

**IN THE CUSTOMS, EXCISE AND SERVICE TAX APPELLATE TRIBUNAL  
EASTERN ZONAL BENCH: KOLKATA**

REGIONAL BENCH – COURT NO. 1

**Service Tax Appeal No. 75720 of 2016**

(Arising out of Order-in-Original No. 26/COMMR/ST-I/KOL/2015-16 dated 19.01.2016 passed by the Principal Commissioner of Service Tax-I, Kendriya Utpad Shulk Bhawan, 3<sup>rd</sup> Floor, 180, Shantipally, Rajdanga Main Road, Kolkata – 700 107)

**Principal Commissioner of Service Tax** : **Appellant**  
Service Tax-I Commissionerate,  
Kolkata, Kendriya Utpad Shulk Bhawan,  
3<sup>rd</sup> Floor, 180, Shantipally, Rajdanga Main Road,  
Kolkata – 700 017

**VERSUS**

**M/s. Allahabad Bank** : **Respondent**  
2, N.S. Road, Kolkata GPO,  
Kolkata – 700 001

**APPEARANCE:**

Shri Debapriya Sue, Authorized Representative, for the Appellant

None for the Respondent

**CORAM:**

**HON'BLE SHRI ASHOK JINDAL, MEMBER (JUDICIAL)**  
**HON'BLE SHRI K. ANPAZHAKAN, MEMBER (TECHNICAL)**

**FINAL ORDER NO. 75763 / 2026**

DATE OF HEARING / DECISION: 24.06.2026

**ORDER: [PER SHRI ASHOK JINDAL]**

The Revenue is in appeal against the impugned order.

2. The facts of the case are as under: -

- (i) On the basis of an intelligence that the assessee had wrongly availed CENVAT Credit of Service Tax paid on deposit insurance service provided by Deposit Insurance and Credit Guarantee Corporation (in short DICGC), which did not appear to qualify as input service as defined under Rule 2(1) of CENVAT Credit Rules, 2004,

an investigation was initiated by DGCEI, Kochi Regional Unit. During investigation it was gathered that deposit insurance premium was linked only to the deposit accepted by the respondent/assessee and had no nexus with any other service rendered by the assessee and the assessee had to pay the deposit insurance premium to DICGC against each and every deposit accepted by the assessee. Further, the Revenue was of the view that the assessee could not charge any fee from the depositors for insuring their deposits and the payment of deposit insurance premium was, therefore, a transaction only in money and could not be associated with provision of any service; hence, it was alleged that the deposit insurance service had no connection with any output service of the respondent and could not qualify to be input service for the assessee within the meaning of Rule 2(1) of CENVAT Credit Rules, 2004. From the details of availment of CENVAT Credit in respect of deposit insurance service furnished by the assessee, it was seen that the assessee had availed CENVAT Credit to the tune of Rs.5,46,79,524/-, Rs.7,07,26,382/ and Rs.7,32,23,507/- during March, 2012, September, 2012 and November, 2012 respectively against invoices issued on 11.04.2012, 20.09.2012 and 06.12.2012 respectively by DICGC. It was also alleged that the CENVAT Credit were availed during March, 2012 and November, 2012 even before date of issuance of invoices on 11.04.2012 and 06.12.2012 respectively.

(ii) Accordingly, a Show Cause Notice was issued demanding CENVAT Credit to the tune of Rs. 19,86,29,413/- along with applicable interest, in terms of Section 73 of Finance Act, 1994 read with Rule 14 of CENVAT Credit Rules, 2004 and also proposing imposition of penalty in terms of Rule 15 of CENVAT Credit Rules, 2004 read with Section 78 of Finance Act, 1994.

3. The matter was adjudicated vide the impugned order wherein the Id. adjudicating authority dropped the demand raised against the respondent.

4. Therefore, the Revenue is in appeal on the ground that the invoices were issued on 11.04.2012, 20.09.2012 and 06.12.2012 whereas the CENVAT Credit has been availed by the respondent during the months of March, 2012 , November, 2012 i.e., the respondent had allegedly taken the said credit prior to issuance of the invoices dated 11.04.2012, 20.09.2012 and 06.12.2012. Therefore, it is the Revenue's contention that the respondent is not entitled to the said credit.

5. Heard the Ld. Authorized Representative of the Revenue and perused the records.

6. On perusal of the records, we find that the dispute has been raised with regard to three invoices wherein the dates are mentioned as "11.04.2012", "20.09.2012" and "06.12.2012". It is the case of the Revenue that the CENVAT Credit in respect of the said invoices has been taken prior to the issuance of the said invoices.

7. We have gone through the invoices in question. The same are extracted hereinbelow: -



निक्षेप बीमा और प्रत्यय गारंटी निगम  
**DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION**  
 (भारतीय रिज़र्व बैंक का अधीनस्थ निकाय) (Reserve Bank of India's Subsidiary)

*Annexure A-7*

www.dicgc.org.in

Service Tax Reg.No. AAACD2084ESD001

Date: April 11, 2012

Bank Reg. No. IB4

The Chief Executive Officer  
 ALLAHABAD BANK,  
 HEAD OFFICE, INVESTMENT  
 DEPARTMENT, 2, NETAJI  
 SUBHASH ROAD,  
 KOLKATA  
 KOLKATA, W B 700001

CATEGORY OF SERVICES : INSURANCE		
Sr. No.	Particulars	Amount (₹)
1	Deposit Insurance Premium for the half year ending March 31, 2012	530869172
2.	Service Tax @ 10%	53086917
3.	Education Cess @ 2% on above	1061738
4.	Secondary & Higher Education Cess @ 1% on above	530869
Total		585548697

