Circular 148 stated that arrangement amongst two or more entities can either be on principal to principal basis or on partnership/joint/collaboration basis and in the former, the constituent members are independent of each other and do not share risk/revenue/profit/loss/liability of the other, while in the latter the constituent members join hands for mutuality of interest and share common risk/profit together.

Circular 148 further stated that unincorporated joint venture, not operating on principal to principal basis, will exist only if the agreement entered into between the two independent persons is also recognized as a 'person'. Taking support from General Clauses Act, the Circular stated that 'person' includes association or body of individuals, whether incorporated or not and accordingly concluded that unincorporated association is also a person. The Circular further relied on the judgment of Supreme Court in the matter of New Horizons 1995 SCC (1) 478, wherein it was held that 'joint venture' connotes a legal entity in nature of partnership engaged in joint undertaking of a particular transaction for mutual profit or an

[4] Central Board of Indirect Taxes and Customs, earlier known as Central Board of Excise and Customs
[5] The temporary transfer of rights were brought into tax net and the same continued even after introduction of negative list.

association of persons or companies jointly undertaking some commercial enterprise wherein all contribute assets and share risks. Further, the Circular relied on Gammon India Limited, wherein the Supreme Court upheld the denial if exemption to joint venture as the goods were directly imported by constituent member, thereby recognising the joint venture as a separate legal entity from its constituent members. Circular concluded that if the distributor and theatre owner enters into an agreement with an understanding to share revenue/profits and not provide service on principal to principal basis, a new entity emerges, distinct from its constituent. As the new entity acquires the character of 'person', the transaction between it and other independent entities namely the distributor and the exhibitor will be a taxable service and whereas, in cases the character of a 'person' is not acquired in the business transition and the transaction is as on principal to principal basis, the tax is leviable on either of the constituent members.

Circular 179:

There was on another Circular in 179/5/2014 – ST dated 24.09.14 (for brevity 'Circular 179') which dealt with service tax on joint venture transactions. The Circular stated that as per Explanation 3(a) of the definition of 'service', an unincorporated association or body of persons, as the case may be, and a member thereof shall be treated as distinct persons and accordingly the members of Joint Venture (for brevity 'JV') and JV are treated as distinct person and therefore, services provided for consideration, by the JV to its members or vice versa and between the members of JV are taxable. The Circular concluded that JV being an unincorporated temporary association constituted for the limited purpose of carrying out a specified project within a time frame, a comprehensive examination of the various JV agreements holds the key to understanding the taxation of transactions involving taxable services between the JV and its members or inter-se between the members of JV. The Circular has outlined the taxation of transactions and left it there to the filed officers to determine the taxation on case to case basis.

The above are only few guidelines issued by CBIC to deal with the taxation of services qua unincorporated association of persons. Now, we shall deal with the judgments delivered in this context to further understand the subject concept.

In the matter of Mormugao Port Trust[6] – Mumbai Tribunal:

The facts of the case are that Mormugao Port Trust (for brevity 'MPT') is engaged in rendering port services and duly registered with the service tax authorities. MPT has entered an agreement with South West Port Limited (for brevity 'SWPL') under which it had leased out pieces or parcel of land which were situated in the operational are of harbour to SWPL on which the latter had constructed jetty which was used for loading and unloading of cargo from ocean going vessels, in lieu of which it received license fee and royalty from SWPL. Since MPT has paid service tax on license fee and has not discharged service tax on royalty, a notice was issued to MPT asking them to pay service tax on the said royalty under renting of immovable property service.

MPT contended that there was no service provided by them to SWPL, since the royalty earned by it was in fact its share of revenue from services which jointly rendered by MPT and SWPL. Since there was no principal-client relationship which is the basic tenet for applicability of service tax, there cannot be any demand of service tax. The Commissioner has not agreed with the submissions made by MPT and accordingly confirmed the demand. The order was appealed before Tribunal. The Tribunal after hearing both the parties made certain important observations.

