

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

APPEAL NO: E/87893/2017

[Arising out of Order-in-Appeal No: NGP/EXCUS/000/APPL/257/
17-18 dated 07/09/2017 passed by the Commissioner of Central
Excise & GST (Appeals), Nagpur.]

Solar Industries India Ltd

...Appellant

versus

Commissioner of Central Excise & Service Tax
Nagpur

...Respondent

Appearance:

Shri Maryur Shroff, Advocate for appellant

Shri A B Kulgod, Assistant Commissioner (AR) for respondent

CORAM:

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

Date of hearing: 20/03/2018

Date of decision: 20/03/2018

ORDER NO: A/86091 / 2018

This appeal is directed against Order-in-Appeal No:
NGP/EXCUS/000/APPL/257/ 17-18 dated 07/09/2017 passed by the
Commissioner of Central Excise & GST (Appeals), Nagpur.

2. Heard both the sides and perused the records.
3. On scrutiny of the records, it transpires that the issue in the case in hand is regarding eligibility to avail CENVAT credit availed during March 2013 of the service tax paid on insurance policy obtained under Workmen's Compensation Scheme. It is the contention of the appellant before the lower authorities as also before the Tribunal that the appellant being a manufacturer of explosives required to take out insurance policy under the Workmen's Compensation Scheme. Since the insurance policy so taken is in line with the statutory obligation CENVAT credit should be allowed.
4. Learned Counsel submits that identical issue in respect of similarly placed industry, i.e. *M/s Economic Explosives Ltd.* was considered by the bench in appeal No. E/86681/2016 and by final order No. A/89600/2017 dated 08/09/2017, allowed the appeal and held in favour of the assessee.
5. On perusal of the said decision of the Tribunal I find that in paragraph No. 3, the bench held as under:

‘3. The specific exclusion prescribed by Rule 2(l) of CENVAT Credit Rules, 2004 does not cover when the inputs are utilized for safety of employee under a statutory obligation. Workmen compensation is liability under the Labour Law. Insurance service availed to protect workmen has direct nexus to the manufacturing activity of the appellant

since appellant is engaged in the manufacture of explosives. Therefore following the decision of the Tribunal in case of *FIEM Industries Ltd. Vs. CCE, Chennai-III – 2016 (43) STR 470 (Tri-Chennai)*, appeal is allowed.’

6. In my considered view, the issue is now settled in favour of the appellant. Accordingly, following the *ratio* of the Tribunal’s decision in identical matter, I hold that the impugned order is unsustainable and liable to be set aside and I do so.

7. Impugned order is set aside and the appeal is allowed.

(Dictated in Court)

(M V Ravindran)
Member (Judicial)