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(झ) शेयर या प्रतिभूति के संबंध में "कोट नहीं किए गए शेयर और प्रतिभूति" से ऐसे शेयर या प्रतिभूति अभिप्रेत है, जो कोट किए गए शेयर या प्रतिभूति नहीं है ।"।

[अधिसूचना सं. 32/2017 /फा. सं. 370142/21/2016-टी.पी.एल.]

नीरज कुमार, अवर सचिव (कर नीति और विधायन)

टिप्पण : मूल नियम भारत के राजपत्र, असाधारण, भाग III, खंड 3, उपखंड (i) में अधिसूचना संख्यांक का.आ. 969(अ), तारीख 26 मार्च, 1962 द्वारा प्रकाशित किए गए थे और अधिसूचना संख्यांक **सा.का.नि.** 331(अ), तारीख 5 अप्रैल, 2017 द्वारा अंतिम संशोधन किया गया था ।

MINISTRY OF FINANCE

(Department of Revenue)

(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 21st April, 2017

INCOME-TAX

G.S.R.399(E).– In exercise of the powers conferred by section 295 read with section 115TD of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely: -

1. (1) These rules may be called the Income-tax (8th Amendment), Rules, 2017.

(2) They shall be deemed to have come into force from the 1st day of June, 2016.

2. In the Income-tax Rules, 1962, after rule 17CA, the following rule shall be inserted, namely: -

"17CB. Method of valuation for the purposes of sub-section (2) of section 115TD. (1) For the purpose of sub-section (2) of section 115TD of the Act, the aggregate fair market value of the total assets of the trust or institution, shall be the aggregate of the fair market value of all the assets in the balance sheet as reduced by-

(i) any amount of income-tax paid as deduction or collection at source or as advance tax payment as reduced by the amount of income-tax claimed as refund under the Act, and

(ii) any amount shown as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset.

(2) For the purpose of sub-rule (1), the fair market value of the asset shall be determined in the following manner, namely:—

(I) Valuation of shares and securities,—

(a) the fair market value of quoted share and securities shall be the following:—

(i) the average of the lowest and highest price of such shares and securities quoted on a recognised stock exchange as on the specified date; or

(ii) where on the specified date, there is no trading in such shares and securities on a recognised stock exchange, the average of the lowest and highest price of such shares and securities on a recognised stock exchange on a date immediately preceding the specified date when such shares and securities were traded on a recognised stock exchange,

(b) the fair market value of unquoted equity shares shall be the value, on the specified date as determined in accordance with the following formula, namely:—

Fair market value of unquoted equity shares = $\frac{(A+B - L) \times (PV),}{(PE)}$

where,

A = book value of all the assets in the balance sheet (other than bullion, jewellery, precious stone, artistic work, shares, securities, and immovable property) as reduced by-

(i) any amount of income-tax paid as deduction or collection at source or as advance tax payment as reduced by the amount of income-tax claimed as refund under the Act; and

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(ii) any amount shown in the balance sheet as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset;

B=fair market value of bullion, jewellery, precious stone, artistic work, shares, securities and immovable property as determined in the manner provided in this rule;

L=book value of liabilities shown in the balance sheet, but not including the following amounts, namely:—

(i) representing contingent liabilities other than arrears of dividends payable in respect of the paid-up capital in respect of equity shares;

(ii) the amount set apart for payment of dividends on preference shares and equity shares;

(iii) reserves and surplus, by whatever name called, even if the resulting figure is negative, other than those set apart towards depreciation;

(iv) any amount representing provision for taxation, other than amount of income-tax paid as deduction or collection at source or as advance tax payment as reduced by the amount of income-tax claimed as refund under the Act, to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto;

(v) any amount representing provisions made for meeting liabilities, other than ascertained liabilities;

(vi) any amount cumulative preference shares;

PE = total amount of paid up equity share capital as shown in the balance-sheet;

PV= the paid up value of such equity share,

(c) The fair market value of shares and securities other than equity shares shall be estimated to be price it would fetch if sold in the open market on the specified date on the basis of the valuation report from a merchant banker or an accountant in respect of such valuation.

