• आयुक्तालय (अपील-I) केंद्रीय उत्पादन शुल्क *
सातमाँ तल, केंद्रीय उत्पाद शुल्क भवन,
पोलिटेकनिक के पास, आमबाबाडि,
अहमदाबाद – 380015.

रजिस्टर्ड डाक ए.डी. द्वारा

क फाइल संख्या : File No : V2(32)/05&06/EA-2/Ahd-I/2016-17 1660 656–661
Stay Appl.No. NA/2016-17

ख अपील आदेश संख्या Order-In-Appeal Nos. **AHM-EXCUS-001-APP-067&68-2016-17**
दिनाँक **28.02.2017** जारी करने की तारीख Date of Issue 03.03.2017

श्री उमा शंकर आयुक्त (अपील-I) द्वारा पारित
Passed by Shri. Uma Shanker, Commissioner (Appeal-I)

ग Asst Commissioner, Div-III केन्द्रीय उत्पाद शुल्क, Ahmedabad-I द्वारा जारी मूल आदेश सं
MP/01/AR-V/Division-III/Supdt/2016-17 & MP/09/DC/2016-17 दिनाँक: **06/05/2016,** से सृजित

Arising out of Order-in-Original No. **MP/01/AR-V/Division-III/Supdt/2016-17 & MP/09/DC/2016-17** दिनाँक: **06/05/2016** issued by Asst.Commissioner,Div-III Central Excise, Ahmedabad-I

ध अपीलकर्ता का नाम एवं पता Name & Address of the Appellant / **Respondent**

M/s. Meghmani Dyes and Intermediates Ltd.
Ahmedabad

कोई व्यक्ति इस अपील आदेश से असंतोष अनुभव करता है तो वह इस आदेश के प्रति यथास्थिति नीचे बताए गए सक्षम अधिकारी को अपील या पुनरीक्षण आवेदन प्रस्तुत कर सकता है।

Any person a aggrieved by this Order-In-Appeal may file an appeal or revision application, as the one may be against such order, to the appropriate authority in the following way :

भारत सरकार का पुनरीक्षण आवेदन :
Revision application to Government of India :

(1) केन्द्रीय उत्पादन शुल्क अधिनियम, 1994 की धारा अतत नीचे बताए गए मामलों के बारे में पूर्वोक्त धारा को उप–धारा के प्रथम परन्तुक के अंतर्गत पुनरीक्षण आवेदन अधीन सचिव, भारत सरकार, वित्त मंत्रालय, राजस्व विभाग, चौथी मंजिल, जीवन दीप भवन, संसद मार्ग, नई दिल्ली : 110001 को की जानी चाहिए।

(i) A revision application lies to the Under Secretary, to the Govt. of India, Revision Application Unit Ministry of Finance, Department of Revenue, 4th Floor, Jeevan Deep Building, Parliament Street, New Delhi - 110 001 under Section 35EE of the CEA 1944 in respect of the following case, governed by first proviso to sub-section (1) of Section-35 ibid :

(ii) यदि माल की हानि के मामले में जब ऐसी हानि कारखाने से किसी भण्डागार या अन्य कारखाने में या किसी भण्डागार से दूसरे भण्डागार में माल ले जाते हुए मार्ग में, या किसी भण्डागार या भण्डार में चाहे वह किसी कारखाने में या किसी भण्डागार में हो माल की प्रकिया के दौरान हुई हो।

(ii) In case of any loss of goods where the loss occur in transit from a factory to a warehouse or to another factory or from one warehouse to another during the course of processing of the goods in a warehouse or in storage whether in a factory or in a warehouse.

(b) In case of rebate of duty of excise on goods exported to any country or territory outside India of on excisable material used in the manufacture of the goods which are exported to any country or territory outside India.

(ग) यदि शुल्क का भुगतान किए बिना भारत के बाहर (नेपाल या भूटान को) निर्यात किया गया माल हो।

... 2 ...

(ख) भारत के बाहर किसी राष्ट्र या प्रदेश में निर्यातित माल पर या माल के विनिर्माण में उपयोग शुल्क कच्चे माल पर उत्पादन शुल्क के रिबेट के मामलें में जो भारत के बाहर किसी राष्ट्र या प्रदेश में निर्यातित है।

(b) In case of rebate of duty of excise on goods exported to any country or territory outside India of on excisable material used in the manufacture of the goods which are exported to any country or territory outside India.

