



Indian Oil(MD)
Finance/HO

CIRCULAR

Ref:FIN/HO/01/2009-10

Date:16.02.2010

Subject: Change in valuation of Perquisite on abolition of FBT

Fringe Benefit Tax(FBT) has been abolished in the Finance Bill 2009.CBDT have issued revised guidelines for valuation of Perquisites vide notification dated 18th December 2009.It is applicable with effect from 1st April 2009.

As per the revised guidelines from CBDT, running and maintenance cost met by the employer will be treated as perquisite and is liable to Income Tax.The Valuation of perquisite will be made on the basis of following:


A	Where the Car is Owned by the employee	
1)	Where reimbursement is used wholly and exclusively for Official Purpose	No Perquisite,provided the employee submits a declaration duly approved by Controlling Officer.The formats of declaration are given in Certificate - 1(A)/Certificate-1(B).Employees have an option either to fill in Certificate-1(A)/Certificate-1(B). .However once an option is used in any financial year then it cannot be changed for that financial year.
2)	Where Reimbursement is used partly for Official Purpose and partly for Personal purpose	Perquisite Value is actual expenditure incurred by employer,as reduced by Rs1800p.m(Rs 2400pm for car capacity-1.6Litre) and Rs900p.m for Chaufer(if any) . Deduction of higher amount is available,if prescribed documents are maintained.The employees are required to maintain monthwise details of expenses along with supportings,as given in Certificate -1(A)/Certificate-1(B). The formats of declaration are given in Certificate - 1(A)/Certificate-1(B).Employees have an option either to fill in Certificate-1(A)/Certificate-1(B). .However once an option is used in any financial year then it cannot be changed for that financial year.

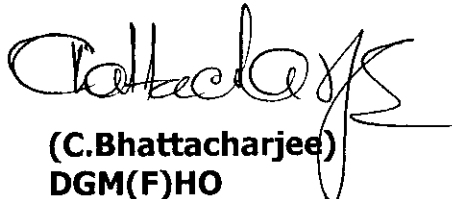
B	Where the Car is Owned/Hired by the employer and the car is used partly for official and partly for Personal purpose	
1)	Running expense met by employer	Perquisite will be valued@Rs1800p.m(Rs 2400pm for car capacity-1.6Litre) and Rs900p. for Chaufer(if any).
2)	Running expense for personal use met by employee	Perquisite will be valued@Rs600p.m(Rs 900pm for car capacity-1.6Litre) and Rs900p. for Chaufer(if any).

In view of the above ,all the concerned employees are requested to submit the declaration form(as per Certificate-1(A)/Certificate-1(B)) to Shri Divya Prakash Bengani,Accounts Officer (Payroll Section, HO)

Since we are to give effect of the perquisite for the period April 2009 to Jan 2010 in the Salary of Feb 2010,concerned employees are requested to make out a monthwise summary of declaration(for the period April 2009-Jan 2010), so that the same can be used for the purpose of computation of perquiste value.The summary is to be prepared in the format as given in Annex A and the same has to be submitted on or before 19th February 2010.

It may please be noted that in case of non receipt of Declartion form along with summary ,valuation of perquiste will be made as per the guidelines without further reference to the concerned employees.


(S.Sathiyageeswaran)
DGM(ER)HO


(C.Bhattacharjee)
DGM(F)HO

Attached: Formats for-

- 1)Certificate1(A)
- 2)Certificate1(B)
- 3)Annex A(Summary)

Certificate -I(A)

Record to be maintained for the journeys undertaken for Official purposes
[as per the requirement of Rule 3(2)(B)]

Detailed of Journey undertaken for Official Purpose		
A	Destinations visited during the month of _____	
	Sr.no.	Date Place Visited
B	Details of Fuel Expenses	
	Number of Kilometer covered in a month	(a)
	Fuel expenditure per kilometer	(b)
	Total Fuel Expenses	(a*b)
C	Other Expenditure	
	Salary of Chauffeur	
	Insurance of Car (<i>proportionate amount on monthly basis</i>)	
	Repairs and Maintenance	
	Road Taxes / Octroi / Toll Charges	
	Total Other Expenditure	
D	Total cost of running & maintenance of vehicle (B +C)	

Declaration :

It is hereby declared that above expenditure is actually incurred by me solely for official purpose and documents / evidences of expenditure incurred are maintained by me.

Date

(Signature)
Name of Employee
Designation
Emp No.
Place of Posting

CERTIFICATE

It is certified that the above expenditure was incurred wholly and exclusively for the performance of official duties.

Date

For Indian Oil Corporation Limited.

(Signature)
Name of the
Controlling /Self Controlling Officer
Designation

Certificate-I(B)

Record to be maintained for the journeys undertaken for Official purposes
[as per the requirement of Rule 3(2)(B)]

Detailed of Journey undertaken for Official Purpose

A	Destinations visited during the month of :				
	Sr. No.	Date	Destination	Mileage	Amount*
	Total				

* to be calculated as per the applicable mileage rate for running and maintenance of car as per HR guidelines

Declaration :

It is hereby declared that above expenditure is actually incurred by me solely for official purpose and documents / evidences of expenditure incurred are maintained by me.

Date

(Signature)
Name of Employee
Designation
Emp No.
Place of Posting

CERTIFICATE

It is certified that the above expenditure was incurred wholly and exclusively for the performance of official duties.

Date

For Indian Oil Corporation Limited.

(Signature)
Name of the
Controlling /Self Controlling Officer
Designation

Annex A

**Summary of expenses incurred for the journey undertaken
for official purpose.
For the period April 2009-Jan 2010**

Name:

Employee Code:

Location:

Sr.No.	Month	Amount(Rs)
1	April	
2	May	
3	June	
4	July	
5	August	
6	September	
7	October	
8	November	
9	December	
10	January	
Total		