(II) The fair market value of an immovable property shall be higher of the following:-

(a) price that the property shall ordinarily fetch if sold in the open market on the specified date on the basis of the valuation report from a registered valuer; and

(b) stamp duty value as on the specified date.

(III) The fair market value of a business undertaking, held by a trust or institution, shall be its net assets determined in accordance with the following formula:-

Fair market value = (A + B-L), which shall be determined in the manner provided in sub-clause (b) of clause (I) of sub-rule (2).

(IV) The fair market value of any asset, other than those referred to in clauses (I), (II) and (III), shall be the price that the asset shall ordinarily fetch if sold in the open market on the specified date on the basis of valuation report from a registered valuer:

Provided that in case no valuer is registered for valuation of such assets, the valuation report shall be obtained from a valuer who is a member of any one of the professional valuer bodies viz. Institution of Valuers, Institution of Surveyors (Valuation Branch), Institution of Government Approved Valuers, Practicing Valuers Association of India, the Indian Institution of Valuers, Centre for Valuation Studies, Research and Training, Royal institute of Chartered Surveyors; India Chapter, American Society of Appraisers, USA; Appraisal institute, USA or a valuer who is appointed by any public sector bank or public sector undertakings for valuation purposes.

(3) For the purpose of sub-section (2) of section 115 TD of the Act, the total liability of the trust or institution shall be the book value of liabilities in the balance sheet on the specified date but not including the following amounts, namely:—

(i) capital fund or accumulated funds or corpus, by whatever name called;

(ii) reserves or surpluses or excess of income over expenditure, by whatever name called;

(iii) any amount representing contingent liability;

(iv) any amount representing provisions made for meeting liabilities, other than ascertained liabilities;

(v) any amount representing provision for taxation, other than amount of tax paid as deduction or collection at source or as advance tax payment as reduced by the amount of income-tax claimed as refund under the Act, to the extent of the excess over the income-tax payable with reference to the income in accordance with the law applicable thereto.

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Explanation.— For the purposes of this rule,-

(a) "accountant" shall mean a fellow of the Institute of Chartered Accountants of India within the meaning of the Chartered Accountants Act, 1949 (38 of 1949) who is not appointed by the trust or institution as an auditor;

(b) "balance-sheet" in relation to any trust or institution, shall mean the balance-sheet of such trust or institution (including the notes annexed thereto and forming part of the accounts) as drawn up on the specified date which has been audited by an accountant;

(c) "merchant banker" shall mean a category I merchant banker registered with Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(d) "quoted share or security" in relation to share or security means a share or security quoted on any recognised stock exchange with regularity from time to time, where the quotations of such shares or securities are based on current transaction made in the ordinary course of business;

(e) "recognised stock exchange" shall have the same meaning as assigned to it in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

(f) "registered valuer" means a person registered as a valuer under section 34AB of the Wealth-tax Act, 1957 (27 of 1957);

(g) "securities" shall have the same meaning as assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

(h) "specified date" means the date referred to in Explanation to section 115TD of the Act;

(i) "stamp duty value" means the value adopted or assessed or assessable by any authority of the Central Government or a State Government for the purpose of payment of stamp duty in respect of an immovable property;

(j) "unquoted share and security" in relation to share or security means share or security which is not a quoted share or security."

[Notification No. 32/2017 /F. No. 370142/21/2016-TPL]

NIRAJ KUMAR, Under Secy. (Tax Policy and Legislation)

Note:- The principal rules were published in the Gazette of India Extraordinary, Part III, section 3, sub-section (i), vide notification number S.O. 969(E), dated the, 26th March, 1962 and were last amended vide notification number GSR No. 331(E) dated the 5th April, 2017.

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