(ग) यदि शुल्क का भुगतान किए बिना भारत के बाहर (नेपाल या भूटान को) निर्यात किया गया माल हो।

(c) In case of goods exported outside India export to Nepal or Bhutan, without payment of duty.

अंतिम उत्पादन की उत्पादन शुल्क के भुगतान के लिए जो डयूटी केडिट मान्य की गई है और ऐसे आदेश जो इस धारा एवं नियम के मुताबिक आयुक्त, अपील के द्वारा पारित वो समय पर या बाद में वित्त अधिनियम (नं.2) 1998 धारा 109 द्वारा नियुक्त किए गए हो।

(d) Credit of any duty allowed to be utilized towards payment of excise duty on final products under the provisions of this Act or the Rules made there under and such order is passed by the Commissioner (Appeals) on or after, the date appointed under Sec.109 of the Finance (No.2) Act, 1998.

(1) केन्द्रीय उत्पादन शुल्क (अपील) नियमावली, 2001 के नियम 9 के अंतर्गत विनिर्दिष्ट प्रपत्र संख्या इए–8 में दो प्रतियों में, प्रेषित आदेश के प्रति आदेश प्रेषित दिनाँक से तीन मास के भीतर मूल–आदेश एवं अपील आदेश की दो–दो प्रतियों के साथ उचित आवेदन किया जाना चाहिए। उसके साथ खाता इ. का मुख्यशीर्ष के अंतर्गत धारा 35–इ में निर्धारित फी के भुगतान के सबूत के साथ टीआर–6 चालान की प्रति भी होनी चाहिए।

The above application shall be made in duplicate in Form No. EA-8 as specified under Rule, 9 of Central Excise (Appeals) Rules, 2001 within 3 months from the date on which the order sought to be appealed against is communicated and shall be accompanied by two copies each of the OIO and Order-In-Appeal. It should also be accompanied by a copy of TR-6 Challan evidencing payment of prescribed fee as prescribed under Section 35-EE of CEA, 1944, under Major Head of Account.

(2) रिविजन आवेदन के साथ जहाँ संलग्न रकम एक लाख रूपये या उससे कम हो तो रूपये 200/– फीस भुगतान की जाए और जहाँ संलग्न रकम एक लाख से ज्यादा हो तो 1000/– की फीस भुगतान की जाए।

The revision application shall be accompanied by a fee of Rs.200/- where the amount involved is Rupees One Lac or less and Rs.1,000/- where the amount involved is more than Rupees One Lac.

सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण के प्रति अपीलः–
Appeal to Custom, Excise, & Service Tax Appellate Tribunal.

(1) केन्द्रीय उत्पादन शुल्क अधिनियम, 1944 की धारा 35–बी/35–इ के अंतर्गतः–

Under Section 35B/ 35E of CEA, 1944 an appeal lies to :-

(क) वर्गीकरण मूल्यांकन से संबंधित सभी मामले सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण की विशेष पीठिका वेस्ट ब्लॉक नं. 3. आर. के. पुरम, नई दिल्ली को एवं

(a) the special bench of Custom, Excise & Service Tax Appellate Tribunal of West Block No.2, R.K. Puram, New Delhi-1 in all matters relating to classification valuation and.

The appeal to the Appellate Tribunal shall be filed in quadruplicate in form EA-3 as prescribed under Rule 6 of Central Excise(Appeal) Rules, 2001 and shall be accompanied against (one which at least should be accompanied by a fee of Rs.1,000/-, Rs.5,000/- and Rs.10,000/- where amount of duty / penalty / demand / refund is upto 5 Lac, 5 Lac to 50 Lac and above 50 Lac respectively in the form of crossed bank draft in favour of Asstt. Registar of a branch of any nominate public sector bank of the place where the bench of any nominate public sector bank of the place where the bench of the Tribunal is situated.

