IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL, NEW DELHI
PRINCIPAL BENCH, COURT NO. II

Service Tax Appeal No. 51783 of 2017- SM

[Arising out of Order-in-Appeal No. 274-ST/BPL/APPL/2016/6651 dated 31.07.2017 passed by the Commissioner (Appeals) GST, Customs & Central Excise, Bhopal (MP)]

M/s. Punjab National Bank. **Appellants**

Vs.

Commissioner of Central Excise & Service Tax, Bhopal **Respondent**

Appearance:
Shri A K Batra, Advocate for the Appellants
Shri K Poddar, DR for the Respondent

CORAM:

Hon'ble Shri Ashok Jindal, Member (Judicial)

Date of Hearing /decision: 09.03.2018

FINAL ORDER NO. 50877 /2018

Per Ashok Jindal:

The appellant is in appeal against the impugned order wherein input services, namely insurance of deposits has been solely denied on the ground that insurance of deposits is not an input service for them and they have not produced the relevant documents in terms of Rule 9 (2) of Cenvat Credit Rules, 2004.

2. The facts of the case are that the appellant is a banking company and is engaged in the service of Banking and Financial services. The appellant insured the deposits made by various parties

to them and on that insurance charges, the head office paid the service tax which was distributed to the appellant. The same was sought to be denied on the ground that insurance of deposit is not an input service for the appellant and the appellant has not produced duty paying documents enabling them to avail cenvat credit. The matter was adjudicated and both the authorities have denied the cenvat credit to the appellant. Against the said order, the appellant is before me.

3. Learned Counsel appearing on behalf of the appellant submits that insurance of deposits is essential for them to secure the money retained by them and there is a statutory provision for the same under DICGC, wherein they have to mandatory insure the deposits lying with them. Therefore, insurance is essential and they have paid service tax thereon. In the circumstances, they are entitled to avail cenvat credit on the said service. To support their claim, they relied on the decision of ***DCB Bank ltd. vs. Commissioner of Service Tax I, Mumbai [2017 (6) GSTL 479 (Tri-Mum)***. He further submitted that the appellant produced all the relevant documents showing duty paying nature of the service and the name and address of the service provider along with registration number. Therefore, they have correctly availed the cenvat credit.

4. On the other hand, learned AR reiterated the findings of the impugned order and drew my attention to the impugned order to show that documents which has been produced by the appellant are not

having registration number / name of the service provider. Therefore, they are not entitled to avail the cenvat credit.

5. Heard both the sides. Considered the submissions.

6. I find that the cenvat credit sought to be denied on the services in question on the ground that the said service is not an input service as per Rule 2 (l) of the Cenvat Credit Rules, 2004. The said issue has been decided by this Tribunal in the case of DCB Bank Ltd. (supra) wherein this Tribunal has observed as under:

> ***"4. The contention of the appellant has force since no banker will prefer to take risks against financial services provided. There is certain amount of risk against lending which is made out of deposits received from depositors. Therefore, taking insurance to protect interest of the bank being integrally connected with the business of banking, Cenvat credit of service tax paid claimed is allowable. Accordingly appeal is allowed."***

Therefore, I hold that appellants are entitled to avail cenvat credit on insurance of deposits.

7. In the next issue raised by the Revenue is that appellant has not produced relevant documents showing name, address, registration number of the service provider. I find that said documents have been produced by the appellant before the authorities below but they have not been considered. For better appreciation, the documents are reproduced here:-

Annexure E

Claim of Cenvat on account of payment of insurance premium to DICGC

Claim of Cenvat on account of payment of insurance premium to DICGC

Finance Division
Sent: 28 February 2014 14:53:12.
To: Balance Sheet Cell CO Bhopal; v b kohad
Attachments: BHOPAL.xlsx (12 KB) ; Image.jpg (368 KB)

Finance Division ,HO,5 SansadMarg, New Delhi
TEL:23739938 ,E-mail – finestt@pnb.co.in

Ref: FD/ACCTS/001/01/HKM/2013-14/002 Date: 28.02.2014

The Chief Manager,
Circle office,
Bhopal

Reg: Claim of Cenvat on account of payment of insurance premium to DICGC

Please find attach a copy of the letter dated 02/01/2014 of DICGC, Mumbai having receipt of deposit insurance premium Rs.178,50,01,986/- and Service Tax Rs.22,06,26,245/- for the half year ending 31-March-2014 from our bank.

