

**CA. Manoj Fadnis**

President



**THE INSTITUTE OF CHARTERED  
ACCOUNTANTS OF INDIA**

(Set up by an Act of Parliament)

'ICAI Bhawan', Indraprastha Marg,  
New Delhi - 110 002. INDIA

**ICAI/IDTC/2015-16/Rep/3**

Sh. Kaushal Shrivastav  
Chairman  
Central Board of Excise & Customs  
Department of Revenue,  
Government of India,  
North Block, New Delhi – 110001



**25<sup>th</sup> June 2015**

**Sub: Utilization of Education Cess & SHE Cess after 1<sup>st</sup> June 2015**

**Respected Sir,**

We write this to highlight the need for clarification on utilization of Education Cess (EC) and Secondary & Higher Education Cess (SHEC) on account of changes made by Finance Act, 2015 in the basic rate of Excise Duty and the rate of Service Tax with effect from 1<sup>st</sup> March 2015 and 1<sup>st</sup> June 2015 respectively. Following few issues in regard to utilisation of credit of EC and SHEC for payments of basic excise duty have been addressed vide **Notification No. 12/2015 Central Excise (N.T.), Dated: April 30, 2015:**

- (a) Education Cess and Secondary & Higher Education Cess on inputs or capital goods received in the factory of manufacture of final product on or after the 1st March, 2015;
- (b) Balance 50% Education Cess and Secondary & Higher Education Cess on capital goods received in the factory of manufacture of final product in the financial year 2014-15; and
- (c) Education Cess and Secondary & Higher Education Cess on input services received by the manufacturer of final product on or after the 1st March, 2015;

In this regard, we feel that there is need for an appropriate clarification on the following issues as they have not been addressed so far:

- a) Treatment of old unutilized/ accumulated credit of EC & SHEC of Excise duty with the assessee as on 28<sup>th</sup> February 2015.
- b) Treatment of old unutilized/ accumulated credit of EC & SHEC of Service Tax with the assessee as on 31<sup>st</sup> May 2015.
- c) Treatment of Education Cess & SHEC in respect of input services availed by Service Provider on or after 1<sup>st</sup> June 2015.



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Owing to the practical difficulties faced by the assesseees and professionals in this respect, we request you for resolution of this issue. Further, we look forward to a personal meeting with your good self to illustrate the points made by us, to understand the issue and find a practical solution to it at the earliest. We offer any assistance required in this respect.

We look forward to a favourable response.

Thanking you.

Yours faithfully,

*Manoj Fadnis*

**CA. Manoj Fadnis  
President, ICAI**

Copy to

1. Neerja Shah  
Member (Central Excise)  
Central Board of Excise & Customs  
Department of Revenue,  
Government of India,  
North Block, New Delhi – 110001

2. Sh. Alok Shukla  
Joint Secretary TRU-I  
Central Board of Excise & Customs  
Department of Revenue,  
Government of India,  
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