(3) यदि इस आदेश में कई मूल आदेशों का समावेश होता है तो प्रत्येक मूल ओदश के लिए फीस का भुगतान उपर्युक्त ढंग से किया जाना चाहिए इस तथ्य के होते हुए भी कि लिखा पढी कार्य से बचने के लिए यथास्थिति अपीलीय न्यायाधिकरण को एक अपील या केन्द्रीय सरकार को एक आवेदन किया जाता हैं।

In case of the order covers a number of order-in-Original, fee for each O.I.O. should be paid in the aforesaid manner not withstanding the fact that the one appeal to the Appellant Tribunal or the one application to the Central Govt. As the case may be, is filled to avoid scriptoria work if excising Rs. 1 lacs fee of Rs.100/- for each.

(4) न्यायालय शुल्क अधिनियम 1970 यथा संशोधित की अनुसूचि–1 के अंतर्गत निर्धारित किए अनुसार उक्त आवेदन या मूल आदेश यथास्थिति निर्णयन प्राधिकारी के आदेश में से प्रत्येक की एक प्रति पर रू.6.50 पैसे का न्यायालय शुल्क टिकट लगा होना चाहिए।

One copy of application or O.I.O. as the case may be, and the order of the adjournment authority shall a court fee stamp of Rs.6.50 paise as prescribed under scheduled-I item of the court fee Act, 1975 as amended.

(5) इन ओर संबंधित मामलों को नियंत्रण करने वाले नियमों की ओर भी ध्यान आकर्षित किया जाता है जो सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (कार्याविधि) नियम, 1982 में निहित है।

Attention in invited to the rules covering these and other related matter contended in the Customs, Excise & Service Tax Appellate Tribunal (Procedure) Rules, 1982.

(6) सीमा शुल्क, केन्द्रीय उत्पादन शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण (सिस्टेट), के प्रति अपीलो के मामले में कर्तव्य मांग (Demand) एवं दंड (Penalty) का 10% पूर्व जमा करना अनिवार्य है। हालांकि, अधिकतम पूर्व जमा 10 करोड़ रुपए है ।(Section 35 F of the Central Excise Act, 1944, Section 83 & Section 86 of the Finance Act, 1994)

केन्द्रीय उत्पाद शुल्क और सेवा कर के अंतर्गत, शामिल होगा "कर्तव्य की मांग"(Duty Demanded) -

(i) *(Section)* खंड 11D के तहत निर्धारित राशि;
(ii) लिया गलत सेनवैट क्रेडिट की राशि;
(iii) सेनवैट क्रेडिट नियमों के नियम 6 के तहत देय राशि.

⇨ **यह पूर्व जमा 'लंबित अपील' में पहले पूर्व जमा की तुलना में, अपील' दाखिल करने के लिए पूर्व शर्त बना दिया गया है .**

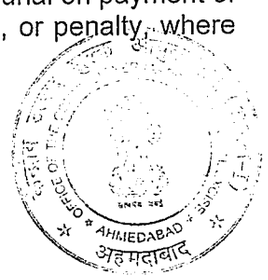
For an appeal to be filed before the CESTAT, 10% of the Duty & Penalty confirmed by the Appellate Commissioner would have to be pre-deposited, provided that the pre-deposit amount shall not exceed Rs.10 Crores. It may be noted that the pre-deposit is a mandatory condition for filing appeal before CESTAT. (Section 35 C (2A) and 35 F of the Central Excise Act, 1944, Section 83 & Section 86 of the Finance Act, 1994)

Under Central Excise and Service Tax, "Duty demanded" shall include:

(i) amount determined under Section 11 D;
(ii) amount of erroneous Cenvat Credit taken;
(iii) amount payable under Rule 6 of the Cenvat Credit Rules.

इस इस आदेश के प्रति अपील प्राधिकरण के समक्ष जहाँ शुल्क अथवा शुल्क या दण्ड विवादित हो तो माँग किए गए शुल्क के 10% भुगतान पर और जहाँ केवल दण्ड विवादित हो तब दण्ड के 10% भुगतान पर की जा सकती है।

In view of above, an appeal against this order shall lie before the Tribunal on payment of 10% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute."