[6] 2016 (11) TMI 520

The Tribunal stated that the core issue that needs determination is whether the amounts received by MPT from SWPL as royalty are taxable under the provisions of service tax law or not. The Tribunal stated that the MPT's contention that there was no principal – client relationship between it and SWPL and the royalty earned by MPT from SWPL that is 18% of revenue earned towards cargo handling charges was an earning from a revenue sharing agreement has been rejected by Commissioner only on the ground that MPT had done nothing but to lease out the land and the water front area to SWPL and hence the royalty collected cannot be called as received in terms of revenue sharing arrangement. The Tribunal after perusal of the agreement between two parties has stated that the Commissioner was wrong in holding that there was nothing done on part of MPT except leasing out of land. The Tribunal held that MPT apart from leasing out the land has also granted permission to SWPL to conduct port operations at Mormugao. The permission was necessary for SWPL to obtain as right to exploit the water front by operating a port at Mormugao was by law vesting only with the MPT and for which MPT has charged license fee and paid service tax on the same. The royalty is the reward that MPT earns as its share of revenue from joint port business enterprise run by the two parties (MPT and SWPL) in lieu of various facilities, rights and resources contributed by the MPT for the joint business. The Tribunal held that MPT has relinquished the exclusive right in favour of the joint venture that it had with SWPL.

The Tribunal stated that the agreement between MPT and SWPL is in the nature of joint venture where two parties have got together to carry out a specific economic venture on a revenue sharing model. These are the arrangements in the nature of partnership with each co-venturer contributing in some resource for the furtherance of joint business activity. The Tribunal then referred to decision of Supreme Court in the matter of Faqir Chand Gulati vs. Uppal Agencies Private Limited[7], to drive home the meaning of expression 'joint venture' and stated that from the decision it would be evident that the obvious feature of joint venture would be that parties participate in such a venture not as independent contractors but as entrepreneurs desirous to earn profits, the extent whereof may be contingent upon the success of the venture, rather than any fixed fees or consideration for any specific services.

The Tribunal stated that in the facts of the instant case, there is joint control over the operations as it is clear from the agreement that the strategic financial and operating decisions such as those relating to the basic design, capability functionality, etc of the bulk cargo handling jetty and its subsequent upgradation are to be unanimously agreed upon by the two co-venturers and held that the royalty is share of revenue from the joint venture activity but not a fee for services provided by MPT.

The Tribunal then proceeded to analyse whether the activity undertaken by co-venturer (partner) for the furtherance of the joint venture (partnership) can be said to be a service rendered by such co-venturer (partner) to joint venture (partnership). It was held that the response to the above should be negative in as much as whatever the partner does for the furtherance of business of partnership, he does so only for advancing his own interest as he has a stake in the success of the venture and there is neither an intention to render a service to other partners nor is there any consideration fixed as quid pro quo for any particular service of partner. Since there is no principal-client or contractor-contractee relationship, there cannot be any tax liability on the royalty earned by MPT. The Tribunal has kept aside the argument advanced by Commissioner that in terms of Explanation 3 to definition of 'service', the unincorporated association or body of persons, as the case may be, and a member thereof shall be treated as distinct persons by stating that the explanation does not have the effect of rendering the activities undertaken by partner/co-venturer, which are actually for his own benefit, as being a service rendered by it to the partnership. Accordingly, it held that consideration flow from SWPL to MPT under the nomenclature 'royalty' would

[7] 2008 (12) STR 401 SC

not be a consideration for rendition of any services but infact represents the MPT's share of revenue arising out of joint venture being carried on by MPT and SWPL.

In the matter of Delhi & Mumbai International Airport Private Limited [8]– Delhi High Court:

The Airports Authority of India (for brevity 'AAI') is responsible to develop, operate, manage and maintain airports in India in addition to maintained related facilitation of air traffic control and other allied issues. Under a policy of Government of India to privatise airports for their better management, AAI has issued request for proposals for offering a long term operation, management and development agreement (for brevity 'OMDA') to suitably qualified parties. The consortium led by GMR Group was selected by AAI as the successful bidder for Delhi Airport and GVK Group was selected for Mumbai Airport.

The AAI have entered OMDAs with the GMR Group and GVK Group (for ease referred as to 'Petitioners'). The Petitioners have been granted the exclusive right and authority to undertake some of the functions of AAI. Under the said agreement, in consideration for rights granted by AAI, the petitioners have to pay an annual fee to AAI. The annual fee payable to AAI in case of Delhi International Airport Limited (for brevity 'DIAL') is 45.99% and 38.7% in case of Mumbai International Airport Limited (for brevity 'MIAL') of the projected revenue to be received by Petitioners.

