

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

New Delhi, Dated 25th October, 2016.

PRESS RELEASE

Subject: Draft Rules for prescribing the method of valuation of fair market value in respect of the trust or the institution-Chapter XII-EB of the Income-tax Act, 1961- reg.

The Finance Act, 2016, *inter alia*, inserted a new Chapter XII-EB consisting of sections 115TD, 115TE and 115TF in the Income-tax Act, 1961 (the Act). This chapter contains specific provisions relating to levy of additional income-tax where the charitable institution exempt under the Act ceases to exist as charitable organization or converts into a non-charitable organization.

Sub-section (2) of newly inserted section 115TD provides that the accreted income for the purposes of sub-section (1) thereof means the amount by which the aggregate fair market value of the total assets of the trust or the institution, as on the specified date, exceeds the total liability of such trust or institution computed in accordance with the method of valuation as may be prescribed. Therefore, the method of valuation of fair market value in respect of the trust or the institution as on the specified date for determination of accreted income needs to be prescribed in the rules.

In this regard, draft rules providing for the method of valuation of fair market value in respect of the trust or the institution as on the specified date for determination of accreted income have been formulated and uploaded on the Department of Revenue's website (www.dor.gov.in) and website of the Income-tax Department (www.incometaxindia.gov.in) for comments from stakeholders and general public.

The comments and suggestion on the draft rules may be sent by 31st October, 2016 electronically at the email address, dirtpl1@nic.in.

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