

**IN THE CUSTOMS, EXCISE & SERVICE TAX
APPELLATE TRIBUNAL
WEST ZONAL BENCH AT MUMBAI
COURT No. I**

APPEAL No. E/88008/2017

(Arising out of Order-in-Appeal No. NGP/EXCUS/000/
APPL/281/17-18 dated 18.9.2017 passed by Commissioner of GST
& Central Excise (Appeals), Nagpur)

Uni Deritend Ltd.

Appellant

Vs.

Commissioner of Central Excise & ST, Nagpur

Respondent

Appearance:

Shri Sanjay Dwivedi, Advocate, for appellant

Shri Deepak S. Chavan, Superintendent (AR), for respondent

CORAM:

Hon'ble Mr. Ramesh Nair, Member (Judicial)

Date of Hearing: 3.5.2018

Date of Decision: 3.5.2018

ORDER NO. **A / 86274 / 2018**

The issue involved in the present case is whether the appellant is entitled for cenvat credit on workmen's compensation insurance policy.

2. Shri Sanjay Dwivedi, learned counsel appearing on behalf of the appellant, submits that the workmen's compensation insurance policy is taken by the appellant under the statutory obligation under the Workmen's Compensation Act, 1923. Therefore, it is unavoidable to run a factory. The workers of the factory are directly

involved in the manufacture of final products. The appellant is required to take workmen's compensation insurance policy. The premium of such policy is borne by the company. Therefore, it is an essential service for running the production. He placed reliance on the following judgments:-

- (i) *Oceans Connect India Pvt. Ltd. vs. CCE, Pune-III – 2016 (46) STR 858 (Tri.-Mum.)*;
- (ii) *Birla Corporation Ltd. vs. CCE, Bhopal – 2016 (46) STR 430 (Tri.-Del.)*.

3. Shri Deepak Chavan, learned Superintendent (AR) appearing on behalf of the Revenue, reiterates the finding of the impugned order.

4. On careful consideration of the submissions made by both the sides and perusal of the record, I find that there is no dispute that the workmen's compensation insurance policy is taken by the company under the statutory obligation as per the Workmen's Compensation Act, 1923. In absence of such policy, the appellant is unable to employ the workers, which will affect the production. Therefore, for carrying out the manufacturing activity, it is necessary to follow all the statutory obligations related to the workers. Therefore, it is essential and unavoidable service availed by the

appellant. The judgments relied upon by the learned counsel support their case. Accordingly, the appellant is entitled for the cenvat credit on workmen's compensation insurance service. Therefore, the impugned order is set aside. Appeal is allowed.

(Pronounced in court)

(Ramesh Nair)
Member (Judicial)

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