ORDER-IN-APPEAL

This order covers two appeals filed by the Assistant Commissioner, Central Excise, Division-IV, Ahmedabad-I (hereinafter referred to as 'Revenue'), being aggrieved by the following two Orders-in-original in the matter of M/s Meghmani Dyes & Intermediates Ltd., (Unit-II), 100% EOU, Plot No. 99, 100A &102, Phase-II, Vatva, Ahmedabad-382 445 (hereinafter referred to as 'the respondents')

1) Order-in-original No. MP/01/AR-V/DIVISION-III/SUPERINTENDENT/2016-17 dated 06/05/2016 passed by the Superintendent, A.R.-V, Division-III, Ahmedabad-I dropping the demand of CENVAT credit amounting to **Rs.78,053/-** of Service Tax availed by the respondent on **Banking charges / Commission, C&F / C.H.A. services and Insurance service (Employees Group Insurance)** during **October-2014**.

2) Order-in-original No. MP/09/DC/2016-17 dated 06/05/2016 passed by Deputy Commissioner, Central Excise, Division-III, Ahmedabad-I, disallowing CENVAT credit of Service Tax paid on Insurance Service on Motor vehicles amounting to Rs.17,244/- and dropping the demand for CENVAT credit amounting to **Rs.2,59,884/-** availed on Service Tax on **Banking charges / Commission, Courier services, C&F /C.H.A. services and insurance service (Employees Group Insurance)** during the period from **November-2014 to March-2015**.

2. Briefly stated, the facts of the case are that the respondent is holding Central Excise Registration No.AABCM6639DXM002 and is engaged in the manufacture of S.O. Dyes and are granted licence No.02/2003-14 under Section 58 of the Customs Act, 1962 as private warehouse for storage of imported items without payment of duty on importation or re-warehousing thereof and permission to manufacture under Bond under Section 65 of the Customs Act, 1962. The respondent is availing CENVAT credit facility under the provisions of Cenvat Credit Rules, 2004 (hereinafter referred to as 'CCR, 2004'). During the course of audit under E.A.-2000 conducted for the period of January-2010 to August-2011 at the factory premises, it was noticed that the respondent had availed CENVAT credit on Service Tax paid on Banking Services, Courier Services, Insurance Services (Motor vehicles) and C.H.A./C&F Agents services, which appeared to be not falling under the definition of input service under Rule 2(l) of CCR, 2004. The following two Show Cause Notices [SCNs] were issued to the respondent, demanding CENVAT credit along with interest, under the provisions of Rule 14 of CCR, 2004 read with Section11A(1) of Central Excise Act, 1944 (CEA, 1944) and proposing to impose penalty on the respondent under Rule 15(1) of CCR, 2004. The details of these SCNs and adjudication thereof are as follows:

Sl. No.	SCN No. & Date	Period	Demand Amount	O.I.O. details
1.	AR-V/MDIL-II/SCN/FAR-70/2013-14 dated 30/10/2015	October-2014	Rs.78,053/-	O.I.O. No. MP / 01 /AR-V/ DIVISION-III / SUPERINTENDENT /2016-17 dated 06/05/2016. (i) CENVAT credit demand of **Rs.78,053/-** on Banking Charges / Commission, Courier Services, C&F / C.H.A. services and Insurance Service (Employees Group Insurance) dropped.
2.	Ch.32 /3-25 / MDIL/ 100%EOU/AR-V/15-16 dated 04/12/2015	November-2014 to March-2015	Rs.2,77,128/-	O.I.O. No. MP/09/DC/2016-17 dated 06/05/2016. (i) CENVAT credit of Rs.17,244/- on S.T. on Insurance Service on Motor Vehicles confirmed. (ii) CENVAT credit of **Rs.2,59,884/-** on S.T. on Banking Charges / Commission, Courier Services, C&F / C.H.A. services and Insurance Service (Employees Group Insurance) dropped.

