

***Notification No. 28/2016 Central Excise (N.T.) dated 26.05.2016***

***CENVAT credit of Krishi kalyan cess can be utilized for the payment of Krishi Kalyan Cess of taxable output service***

Rule 3(1a) has been inserted in CENVAT Credit Rules, 2004 stating that a provider of output service shall be allowed to take CENVAT Credit of the Krishi kalyan Cess on taxable services leviable under section 161 of Finance Act, 2016.

Further, a proviso has been inserted in Rule 3(4) of CENVAT credit Rules, 2004 stating that CENVAT credit of any duty specified in sub-rule (1) shall not be utilized for payment of Krishi kalyan Cess.

Also, it has been provided that ENVAT credit in respect of Krishi Kalyan Cess on taxable services shall be utilized only towards payment of Krishi Kalyan Cess.