Format having detail of input service provider is also attached herewith. You are requested to credit Cenvat for Rs. 1462558 to our Non customer Account 0144003171160.

Please keep these documents at yours for audit purpose.

Chief Manager

https://10.192.24.41/owa/?ae=Item&t=IPM.Note&id=RgAAAADZQxOwN7%2bDTJeNiidC3aQDBwBgRu5KJ... 3/3/2014

			FEBRUARY 2014				
NAME OF ASSESSEE			PUNJAB NATIONAL BANK				
Whether pro			FINANCE DIVISION	14400			
partnership firmor any other	an individual or	firm or	5, SANSAD MARG, NEW DELHI				
SERVICE D.NO			-BANK	BANKING			
			AAACP0165GSTLR4				
				INPUT SERVICES			
		Detail of input Service Provider		Detail of input			
			Name & Address	Serv. Description	Value (Rs.)	TOTAL PA	1462558
		AAACD2094ESD001	DICGC	INSURANCE	2005628231		

SR. MANAGER CHIEF MANAGER

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निक्षेप बीमा और प्रत्यय गारंटी निगम
DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION
(Wholly owned subsidiary of the Reserve Bank of India)
www.dicgc.org.in

सेवा कर पंजीकरण संख्या/ Service Tax Reg No	AAACD2094ESD001		दिनांक/Date: 02/01/2014
बैंक पंजीकरण संख्या/ Bank Reg No	600	इंस्टिट्यूट संख्या/ Institution Code	IB206

The Chief Executive Officer / मुख्य कार्यपालक अधिकारी

PUNJAB NATIONAL BANK,
FINANCE DIVISION(CENTRAL OFFICE)
5, SANSAD MARG, POST BOX NO. 274,
NEW DELHI 110001

महोदय / Sir

सेवा की श्रेणी: बीमा /CATEGORY OF SERVICES : INSURANCE

क्र.सं. Sr. No.	विवरण / Particulars	राशि(₹) Amount (₹)
1	31 मार्च 2014 को समाप्त वर्ष के लिए जमा बीमा प्रीमियम Deposit Insurance Premium for the half year ending 31-March-2014	1,785,001,986.00
2	सेवा कर / Service Tax @ 12%	214,200,238.00
3	उपर्युक्त पर एजुकेशन सेस Education Cess @ 2% on above	4,284,005.00
4	उपर्युक्त क्र.2 पर माध्यमिक और उच्च एजुकेशन सेस Secondary & Higher Education Cess @ 1% on Sr No 2	2,142,002.00
5	Sub Total (2+3+4)	220,626,245.00
	Total(1+5)	2,005,628,231.00

(Rupees Two Hundred Crores Fifty-Six Lakhs Twenty-Eight Thousand Two Hundred Thirty-One Only)

भवदीय / Yours faithfully

निबीप्रगानि के लिए / For DICGC
मुंबई / Mumbai

प्रधान कार्यालय: भारतीय रिज़र्व बैंक बिल्डिंग, दूसरी मंजिल, मुंबई सेंट्रल रेलवे स्टेशन के सामने, पोस्ट बॉक्स सं.4571, मुंबई सेंट्रल, मुंबई- 400 008
टेलिफोन 022-2306 2160-64, 23014655, 23011991, 23084121 फैक्स 022-23018165, 23015662, 23021131, ई-मेल: dicgc@rbi.org.in
HEAD OFFICE : Reserve Bank of India Building, Second Floor, Opp. Mumbai Central Railway Station, Post Box No. 4571 Mumbai Central, Mumbai-400 008
Tel: 022-2306 2160-64, 23014655, 23011991, 23084121 Fax: 022-23018165, 23015662, 23021131, mail: dicgc@rbi.org.in

हिंदी आसान है, इसका प्रयोग बढ़ाइए

8. On going through the said documents, it is clear that the name and address of the service provider and what services have been provided along with registration number are there. Therefore, these are proper documents against which the appellant has taken the cenvat credit which are found to be correct. Therefore, I hold that the appellant has correctly availed the cenvat credit.

9. In view of the above analysis, I set aside the impugned order. In the result, the appeal is allowed with consequential relief.

(dictated and pronounced in the open court)

(Ashok Jindal)
Member(Judicial)

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