**IN THE CUSTOMS EXCISE & SERVICE TAX APPELLATE TRIBUNAL
WEST ZONAL BENCH AT MUMBAI**

APPEAL NO: E/87666/2017

[Arising out of Order-in-Appeal No: PK/31/Thane Appeals/TR/2017-18 dated 15/09/2017 passed by the Commissioner of GST & Central Excise (Appeals - Thane), Mumbai.]

Technocraft Industries (India) Ltd …***Appellant***

versus

Commissioner of Central Excise
Thane – I ***…Respondent***

Appearance:

Shri Sachin Chitnis, Advocate for appellant

Shri S J Sahu, Assistant Commissioner (AR) for the respondent

Date of hearing	16/03/2018
Date of pronouncement	16/03/2018

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Hon'ble Shri M V Ravindran, Member (Judicial)

ORDER NO: A/85893 / 2018

This appeal is directed against order Order-in-Appeal No: PK/31/Thane Appeals/TR/2017-18 dated 15/09/2017 passed by the Commissioner of GST & Central Excise (Appeals - Thane), Mumbai.

2. Heard both the sides and perused the records.

3. The issue involved in this appeal is regarding eligibility to avail CENVAT credit of service tax paid during the period May 2011 to March 2015 on the 'rent-a-cab service', 'insurance service' and 'waste management service'. It is the case of the Revenue that these services are not covered under the definition of 'input service' under rule 2(l) of CENVAT Credit Rules, 2004; 'rent-a-cab service' and 'insurance service' are specifically excluded from the definition; while it is the case of the appellant, 'rent-a-cab service' is in respect of pickup of employees from the nearest railway station to their factory premises and dropping them back at the station which is not for personal consumption and in respect of manufacturing activity; insurance service are for the insurance of factory building, plant and machinery and the entire activity of manufacturing is carried out in the said premises as also for transit insurance of raw materials and finished goods; 'waste management service' are for removal of solid waste from the factory premises and are mandated to be performed as per the stipulation of Pollution Control Board, without which they would not get permission to manufacture final products within the factory premises.

4. On careful consideration of the submissions made by both the sides and on perusal of the records, I find that the issue involved in this appeal is squarely covered by various decisions of the Courts. As regards 'rent-a-cab service', it is undisputed that the services were

utilised for picking and dropping of the employees from the nearest railway station to the manufacturing factory. Identical issue has been decided by this bench in the case of *Commissioner of Service Tax, Pune v. Nihilen Technologies Pvt Ltd* 2017-TIOL-2696-CESTAT-MUM, by the Ahmadabad bench in the case of *Modern Petrofils v. Commissioner of Central Excise and Service Tax, Vadodara – II* 2017-TIOL-3896-CESTAT-AHM and the by the Delhi Bench in the case of *Marvel Vinyls Ltd v. Commissioner of Central Excise, Indore* 2016-TIOL-3071-CESTAT-DEL . I do not find any reason to deviate from such view already taken.

5. As regards ‘insurance service’, it is undisputed that the insurance of which CENVAT credit is availed is in respect of factory premises and plant machinery. Similar issue came up before the Tribunal in the case of *Jai Chemicals v. Commissioner of Central Excise, Delhi - V* 2015 (40) STR 345 (Tri.-Del.); *Sarita Handa Exports (P) Ltd v. Commissioner of Central Excise, Gurgaon – II* 2016 (44) STR 654 (Tri.Chan.) and *Commissioner of Central Excise, Delhi – III v. Suzuki Motorcycle India Pvt Ltd* 2017 (47) STR 85 (Tri.Chen.) wherein the bench has held that such credit of service tax is eligible to be availed by the manufacturer. I do not find any reason to deviate from such view already taken.

6. As regard ‘waste management/disposal service’, it is

undisputed that the services which were received by the appellant herein were in respect of the disposal of waste generated in the factory premises during the manufacturing activity and such waste needs to be disposed off as per the guidelines of the Maharashtra Pollution Control Board which mandates that the waste which is generated needs to be treated and then only disposed off. For the purpose of such treatment, MPCB has appointed few facilitators and the services rendered by such facilitators in treatment of waste management is taxed under the Finance Act, 1994 and I do not find any reason to disallow such credit to the appellant herein as the stringent provisions of the Environment Act if not met then the factory would be closed down. This view is fortified by the judgment of the Tribunal in the case of *Tube Investment of India Ltd v. Commissioner of Service Tax, LTU, Chennai* 2017-TIOL-4129-CESTAT-MAD and *Pudamjee and Paper Mills Ltd v. Commissioner of Central Excise, Mumbai - II* 2017-TIOL-4542-CESTAT-MUM. I do not find any reason to deviate from such view already taken.

7. In view of the foregoing the impugned order is set aside and the appeal is allowed.

(Pronounced in Court)

(M V Ravindran)
Member (Judicial)

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