Substance Over Semantics: True Contours of 'Event Management Service' and Its GST Implications

FEBRUARY 03, 2026

By Ashwarya Sharma, Advocate

1. Introduction

1.1 **THE** expansion of indirect tax jurisprudence in India has repeatedly witnessed interpretative overreach by tax authorities, particularly in service classification disputes where economic importance of an activity is sought to be equated with taxability. In a significant and timely ruling, the Supreme Court in *HT Media Ltd. v. Principal Commissioner, Delhi South GST* - ***2026-TIOL-06-SC-ST*** has decisively curtailed such expansionist tendencies by laying down clear parameters for the levy of Service Tax under the category of *"event management service"*.

1.2 Though rendered in the context of Chapter V of the Finance Act, 1994, the judgment carries enduring relevance under the GST regime, where disputes relating to classification of services, composite supplies, and artificial bundling continue to arise. At its core, the decision reaffirms the foundational principle that taxability must emanate strictly from the statutory text and the substance of the contractual arrangement, not from the perceived indispensability of an activity to a business event.

2. Factual Matrix and Tribunal's Approach

2.1 The appellant, HT Media Ltd., organised the annual Hindustan Times Leadership Summit, a globally recognised platform featuring distinguished speakers, including former heads of State and senior political leaders from outside India. To secure the participation of such speakers, HT Media entered into contracts with overseas booking agencies, who negotiated the terms of appearance, honorarium, travel, and logistical arrangements on behalf of the speakers.

2.2 The Service Tax department sought to tax the consideration paid to these booking agents under the category of *"event management service"*, asserting that procuring the speakers was integral to the organisation of the Summit and, therefore, constituted a taxable service in relation to event management.

2.3 The Customs, Excise and Service Tax Appellate Tribunal **(CESTAT)** upheld the department's view, holding that the speakers constituted the very essence of the Summit and that ensuring their presence amounted to rendering *'event management services'*.

3. Submissions on Behalf of the Assessee

3.1 The appellant contended that the contracts were limited to booking the speakers and did not involve any activity relating to planning, promotion, organisation, or management of the event. It was submitted that none of the cumulative statutory ingredients necessary for attracting tax under *"event management service"* were fulfilled.

3.2 Emphasis was placed on the common and commercial understanding of an event manager as one who undertakes comprehensive responsibility for organising and executing an event, including venue

management, stage arrangements, publicity, logistics, security, and coordination-functions entirely absent in the present case.

4. Revenue's Case and the Theory of Indispensability

4.1 The Revenue argued that the booking agents functioned as independent contractors and not as authorised agents of the speakers. It was further contended that payments were made to the booking agents and not directly to the speakers, thereby rendering the agents liable to Service Tax.

4.2 The department's core argument rested on the theory that without speakers, the Summit would have no significance and, therefore, the service of procuring speakers was inseparably linked to the organisation and presentation of the event.

5. Issue Before the Supreme Court

5.1 The Supreme Court framed the issue as whether the fee paid by the appellant to speakers, through booking agents, was liable to Service Tax under the taxable category of *"event management service"*, particularly under the reverse charge mechanism.

6. Findings on Nature of Contract and Scope of Event Management

6.1 The Supreme Court undertook a detailed examination of the statutory scheme under the Finance Act, 1994, including Sections 65(40), 65(41), 65(105)(zu), 66, and 66A, along with the TRU Circular dated 08.08.2002, which clarified that event management services cover activities relating to management or organisation of events and not ancillary or individual inputs.

6.2 On a careful reading of the agreements, the Court found that the contracts were unequivocally for booking speakers and prescribing the modalities of their participation, including duration of speech, media interaction, and honorarium. These agreements, in substance, did not transfer any responsibility for managing or organising the Summit to the booking agents.

6.3 The Court categorically held that participation in an event, or facilitation thereof, cannot be equated with management of the event, and that the Tribunal had erred in conflating the importance of speakers with the nature of the service rendered.

7. Interpretation of Statutes: Reinforcing Doctrinal Certainty

7.1 Strict Interpretation of Taxing Statutes

7.1.1 The Supreme Court reiterated the well-settled principle that charging provisions in fiscal statutes must be strictly construed and cannot be expanded by implication. Reliance was placed on the decision in *Shiv Steels v. State of Assam, reported in -* ***2025-TIOL-69-SC-CT***, wherein the Court observed:

> *"In construing fiscal statutes and in determining the liability of a subject to tax one must have regard to the strict letter of law. If the case is not covered within the four corners of the provisions of the taxing statute, no tax can be imposed by inference or by analogy or by trying to probe into the intentions of the legislature."*

7.1.2 Applying this principle, the Court held that unless the service in question squarely falls within the statutory definition of *"event management service",* no tax liability can be fastened merely because the activity contributes to the success of an event.

7.2 Common Parlance Test and Commercial Understanding

7.2.1 The Court further invoked the common parlance test, a well-recognised tool for classification in indirect tax statutes, particularly where the legislature has employed words of everyday usage. In this context,

reliance was placed on the decision in *Commissioner of Sales Tax v. Jaswant Singh Charan Singh, reported in 1967 SCC Online SC 154*, where the Court held that classification must be guided by how persons dealing in the goods or services understand them in ordinary commercial practice.

7.2.2 The Court also relied upon *Indo International Industries v. Commissioner of Sales Tax, reported* - ***2002-TIOL-333-SC-CT-LB***, wherein it was held that even if a product technically fits within a dictionary meaning, it must still be excluded if, in commercial parlance, it is not understood as such.

7.2.3 Applying these principles, the Supreme Court concluded that in common and commercial understanding, "event management" refers to the appointment of a person or entity to manage or organise an event in its entirety. Individual contracts for booking speakers or participants are not understood, either by industry or consumers, as event management services.

8. Rejection of the Principal–Agent Theory

8.1 The Court rejected the Revenue's emphasis on the alleged absence of a principal–agent relationship between the speakers and booking agents, holding that such enquiry was irrelevant to the core issue of classification.

8.2 The decisive factor, the Court held, is the nature of service rendered under the contract. Since the service was confined to booking speakers, the levy of Service Tax under *"event management service"* was legally unsustainable.

9. Implications Under the GST Regime

9.1 Although the judgment arose under the Service Tax regime, its ratio has direct applicability under GST, where classification disputes continue to arise in the context of event-related services, composite supplies, and bundled transactions.

9.2 The decision serves as a strong reminder that every service connected with an event is not automatically an event organisation or event management service, and that GST liability must be determined strictly on the basis of contractual obligations and statutory definitions.

10. Conclusion

10.1 The decision in *HT Media Ltd.* reinforces the centrality of contractual substance in indirect tax jurisprudence. It unequivocally establishes that the terms of the agreement are decisive in determining taxability, and that tax authorities cannot be permitted to recharacterize transactions based on perceived economic relevance.

10.2 The Supreme Court has once again affirmed that it is not the form but the substance of the transaction that governs tax liability. Where an agreement is limited to booking or facilitating participation, it cannot be artificially elevated to the status of event management merely because such participation is essential to the event's success.

10.3 As GST jurisprudence continues to mature, this ruling will stand as an important precedent, ensuring that taxation remains anchored in statutory text, commercial reality, and settled principles of interpretation, rather than in interpretative excess or administrative convenience.

[The author is a practicing Advocate and Co-Founder & Legal Head at RB LawCorp, specialising in GST and IBC matters. The views expressed are strictly personal.]