3. Being aggrieved by both the above O.I.Os. (hereinafter referred to as 'the impugned orders'), Revenue has preferred two appeals on the following grounds:

a) The impugned orders in respect of **'INSURANCE SERVICE (EMPLOYEE GROUP INSURANCE)'** is contrary to law, evidence on record, proved facts and circumstances of the case and hence it deserves to be quashed and set aside in respect of **'INSURANCE SERVICE (EMPLOYEE GROUP INSURANCE)'.**

b) The adjudicating authorities had failed to consider the definition of 'Input Service in terms of Rule 2(1) of CCR, 2004, as substituted vide Notification No. 03/2011-CE(NT) dated 01/03/2011, inter alia, deleting the phrase 'activities relating to business' and further w.e.f. 01/04/2011, scope of the term 'Input Service' is further curtailed by inserting exclusion clause (C), which inter alia, excludes employee related services.

c) In the case of **CARRIER AIRCONDITIONING & REFRIGERATION LTD. vs COMMISSIONER OF CENTRAL EXCISE, DELHI-IV – 2016 (41) S.T.R. 824 (Tri.=Chan.)**, it has been held that: *"Regarding the insurance services, it is pertinent to mention that life insurance and health insurance relating to employees was expressly excluded from the definition of input service w.e.f. 1-3-2011 and the appellant categorically stated that it has not taken credit of S.T. paid on such services with effect from that date.In the case of CCE, Bangalore-III v. Stamen Toyotetsu India (P) Ltd. - 2011 (23) S.T.R. 444 (Kar.) involving period prior to 1-3-2011 it was held by Karnataka High Court that insurance/health policy in respect of employees would be covered within the scope of input service. In the cases of Hindustan Zinc Ltd. v. CCE, Jaipur - 2014-TIOL-855-CESTAT-DEL = 2015 (37) S.T.R. 608 (Tri.-Del.) and CCE, Bangalore-II v. Millipore India Pvt. Ltd. - 2012 (26) S.T.R. 514 (Kar.) similar view was held. The insurance services availed of by the appellant has been mentioned earlier. A perusal of the nature of insurance policies and the risks covered by them make it*

obvious that these were used in or in relation to the manufacture of the goods and their clearance up to the place of removal except the insurance policy which insured the goods during their journey from the place of removal onwards. As regards the place of removal, it is no longer res integra that in respect of goods exported, the port of export is the place of removal. The definition of input service clearly states that input services inter alia means any service used by the manufacturer in or in relation to the manufacture of final products and clearance of final products up to the place of removal. Thus the insurance policies except to the extent they cover journey of goods from the place of removal onwards would be covered within the scope of input service."

d) The approach of the adjudicating authorities is erroneous in respect of **'INSURANCE SERVICE (EMPLOYEE GROUP INSURANCE)'** which has resulted into incorrect and uncalled for conclusions, reasoning and findings, apart from drawing unwarranted inferences, factually illegal. The Commissioner (Appeals) may please consider to set aside the impugned orders in respect of **'INSURANCE SERVICE (EMPLOYEE GROUP INSURANCE)'.**

4. The respondent filed the cross-objection to the Revenue appeals vide their letters dated 23/09/2016 & 24/09/2016. The common contentions raised in the cross-objection are as follows:

a) The entire premises on which the appellant department sought to review the impugned orders in respect of Employee group insurance services, is based on misinterpretation of the law governing such services and usage thereof in relation to manufacture of goods and removal thereof up to the place of removal.

b) The adjudicating authorities had relied on various clarifications issued by Board in respect of 'Input Services' and plethora of decisions of Hon'ble High Court and Tribunals had given a detailed and well reasoned order wherein its had been explained that how these services are used in relation to business of manufacture and thus correctly dropped the impugned demands. Thus there is no merit in the appeals filed by Revenue and needs to be rejected forthwith, as the same is based on mere assumption and presumption in law.

c) From the definition of 'Input Service' it is clear that the exclusion clause (C) of Rule 2(1) of CCR, 2004, w.e.f. 01/04/2011 is for specified services if they are meant for personal use and consumption of the employees. However, it is pertinent to note that what is disallowed seems to be such expenditure incurred by the company on its own in the course of business and therefore, the expenditure was in relation to business of manufacturing to meet the statutory and legal obligation, which is not covered under the exclusion clause. The main purpose of such services is to meet out the statutory and business requirement and not for personal use and consumption by the employee and hence these services cannot be held primarily for personal use & consumption. In the matter of **SURANI CERAMICS LTD vs COMMISSIONER OF CENTRAL EXCISE, RAJKOT – 2012 (283) E.L.T. 388 (Tri.-Ahmd.)**, similar view was held by Hon'ble Tribunal while allowing CENVAT credit on Insurance Premium paid on such services.