Five Hundred Eighty Five Million Five Hundred Forty Eight Thousand Six Hundred Ninety Seven RUPEES and No PAISE only

Yours faithfully,  
  
 For DICGC  
 Mumbai

प्रधान कार्यालय : भारतीय रिज़र्व बैंक बिल्डिंग, दक्षिण भवन, कोलकाता सिटी रोड, पोस्ट बॉक्स नं. 4571 मुंबई सेंट्रल, मुंबई. 400001  
 दिल्ली: 022-2308 2180-84, 23014855, 23011991, 23084122; फ़ोन: 022-23018189, 23015862, 23011131; ईमेल: dicgc@dicgc.org.in  
 HEAD OFFICE : Reserve Bank of India Building, South Block, Opp. National Council Railway Station, Post Bag No. 4571 Mumbai Central, Mumbai - 400 001  
 Tel: 022-2308 2180-84, 23014855, 23011991, 23084122; फ़ोन: 022-23018189, 23015862, 23011131; mail: dicgc@dicgc.org.in

हिंदी आसान है, खुशका प्रयाग, यदा।।।।।

*Remittance date - 28/11/2011*



प्राप्त किया  
 RECEIVED  
 18 APR 2012  
 भारतीय रिज़र्व बैंक  
 ALLAHABAD BANK  
 निवेश विभाग और प्रत्यय निगम  
 Fund Management & Investment Deptt.



23018165  
 निक्षेप बीमा और प्रत्यय गारंटी निगम  
 PHAD  
**DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION**  
 (पारतीय रिज़र्व बैंक की संदर्भ संस्थानिकाएँ द्वारा) Wholly owned subsidiary of the Reserve Bank of India

#5295 P.001 / 00

2

www.dicgc.org.in  
 सेवा कर पंजीकरण संख्या/  
 Service Tax Reg.No. AAACD2084ESD001  
 बैंक पंजीकरण संख्या/  
 Bank Reg. No. 184  
 दिनांक/Date: 20 September, 2012

The Chief Executive Officer / मुख्य कार्यपालक अधिकारी  
 ALLAHABAD BANK  
 HEAD OFFICE, INVESTMENT DEPARTMENT  
 2, NETAJI SUBHASH ROAD  
 KOLKATA - 700001  
 WEST BENGAL.

महोदय / Sir

सेवा की श्रेणी: बीमा / CATEGORY OF SERVICES : INSURANCE		
क्र.सं. Sr. No.	विवरण / Particulars	राशि (₹) Amount (₹)
1.	30 सितम्बर, 2012 को समाप्त वर्ष के लिए जमा बीमा प्रीमियम Deposit Insurance Premium for the half year ending September 30, 2012	57,22,19,919.90
2.	सेवा कर / Service Tax @ 12%	6,86,66,390.39
3.	उपर्युक्त पर एजुकेशन सेस Education Cess @ 2% on above	13,73,327.81
4.	उपर्युक्त पर माध्यमिक और उच्च एजुकेशन सेस Secondary & Higher Education Cess @ 1% on above	6,86,663.90
Total		64,29,46,302.00

(Rupees Six Hundred Forty Two Million Nine Hundred Forty Six Thousand Three Hundred Two and Paise None only)

भवदीय / Yours faithfully,

निर्देशनायक के लिए / For DICGC  
 मुंबई / Mumbai

पंजीकरण संख्या : भारतीय रिज़र्व बैंक निश्चय, 2001 संशोधन, मुंबई संशोधन और संशोधन के कारण, पंजीकरण सं. 45311 मुंबई संशोधन, मुंबई-400 004  
 टिपण्णी: 022-2308 2180-84, 23014655, 23011991, 23024121, 23024122, 23022301, 23018165, 23016882, 23021131, ई-मेल : [dicgc@dicgc.co.in](mailto:dicgc@dicgc.co.in)  
 HEAD OFFICE : Reserve Bank of India Building, Second Floor, Opp. Insurance Control Building Station, P.O. Box No. 40311 Mumbai Central, Mumbai-400 004  
 Tel: 022-2308 2180-84, 23014655, 23011991, 23024121 Fax: 022-23018165, 23015482, 23021131, (mailto: [dicgc@dicgc.co.in](mailto:dicgc@dicgc.co.in))

हिन्दी आवाज है, इसका प्रयोग बचाव

Remittance date - 28/05/2012





8. On going through the aforesaid invoices, we find that the remittance for the invoice dated 11.04.2012 has been made on 28.11.2011. For the invoice dated 20.09.2012, the remittance has been made on 28.05.2012 and the invoice dated 06.12.2012 was remitted on 29.11.2012. This shows that the respondent has paid the entire amount of Service Tax thereon prior to issuance of the said invoices. Therefore, as the respondent paid the Service Tax and thereafter have availed the CENVAT Credit thereon, in these circumstances, we hold that the Id. adjudicating authority has rightly dropped the demand raised against the respondent for the invoices in question.

9. In view of this, we do not find any infirmity in the impugned order and hence, the same is upheld.

10. In the result, the appeal filed by the Revenue is dismissed.

(Operative part of the order was pronounced in open court)

Sd/-

**(ASHOK JINDAL)**  
MEMBER (JUDICIAL)

Sd/-

**(K. ANPAZHAKAN)**  
MEMBER (TECHNICAL)