

**MINISTRY OF FINANCE**  
**(Department of Revenue)**  
(CENTRAL BOARD OF DIRECT TAXES)

**NOTIFICATION**

New Delhi, the 30th August, 2018

**INCOME-TAX**

**S.O. 4213(E).**—In exercise of the powers conferred by clause (via) of section 28 read with section 295 of the Income-tax Act, 1961 (43 of 1961), hereinafter referred to as the Income-tax Act, the Central Government hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:—

1. (1) These rules may be called the Income-tax (9th Amendment), Rules, 2018.  
(2) They shall come into force from the 1<sup>st</sup> day of April, 2019 and shall apply in relation to assessment year 2019-20 and subsequent years.
2. In the Income-tax Rules, 1962,—
  - (a) in rule 11U, in clause (b), for sub-clause (ii), the following sub-clause shall be substituted,

namely:—

“(ii) in any other case,—

- (A) in relation to an Indian company, the balance-sheet of such company (including the notes annexed thereto and forming part of the accounts) as drawn up on the valuation date which has been audited by the auditor of the company appointed under the laws relating to companies in force; and

- (B) in relation to a company, not being an Indian company, the balance-sheet of the company (including the notes annexed thereto and forming part of the accounts) as drawn up on the valuation date which has been audited by the auditor of the company, if any, appointed under the laws in force of the country in which the company is registered or incorporated;”;
- (b) after rule 11UAA, the following rule shall be inserted, namely:—
- “11UAB. Determination of fair market value for inventory.—**(1) For the purposes of clause (via) of section 28 of the Act, the fair market value of the inventory,—
- (i) being an immovable property, being land or building or both, shall be 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 such immovable property on the date on which the inventory is converted into, or treated, as a capital asset;
  - (ii) being jewellery, archaeological collections, drawings, paintings, sculptures, any work of art, shares or securities referred to in rule 11UA, shall be the value determined in the manner provided in sub-rule (1) of rule 11UA and for this purpose the reference to the valuation date in the rule 11U and rule 11UA shall be the date on which the inventory is converted into, or treated, as a capital asset;
  - (iii) being the property, other than those specified in clause (i) and clause (ii), the price that such property would ordinarily fetch on sale in the open market on the date on which the inventory is converted into, or treated, as a capital asset.”.

[Notification No. 42/2018/F. No. 370142/05/2018-TPL]

PRAVIN RAWAL, Director (TPL-II)

**Note :** The principal rules were published in the Gazette of India *vide* notification No. S.O. 969(E), dated the 26th March, 1962, and was last amended by *vide* notification number G.S.R. 666(E), dated 20.07.2018.