d) Even after the amendment in definition of input services w.e.f. 01/04/2011, what is excluded is "the services primarily for personal use and consumption of the employee" and not other services which though in relation of employee is meant for business and manufacture. Any business entity is an artificial or legal person and not a natural person. All the services, even if these were meant for the business are used through the employees of the business entity who manage the entire operations of the entity and not by entity itself. Therefore, taking inference that all the employee related services are meant for their personal use and

consumption and fall under exclusion clause is incorrect. In the case of **RELIANCE INDUCTRIES LTD. vs COMMISSIONER OF CENTRAL EXCISE & SERVICE TAX (LTU), MUMBAI – 2015 (38) S.T.R. 217 (Tri.-Mumbai)** it has been held that the appellant was entitled to avail CENVAT credit for insurance premium paid in respect of group insurance / insurance of employees including retired employees / medi-claim which are covered under the definition of "input services' and have a nexus as per Rule 2(1) of CCR, 2004. In the matter of **HINDUSTAN ZINC LTD. vs COMMISSIONER OF CENTRAL EXCISE, JAIPUR – 2015 (37) S.T.R. 608 (Tri.-Del.)**, it is held that the group Insurance of all employees against sickness or accident is cenvatable by the judgment of Hon'ble Karnataka High Court in the cases of STANZEN TOYOTETUS INDIA (P) LTD.; MICRO LABS LTD., and M/S MILLIPORE INDIA LTD.

e) Group Insurance of employees against accident or sickness is the requirement of Section 38 of the Employees State Insurance Act, 1948, which a manufacturer has to comply with and accordingly, this service would have to be treated as a service used in or in relation to the manufacture of final products, whether directly or indirectly, as a manufacturer would not be allowed to carry on manufacturing operations unless he complies with the requirements of Section 38 of the Employees State Insurance Act, 1948.

f) Even as per the decision in the matter of CARRIER AIRCONDITIONING & REFRIGERATION LTD. vs COMMISSIONER OF CENTRAL EXCISE, DELHI-IV – 2016 (41) S.T.R. 824 (Tri.-Chan.), insurance policies except to the extent they cover journey of goods from the place of removal onwards would be covered within the scope of input service.

5. Personal hearing in both the appeals was held on 16/02/2014. Shri Manohar Maheshwari, Sr. G.M. (Commercial) appeared on behalf of the respondent and reiterated the cross-objections.

6. I have gone through the impugned orders, the grounds of appeal filed by Revenue as well as the cross-objections filed by the respondent. The only issue for decision before me is whether CENVAT credit on **'INSURANCE SERVICE (EMPLOYEE GROUP INSURANCE)'**, has been correctly allowed in the impugned orders or not.

7. The periods of demand covered in the two impugned orders are **October-2014** as well as **November-2014 to March-2015**. It is pertinent to note that Rule 2(1) of CCR, 2004 has been substituted w.e.f. 01/04/2011 vide Notification No.03/2011-CE (NT) dated 01/03/2011, whereby the exception clauses (B) and (C) were introduced. The exception clause (C) to Rule 2(1) of CCR, 2004, w.e.f. 01/04/2011 reads as follows:

"except for the provision of one or more of the specified services; or

(C) such as those provided in relation to outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, membership of a club, health and fitness centre, life insurance, health insurance and travel benefits extended to employees on vacation such as Leave or Home Travel Concession, when such services are used primarily for personal use or consumption of any employee;"

On perusal of the above it is clear that w.e.f. 01/04/2011, CENVAT credit of Service Tax paid on **'INSURANCE SERVICE (EMPLOYEE GROUP INSURANCE)'** for personal use

is not admissible to a manufacturer as it is not falling within the purview of Rule 2(1) of CCR, 2004 as an 'Input service'.

