

PERQUISITES VALUATION RULES NOTIFIED

Post abolition of Fringe Benefit Tax all perquisites are once again became taxable in the hands of employees. CBDT has notified perquisites valuation rules by substituting the existing Rule 3. This rule has been made effective from 1st April 2009.

Valuation of perquisites is same as per old rule except for increase in motor car perquisite.

(Source: Notification No 94/2009 dated 18.12.2009)

REVERSAL OF CENVAT CREDIT ON WIP/FINISHED GOODS WRITTEN OFF

Existing Rule 3(5B) of Cenvat Credit Rules 2004 covers the

cases where cenvat credit taken inputs are written off. There are no rules governing the cases where work in progress and finished goods are written off. Now, CBEC has clarified as under:

- In case of write off of finished goods, manufacturer is liable to pay excise duty unless duty is remitted under Rule 21.
- In case of write off of work in progress, treatment for reversal of credit applicable to inputs would be applicable.

(Source: Circular No 97/27/2009-CX dated 07.12.2009) ■

Important Announcement on Empanelment for the year 2010-11 - (17-12-2009)

The Council of the Institute at its 242nd meeting held in April, 2004 had decided that there shall be a cut off date for condonation of cases for empanelment purposes as on 1st January and the cases received beyond the cut off date will not be considered for condonation. Accordingly, members may note as under:

“For the purposes of Empanelment in the panel prepared by Office of C&AG and Bank Branch Auditors’ Panel prepared by ICAI (for which Constitution Certificates as on 1st January are issued every year); no condonation of delay in submission of Form No. 18 beyond 31st January preceding the financial year under audit (e.g. 31st January, 2010 for empanelment for the year 2010-11) will be done by the Institute”.