The revenue share payable to AAI is paid through escrow bank account. Under the escrow mechanism, all receipts from various sources received by Petitioners are deposited into a Receivable Account from which they are transferred to a Proceeds Account. From the Proceeds Account, payments are first made towards statutory dues and out of the balance, AAI is paid the Annual Fees and any other amounts due to it under the OMDA. The balance is transferred to a Surplus Account, which comes to the Petitioner's as their respective share of revenue.

The Revenue contended that AAI has granted various rights to the Petitioners for better operation and management of the Airport and accordingly demanded service tax on the amounts received from Petitioners as franchisee fee. The order was passed confirming the demand under franchisee services. Aggrieved by the order and since it effects the Petitioners (AAI has instructed bankers to block the sum towards service tax from the escrow accounts), they have approached the High Court invoking writ jurisdiction.

The Petitioners contended that the OMDA is nothing but a joint venture with AAI and later has also stake in them amounting to 26% and the annual fee paid in anyway cannot be called as franchisee fee and accordingly no service tax can be demanded. AAI has also pleaded that no franchisee can be inferred when it comes to the issue of revenue sharing and grant of license by the State or instrumentality of State (like AAI), wherein the State permits a private party to do an activity for profit, which act the private party would not have any right to do but for such a grant by the State.

The High Court stated that a grant of representational right is required to tax a particular service under Franchisee. Since, in the instant case, there was no grant of representational right by AAI to Petitioners, there cannot be any demand under the said category. The High Court accordingly held that there is no element of taxable service qua OMDA. In a way, High Court has stated that AAI and Petitioners have acted on principal to principal basis and accordingly the revenue sharing does not attract any tax obligations. Though the above was not clearly spelt, the same can be inferred.

[8] 2017 (2) TMI 775 – Delhi High Court

In the matter of Old World Hospitality Limited[9] - CESTAT New Delhi:

The appellant in the instant case were engaged in manging and operating the hospitality and conference facilities at the premises of India Habitat Centre (for brevity 'IHC') at Delhi. The main dispute is the liability of the appellant to pay service tax on the amount received from IHC towards expenses incurred for operation of the centre. The tax authorities demanded tax under the head 'business auxiliary services'.

The appellant contended that they do not render any service to IHC under the agreement dated 02.08.97. The agreement is for combined management of the facilities available with IHC with the expertise of the appellant. The gross consideration received was shared on a set proportion between the appellant and IHC and IHC is merely reimbursing the expenses incurred by the appellant for managing the facilities. The appellant contended that the transactions between the appellant and IHC are on principal to principal basis and there is no service element.

The Tribunal after referring to the various clauses of the agreement stated that gross operating receipt obtained from the facilities are to be shared between the contracting parties viz. the appellant and IHC, in a fixed percentage. The Tribunal stated from the overall arrangement as seen from the agreement, both IHC and appellant together are involved in providing various facilities available in the premises of IHC. The responsibility of each of the parties in the overall business is clearly mentioned in the agreement and consideration each one will get from their responsibility is also listed and agreed upon. The Tribunal stated that the dealings are more like co-venture agreement with joint purpose and shared income. The Tribunal stated that overall scope of the agreement is not for rendering of service by one to another rather a common pool of resources required for running and maintaining the facilities of IHC successfully was attempted in terms of agreement and the gross revenue is also shared showing the comment intent and accordingly rejected the order demanding service tax.

In the matter of BG Exploration & Production India Limited[10] - CESTAT Mumbai:

(Followed in BG Exploration & Production India Limited[11] and BG Exploration & Production India Limited[12])

BG Exploration & Production India Limited (for brevity 'BG') is engaged in the exploration, development and production of hydrocarbons in Panna-Mukta and the Mid-South Tapti fields within the framework of 'production sharing contract' dated 22nd December 1994 entered into by Government of India with M/s Oil & Natural Gas Corporation Limited (ONGC), M/s Reliance Industries Limited and themselves. The monopoly over naturally occurring hydrocarbon resources, retained with Central Government by constitutional prerogative, was offered to corporate entities, both domestic and foreign – for development and recovery in which the risks transferred to the contractors was compensated by 'cost petroleum' to be shared among the three before the Government of India was entitled to a share of 'profit petroleum' with the three co-venture partners.