8. In both the impugned orders, while allowing the impugned CENVAT credit, reliance has been placed on the decision of CESTAT, Ahmedabad in the case of ***SURANI CERAMICS LTD. vs COMMISSIONER OF CENTRAL EXCISE, RAJKOT – 2012 (283) E.L.T. 388 (Tri. –Ahmd.)***, where CENVAT credit of Service Tax paid on workmen's compensation (general insurance) on the amount of insurance paid to M/s The New India Assurance Company Ltd has been allowed. This decision was given in Appeal No. E/811/2010 arising out of O.I.A. No. 91/2010/COMMR(A)/RAJ dated 06/03/2010, which indicates that the impugned period in this decision was prior to 01/04/2011 when the exception clause (C) became effective in Rule 2(1) of CCR, 2004, categorically excluding *'life insurance, health insurance'* for personal use from the purview of 'Input service'. Therefore, applying the ratio of this decision to the impugned periods of **October-2014** as well as **November-2014 to March-2015** is not sustainable. On considering the case laws relied upon by the respondent in the cross-objection memorandum, it is seen as follows:

1) In the case of ***MILLIPORE INDIA LTD. vs COMMISSIONER OF CENTRAL EXCISE, BANGALORE-II – 2009 (236) E.L.T. 145 (Tri. –Bang.)***, the appeal E/514/2008 was filed in the year 2008. The decision of Hon'ble Karnataka High Court upholding this Tribunal decision, reported as ***COMMISSIONER OF CENTRAL EXCISE, BANGALORE-II vs MILLIPORE INDIA LTD. – 2012 (26) S.T.R. 514 (Kar.)*** was given in the matter of Revenue appeal C.E.A. No.84 of 2009. Thus the period considered in these case laws were prior to 01/04/2011.

2) In the case of ***COMMISSIONER OF CENTRAL EXCISE, BANGALORE-III vs STANZEN TOYOTETSU INDIA (P) LTD. – 2011 (23) S.T.R. 444 (Kar.)***, the Revenue appeal C.E.A. No. 96/2009 filed in the year 2009 was clearly not dealing with the situation post 01/04/2011.

3) In the case of ***HINDUSTAN ZINC LTD. vs COMMISSIONER OF CENTRAL EXCISE, JAIPUR – 2015 (37) S.T.R. 608 (Tri. –Del.)***, the period of dispute has been clearly mentioned as from October-2004 to December-2008, which is prior to 01/04/2011.

4) In the case of ***RELIANCE INDUSTRIES LTD. vs COMMISSIONER OF CENTRAL EXCISE & SERVICE TAX (LTU), MUMBAI – 2015 (38) S.T.R. 217 (Tri. –Mumbai)***, it has been clearly brought out that Show cause notice dated 06/-6/2011 was issued for the period July-2010 to December-2010. Thus the period considered was prior to 01/04/2011.

In none of the above case was the Hon'ble High Courts / Tribunals confronted with the situation after the effective date of 01/04/2011 when the exception clause (C) became effective in the definition of 'Input service' under Rule 2(1) of CCR, 2004 and *'life insurance, health insurance'* for personal use has been specifically mentioned as an exception in the said definition. The substitution of Rule 2(1) of CCR, 2004 w.e.f. 01/04/2011 vide Notification No.03/2011-CE (NT) dated 01/03/2011 overrules all the contentions submitted by the respondent in the cross-objection memorandum. Thus I find merit in the appeals filed by Revenue for setting aside the impugned orders in respect of **'INSURANCE SERVICE (EMPLOYEE GROUP INSURANCE)'** and the appeals are allowed.

9. रेवेन्यू द्वारा दर्ज की गयी अपीलों का निपटारा उपरोक्त तरीके से किया जाता हैं।
The appeals filed by Revenue are disposed of in the above terms.

(उमा शंकर)
आयुक्त (अपील्स-१)

Date: 28/02/2017

Attested

(K. P. Jacob)
Superintendent (Appeals-I)
Central Excise, Ahmedabad.

By R.P.A.D.

To
M/s Meghmani Dyes & Intermediates Ltd., Unit-II, (100% EOU)
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Copy to:

1. The Chief Commissioner of Central Excise, Ahmedabad.
2. The Principal Commissioner of Central Excise, Ahmedabad-I.
3. The Additional Commissioner, Central Excise (System), Ahmedabad-I.
4. The Assistant / Deputy Commissioner, Central Excise, Division-III, Ahmedabad-I.
5. The Superintendent, Central Excise, A.R.-V, Division-III, Ahmedabad-I
6. Guard File.
7. P.A.