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From: S.K Tyagi

To: [Manoj Hemrajani](#) ; [Hitesh Behal](#) ; nitin_Sahni@intelenetglobal.com

Sent: Saturday, January 30, 2010 4:32 PM

Subject: Fw: CBDT Press Release Adjustment of advance FBT for AY 2010-11.

Dear Sir,

The fringe benefit tax (FBT) has been abolished by the Finance (No.2) Act, 2009, and accordingly, FBT is not applicable, with effect from 1.4.2009.

As the Union Budget, 2009, was presented in the Parliament in the month of July, 2009, most of the tax-payers had already paid first instalment of FBT for the quarter ended 30.6.2009. In view of the abolition of FBT, with effect from 1.4.2009, the aforesaid instalment of FBT becomes refundable to the tax-payer.

In view of the aforesaid reasons, a query was being received from a number of clients, as to how to get credit for the aforesaid instalment of FBT. In reply to the aforesaid query, it was stated by me that though nothing has been mentioned about this matter in the Union Budget, 2009, yet on the date of the Budget, the Finance Minister had provided a clarification that the aforesaid instalment of FBT could be adjusted against the income-tax payable by an employer or against the MAT, if MAT is payable by a company-employer.

The Central Board of Direct Taxes (CBDT) has now issued a Press Release No.402 / 92 / 2006 - MC(07 of 2010), dated 29.1.2010, according to which any instalment of advance-tax paid in respect of FBT for the AY 2010-11, relevant to FY 2009-10, shall be treated as advance income-tax paid by the assessee, for the AY 2010-11.

It is just for your information and guidance.

Kindly acknowledge the receipt of this e-mail.

With warm regards,

S.K.Tyagi

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