Valuation of Unlisted Equity Shares

S.no.	**Erstwhile provision** **Sub clause (b) of Rule 11UA(1)(c)**	**New Provision** **Sub clause (b) of Rule 11UA(1)(c)**
1.	*Formula* = (A-L)*(PV)/(PE)	*Formula* = (A+B+C+D-L)*(PV)/(PE)
2.	*A : Book value of Assets* *Less : TDS or TCS* *Less : (Advance tax – Refund)* *Less : other Asset including unamortised expenses* *L : Book value of Liabilities* *Less : Paid up equity shares* *Less : proposed Dividend* *Less : (reserve & Surplus – depreciation)* *Less : provision for tax* *Less : provision for unascertained liabilities* *Less : contingent liabilities other than arrear of preference share dividend* *PV : paid up value of Equity shares being valued* *PE : Paid up equity shares capital*	*A:Book value of Assets (other than jewellery, artistic work, shares, securities, immovable property)* *Less: Tax paid – Refund claimed* *Less :unamortised amount of deferred tax* *B: Open market price of jewellery or artistic work based on valuer report* *C: FMV of shares and securities determined as per this rule* *D: Value adopted for stamp duty payment* *L: Book value of liabilities excluding* • *Paid up equity share capital* • *Proposed dividend(equity & preference)* • *Reserve and surplus* • *Tax provision to the extent of the excess over the tax payable with reference to the book profit* • *Provision for unascertained liabilities* • *Contingent liabilities other than cumulative preference share dividend* *PV : paid up value of Equity shares being valued* *PE : Paid up equity shares capital*

Summary of changes in Rules

Rule	Details Erstwhile provision	Details New provision
11UA(1)(a)	Valuation of jewellery	Same as before
11UA(1)(b)	Valuation of • Archaeological collection • Drawing • Painting • Sculptures • Any work of art	• Same as before
11UA(1)(c)(a)	FMV of quoted shares and securities	Same as before
11UA(1)(c)(b) Amended	FMV of unquoted equity shares	FMV of unquoted equity shares (Amended)
11UA(1)(c)(c)	FMV of unquoted preference shares and securities	Same as before
11UA(2)(a)	FMV of unquoted equity shares for section 56(2)(viib)	Same as before
11UA(2)(a)	FMV of unquoted equity shares by merchant banker and accountant using DCF method	Same as before
New Rule 11UAA		For section 50 CA FMV of the unquoted shares shall be calculated as per Rule 11UA(1)(C)(b) or 11UA(1)(C)(c)