

Pranav Mehta

The Hon'ble Ahmedabad CESTAT in the recent case of Cadila Healthcare Limited v. C.S.T. & S.T., [2021] 127 taxmann.com 112 (Ahmedabad - CESTAT) has held that remuneration received by a partner from its partnership firm towards certain activities performed in terms of partnership deed was nothing but profit in partnership sharing and same could not be treated as consideration towards provision of service under Finance Act, 1994. Facts of the case: M/s Cadila Healthcare Limited (hereinafter referred to as 'Appellant') had entered into a partnership agreement with a partnership firm 'Zydus Healthcare' wherein appellant was a partner with 96% share and 2% each share of other two partners. In partnership agreement, an addendum was added and as per terms of addendum the Appellant agreed to provide certain services to partnership firm 'Zydus Healthcare&rsq;.....