

Advisory from the Institute

The members of the Institute are undertaking Valuation Audit under Section 14A of Central Excise Act, 1944. The basic objective of the Section 14A is to ensure correct determination of value for the manufacture of excisable goods produced or manufactured for correct realisation of revenue.

Consequent upon the Supreme Court judgment in the case of Commissioner of Central Excise, Mumbai Vs. M/s Fiat India (P) Ltd. & ANR. dated 29th August, 2012, it has been observed that greater responsibilities have been thrown on the shoulders of the Cost Accountants in Practice while undertaking Special Audit under Section 14A of the Central Excise Act, 1944.

The members of the Institute are hereby advised to take into consideration the Compliance Report and the Cost Audit Report, if the product is covered under the Cost Audit, to ensure the correct determination of the value and thus fair assessment of revenue by the Excise Department.

Secretary (Acting)

Dated: 8th March, 2013