BG in terms of the above agreement has booked the employee benefit expenses as manpower cost in deploying personnel, on full time or otherwise, for operation and on these amounts the tax authorities demanded liability in light of Circular 179. The Tribunal stated that it has to be examined that if 'joint operation

[9] 2017 (2) TMI 1176 – CESTAT New Delhi
[10] 2020 (10) TMI 579 – CESTAT Mumbai
[11] 2021 (10) TMI 306 – CESTAT Mumbai
[12] 2022 (1) TMI 207 – CESTAT Mumbai

agreement' is a 'joint venture' to which the Circular 179 would apply and if it was correct to conclude that the expenditure booked by BG was consideration for rendering a taxable service. The Tribunal stated that the agreement among entities for rendering of service to another entity is the essence of 'joint venture', however, it is doubtful if 'joint operation agreement', mandated by terms of the 'production sharing contract', can be deemed to be one such in the absence of an external beneficiary. The Tribunal stated the manner in which the contract provides for distribution of 'profit petroleum' and 'cost petroleum' is a business model for ensconcing within itself the alienation of risk by Government of India which necessarily mandates a working arrangement for the disaggregation of 'cost petroleum' as compensation for the mutually exclusive risks undertaken by the contractor. The participating interests in the 'joint operations' have not come together of their own accord for the common purpose of bearing the risk but from one stipulation in the contract setting forth the common purpose including the participation in proceeds of 'profit petroleum' that is extracted. The Tribunal stated that the 'joint operations' does not render service, within the meaning of Section 65B(44), as there is no beneficiary entity outside the 'production sharing contract' to which 'joint operations' is subordinated, for determination as joint venture to which the explanations could be applied.

The Tribunal stated that it is incumbent upon participants in collaborative undertaking to contribute capital for attainment of the common purpose. It is the nature of undertaking, in terms of permanence and of purpose, that determines the mode of contribution and in the impugned 'production sharing contract' Government of India brings in its rights over the resources, ONGC handles contracts and documentation, RIL manages financial and commercial requirements and BG is vested with responsibility of technical operations. The deployment of personnel by BG is in pursuance of that obligation. The Tribunal stated that no business venture can function without capital and the by-passing of transubstantiation of accumulated capital, in the form of cash and bank balances, into these rights and competencies does not derogate from that. Hence, the activity undertaken by BG with its cost equivalence recorded in the books is nothing but capital contribution and as such capital contributions are obligated for the establishment and operation of a business venture, it is not 'consideration' for rendering any taxable service.

In the matter of PVS Multiplex India Private Limited[13] - CESTAT Allahabad:

The question that needs to be decided by the Tribunal in this matter is whether the PVS Multiplex India Private Limited (for brevity 'PVS') is liable to pay service tax on the screening of the films in their multiplex. PVS has entered agreements with the distributors for screening of the films in their multiplex on revenue sharing basis. The said revenue sharing basis is demonstrated by way of the invoice raised by the distributor on PVS. PVS stated that in terms of Circular 148, they have acted on principal to principal basis and there cannot be any tax on the said revenue share. They have stated if at all there is a taxability the same would be on the distributor who have temporarily transferred copyright in the film. The Tribunal after going through the records and arguments stated that there would not be any tax liability in the hands of PVS, since the agreement is on principal to principal basis.

In the matter of Moti Talkies[14] - CESTAT New Delhi:

(Followed in Golcha Properties Private Limited[15], The Asian Art Printers[16], Satyam Cineplexes Limited[17])

[13] 2017 (11) TMI 156 – CESTAT Allahabad
[14] 2020 (6) TMI 87 – CESTAT New Delhi
[15] 2020 (11) TMI 137 – CESTAT New Delhi
[16] 2020 (12) TMI 1012 – CESTAT New Delhi
[17] 2021 (8) TMI 1222 – CESTAT New Delhi

The appellant is the owner of a cinema hall and is engaged in business of exhibiting films in its theatre. The copyrights over the films are owned by distributors and the appellant enters an agreement with distributors to obtain such copyrights under which the right to exhibit films is transferred to appellant, either temporarily or in perpetuity, depending upon the nature of agreement between parties. The tax authorities contended that appellant was providing various elements of interconnected services to the film distributors like lending of theatre for exhibition of films, manpower to manage, control and make arrangements, projector and other related equipment to screen the films, arranging power supply and providing arrangements to collect the box office collections with predominance of 'renting of immovable property service'.

