CUSTOMS EXCISE & SERVICE TAX APPELLATE TRIBUNAL
West Block No.2, R. K. Puram, New Delhi, Court No. 2

Date of hearing/decision: 29.09.2017

Appeal No. E/50514/2017-SM

(Arising out of order in appeal No. 191(AK)CE/JPR/2016 dated 15.11.2016 passed by the Commissioner (Appeals), Office of the Commissioner Customs &Central Excise, Jaipur).

M/s. Hindustan Zinc Ltd Appellant

Vs.

C.C.E, Udaipur Respondent

Appearance:

Sh. Hemant Bajaj, Advocate for the appellant –Revenue

Sh. G.R. Singh, AR for the Respondent -assessee

Coram: Hon'ble Mr. Ashok Jindal, Member (Judicial)

F. O. No. 56866/2017

Per: **Ashok Jindal:**

The appellant is in appeal against the impugned order, denying the of cenvat credit on marine insurance being the same is not input service as per the Rule 2(l) of Cenvat Credit Rules, 2004.

2. Heard the parties

3. Considering, the fact that the marine insurance is only transit insurance (in other terms is called insurance taken from the goods transport) and in the impugned order the ld. Commissioner are in Para 6 as observed under "*I have carefully gone through the definition of input service and observe that in the exclusion clause of the definition, as it covers only the general insurance business related to the motor vehicle which is not the case here. I find that insurance plant & machinery,*

goods in transit and cash in transit/ safe is an integral part of the manufacturing process a no manufacturer would carry on manufacturing process without such insurance, therefore, I hold that the same qualifies to be an input service. I find that the Hon'ble tribunal in the case of the appellant unit reported in 2014-TIOL-855-CESTST-Del, a copy which is submitted by the appellant, has allowed the credit of service tax paid on insurance service received in respect of Plant & machinery, goods in trait and cash in transit even before the amendment of the definition of input service i.e. prior to 01.04.2011 when specific exclusion of General insurance services related to motor vehicle was not provided. Keeping in view the above, I allow the credit or service tax paid on the services of insurance companies for insurance of plant & machinery an insurance of cash in transit/safe."

4. As the ld. Commissioner (Appeal) himself has held that for insurance of goods in transit, the assessee is entitled to avail the cenvat credit.

5. Admittedly, the marine insurance is taken for goods in transit only. Therefore, the cenvat credit cannot be denied by way of impugned order.

6. In the circumstances, I set aside the impugned order qua denial of cenvat credit on marine insurance.

7. With these terms the appeal is allowed.

(Dictated and pronounced in the open Court).

(Ashok Jidnal)
Member (Judicial)

Sakshi