

**Customs, Excise & Service Tax Appellate Tribunal
West Zonal Bench At Ahmedabad**

REGIONAL BENCH- COURT NO. 3

Excise Appeal No. 13230 of 2014-DB

(Arising out of OIA-SUR-EXCUS-002-APP-022-14-15 dated 16/06/2014 passed by Commissioner of Central Excise, Customs and Service Tax-SURAT-II)

Gujarat Guardian Ltd

Village : Kondh,
Taluka : Valia,
Bharuch, Gujarat

.....Appellant

VERSUS

C.C.E. & S.T.-Surat-ii

New C.Ex Building...Opp. Gandhi Baug,
Chowk Bazar,
Surat, Gujarat – 395001

.....Respondent

APPEARANCE:

Shri S.J Vyas, Advocate appeared for the Appellant

Shri G.Kirupanandan, Assistant Commissioner (AR) for the Respondent

**CORAM: HON'BLE MEMBER (JUDICIAL), MR. RAMESH NAIR
HON'BLE MEMBER (TECHNICAL), MR. C.L.MAHAR**

Final Order No. A/ 11479 /2023

DATE OF HEARING: 12.06.2023

DATE OF DECISION: 10.07.2023

RAMESH NAIR

The issue involved in the present case is that whether excess insurance amount recovered from the customers as compared to actual insurance charges paid to the insurance company against transit insurance of the excisable goods is liable to be added in the transaction value for the purpose of discharging excise duty or otherwise.

2. Shri S.J. Vyas, Learned Counsel appearing on behalf of the appellant at the outset submits that the issue is no longer res-integra as the same was decided by the Hon'ble Supreme Court in the case of Baroda Electric Meters Ltd – 1997 (94) ELT 13 (SC) and the subsequent following judgments which follows aforesaid Hon'ble Supreme Court Judgment in Baroda Electric Meters Ltd (Supra).

- Commissioner of Central Excise, Chandigarh vs. Jai Mata Glass Ltd – 2013 (295) ELT 737 (Tri. Del)
- Sri Kaliswari Fireworks – 1998 (98) ELT 93 (Tribunal)
- Neha Powerlines Pvt. Ltd – 2009 (245) ELT 816 (Tri. Ahmd)
- U.P. Twiga Fiberglass Ltd – 2015 (316) ELT 304 (Tri. Del)
- M/S. Madhu Tex Industries Ltd vs. Commissioner of Central Excise, Thane- I – 2023 (5) TMI 294- CESTAT Mumbai
- Mira Industries vs. CCE- Ahmedabad –II – 2023 (4) TMI 655 – CESTAT Ahmedabad-II
- Supreme Court Commissioner of Customs and Central Excise, Nagpur vs. M/S. Ispat Industries Ltd - 2015 (10) TMI 613

2.1 It is his submission that in view of the settled law in the above judgments excess insurance recovered from the customers against the sale of goods is not includible in the assessable value of the excisable goods. Therefore, the demand is not sustainable.

3. Shri G.Kirupanandan, Assistant Commissioner (AR) appearing on behalf of the Revenue reiterates the finding of the impugned order.

4. We have carefully considered the submission made by both sides and perused the records. We find that the issue involved is whether the excess insurance in relation to the sale of the goods need to be added in the transaction value for the purpose of discharging excise duty or not. This issue is no longer res- integra as the same has been decided in the favour of the assessee in the case of Baroda Electric Meters (Supra). Even for the period after the amendment in section 4 and rules made there under in 2000, the view was taken that the principle laid down in Baroda Electric (supra) the same prevails in respect of the amended provision made in 2000. Therefore, we are of the view that the excess insurance collected by the appellant from their customers is not includible in the assessable

value of the excisable goods. Consequently, demand on such differential insurance amount is not sustainable.

5. Accordingly, the impugned order is set aside. Appeal is allowed.

(Pronounced in the open court on 10.07.2023)

RAMESH NAIR
MEMBER (JUDICIAL)

C.L. MAHAR
MEMBER (TECHNICAL)

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