The Appellant contended that there were not providing any service to the distributors and in fact, in terms of agreement with the distributors, it has only granted a copyright license in the form of theatrical right for which appellant is making payments to the distributors as share of the net box office collection. The appellant contended that it is the appellant who has paid certain consideration to the distributors for the grant of copyrights.

The Tribunal after referring to the various agreements between the appellant and distributor stated that the payments contemplated under the terms and conditions either require the exhibitor to pay a fixed amount or a certain percentage, subject to minimum exhibitor share or theatre share of effective shows in a week and cannot be inferred that appellant is providing any service to the distributor by renting of immovable property or even any other service in relation to such renting. The Tribunal stated that the distributors are not making any payments to the appellant and no consideration flows from distributors to the appellant for alleged service and accordingly the demand under renting of immovable property service fails.

In the matter of Inox Leisure Limited[18] - CESTAT Hyderabad:

(Followed in Inox Leisure Limited[19], Fun Multiplex Private Limited[20] and PVR Limited[21])

The Appellant is engaged in business of exhibiting cinematographic films across India in theatres owned by the appellant or taken on rent. The Appellant acquires the rights/license to exhibit the films at the designated theatres from various film distributors by entering separate license agreement for each film and consideration towards such license is paid by appellant as per agreed percentage of box office collection and such percentage varies from distributor to distributor, movie to move and week to week, after the release date. The tax authorities contended that since the appellant has the infrastructure to exhibit the film but no right to exhibit and the distributor has right but no infrastructure to exhibit, the appellant extended the support to the suppliers by way of providing the infrastructure they own to exhibit the film and this activity squarely falls under the definition of 'business support services' as it is in the nature of infrastructural support services.

The Tribunal after referring to the agreements entered stated that distributor/producer is engaged in the business of production and distributor of films, while the appellant is engaged in business of exhibition of films. The exhibitor decides which screens would play the motion picture, the number of shows, the show timings and the ticket pricing, whether or not to continue to exhibit the motion picture. The distributor/producer had granted the exhibitor the non-exclusive license to exploit the theatrical rights

[18] 2020 (11) TMI 137 – CESTAT New Delhi
[19] 2022 (3) TMI 1256 – CESTAT Mumbai
[20] 2022 (3) TMI 1166 – CESTAT Mumbai
[21] 2022 (3) TMI 1322 – CESTAT Mumbai

of a motion picture and each party was entitled to conduct its business in its absolute and sole direction. The Tribunal after referring to the decisions of Moti Talkies (supra), Mormugao Port Trust (supra), Old World Hospitality (supra) and Delhi International Airport Limited (supra) stated that revenue sharing arrangement does not necessarily imply provision of services, unless the service provider and receiver relationship is established and accordingly held that no service tax can be levied on appellant.

Concluding Remarks:

From the circulars issued by CBIC, it is evident that it tries to tax the transactions between the constituents and the joint venture. Though it was stated that transactions entered on principal to principal basis were not subjected to tax, the attitude of the tax department when it comes to proposing of demands is completely different. Instead of outlining the issue and providing an ambiguous tax position, CBIC has to take various modes of arrangements/agreements and drive home as to when an agreement/arrangement between two or more parties results in birth of a 'person' and when it does not to decide on the taxability. Circular 179 is also in not conformity with the law as held by BG Exploration & Production India Limited and requires a revamp for the purposes of GST laws. Though in terms of Supreme Court judgments, it is evident that the constituent is different from entity (as settled in the matter of Gammon India Limited[22]), but that cannot alone pave way for taxation, unless there was an establishment of service provider – service receiver relationship. It is not out of place to remember that there cannot be an inference of service just because there is a flow of consideration as held by The Cricket Club of India[23].

[22] 2011 (12) SCC 499
[23] 2015 (9) TMI 1389 – CESTAT Mumbai