IN THE CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
West Block No. 2, R.K. Puram, New Delhi – 110 066.
Principal Bench, New Delhi

COURT NO. I

DATE OF HEARING : 10/10/2017.
DATE OF DECISION : 10/10/2017.

Excise Appeal No. 50201 of 2016

[Arising out of the Order-in-Appeal No. BHO-EXCUS-002-APP-230-15-16 dated 05/11/2015 passed by The Commissioner (Appeals), Central Excise, Customs & Service Tax, Raipur.]

M/s Shree Hanuman Loha Pvt. Ltd. Appellant

Versus

CCE & ST, Raipur Respondent

Appearance

Shri M. Saharan, Advocate - for the appellant.

Shri M.R. Sharma, Authorized Representative (DR) – for the Respondent.

CORAM : **Hon'ble Shri Justice Dr. Satish Chandra, President**
Hon'ble Shri B. Ravichandran, Member (Technical)

Final Order No. 57213/2017 Dated : 10/10/2017

Per. B. Ravichandran :-

The appeal is against order dated 05/11/2015 of Commissioner (Appeals), Raipur. The dispute is with reference to the liability of excess amount collected by the appellant towards transit insurance from their customers in the assessable value for excise duty. The Revenue held a view that such amount collected in excess of actual insurance amount should form part of the assessable value. The learned Counsel contesting the impugned order submitted that, admittedly, the goods were cleared on ex-factory basis and it is not being disputed by the Revenue also. However, the extra consideration they received towards transit insurance is not includable in the dutiable value. He submitted that when the insurance amount and other expenditure post clearance, ex-factory, cannot form part of the assessable value, the question of adding any extra consideration does not arise. He relied on the decision of the Tribunal in **TCP Limited vs. CCE, Madurai – 2008 (230) E.L.T. 181 (Tri. – Chennai)** and on the decision of Hon'ble Apex Court in **Baroda Electric Meters Ltd. vs. CCE – 1997 (94) E.L.T. 3 (S.C.)**.

2. The learned AR reiterated the findings of the lower authorities.

3. We have heard both the sides and perused the appeal record. We note that the admitted fact is the goods were sold on ex-factory basis. The appellant incurred expense on transit insurance. While collecting the expenditure on transit insurance from the clients, admittedly, some extra amount has been realised. We note that when the transit insurance itself is not includable in the assessable value, the transaction value being determined at ex-factory level, the question of adding additional consideration received on transit insurance does not arise. The said ratio has already been upheld in the decisions cited by the

learned Counsel for the appellant, as above. Accordingly, we set aside the impugned order and allow the appeal.

(Order dictated and pronounced in the open court.)

(Justice Dr. Satish Chandra)
President

(B. Ravichandran)
Member (Technical)

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