

**CUSTOMS, EXCISE & SERVICE TAX APPELLATE TRIBUNAL
ALLAHABAD**

REGIONAL BENCH – COURT NO.I

Service Tax Appeal No.71259 of 2018

(Arising out of Order-in-Appeal No.NOI-EXCUS-001-APP-1956-17-18 dated 27/03/2018 passed by Commissioner (Appeals), Central Tax, Noida)

M/s Checkmate Industrial Guards Pvt. Ltd.Appellant

(C-250, Sector-63, Noida, U.P.)

VERSUS

Commissioner of Central Goods

& Service Tax, Noida

.....Respondent

(C-56/42, Sector-62, Noida, U.P.)

APPEARANCE:

Shri Gaurav Gupta, Advocate for Appellant

Shri Anupam Kumar Tiwari, Authorized Representative for Respondent

CORAM :

Hon'ble Mr. ANIL G. SHAKKARWAR, MEMBER (TECHNICAL)

FINAL ORDER NO.71975 / 2019

DATE OF HEARING: 10 December, 2019

DATE OF DECISION: 10 December, 2019

PER: ANIL G. SHAKKARWAR

After hearing both the sides duly represented by Shri Gaurav Gupta learned advocate appearing on behalf of the appellant and Shri Anupam Kumar Tiwari learned Superintendent appearing on behalf of the Revenue, I note that the appellants were in the business of providing 'Security Services' and 'Detective Agency Service' and other services. The appellant has

subscribed workmen compensation insurance policy in respect of employees with the intention of covering the appellant for payment of compensation to the employee if any mis-happening occurs with the employees when they are on duty. It appeared to Revenue that service tax paid on premium of such insurance policy is not admissible as input service credit, therefore, proceedings were initiated for denial of said credit amounting to Rs.1.15 lakhs. The Original Authority disallowed the said credit and confirmed the demand with interest and equal penalty. The learned Commissioner (Appeals) did not interfere with that order and therefore appellants are before this Tribunal.

2. Learned counsel for the appellant have submitted that the said insurance policies were for covering the liability of the appellant for payment of compensation in case any mis-happening takes place with the employees when the employee is on duty. He has further submitted that the premium for the said policies were borne by the appellant and not borne by the individuals for whom the said policies were taken.

3. Learned A.R. has submitted that he is supporting the impugned Order-in-Appeal.

4. Having considered submissions from both the sides and on perusal of record, it is very clear that the appellant is engaged in providing security services and detective agency service. To cover the risk of bearing the liability of payment of compensation to the employees in case of any mis-happening, appellant subscribed to said insurance policy for their employees.

Therefore, the expenditure incurred was for running of the business and therefore, the said service has to be held to be input service. Therefore, the service tax paid on workmen compensation insurance premium is admissible as cenvat credit. I, therefore, set aside the impugned order and allow the appeal. The appellants shall be entitled for consequential relief if any as per law.

(Dictated and Pronounced in open Court)

Sd/-
(Anil G. Shakkarwar)
Member (Technical)

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