MINISTRY OF FINANCE

(Department of Revenue)

(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 30th October, 2026

INCOME-TAX

G.S.R. 961(E).— In exercise of the powers conferred by section 533 read with sections 352(4) [Table: Sl. No. 8] and 354A of the Income-tax Act, 2025 (30 of 2025) (the Act), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 2026, namely: —

1. (1) These rules may be called the Income-tax (Eighth Amendment) Rules, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Income-tax Rules, 2026 (hereinafter referred to as the said rules), after the rule 189, the following rule shall be inserted, namely: —

"189A. Conditions for the merger of registered non-profit organisation for the purposes of sections 352(4) [Table: Sl. No. 8] and 354A.— (1) For the purposes of sections 352(4) [Table: Sl. No. 8] and 354A of the Act, the conditions for the merger of registered non-profit organisation with any other registered non-profit organisation having same or similar objects shall be the following, namely: —

(a) the registered non-profit organisation registered under section 332 shall not be merged with the registered non-profit organisation provisionally registered under section 332;

(b) the registered non-profit organisation provisionally registered under section 332 shall not be merged with the registered non-profit organisation registered under section 332;

(c) there is no tax, interest, penalty, fine or any other sum (hereinafter referred to as the outstanding demand) payable in consequence of any order passed under the Act in respect of the merging registered non-profit organisation where such outstanding demand is not in appeal before any appellate authority;

(d) in a case where an appeal is pending, the outstanding demand for the merging registered non-profit organisation shall be paid by the merged registered non-profit organisation upon the said appeal attaining finality;

(e) the objects of the merged registered non-profit organisation shall not be amended within a period of five years from the end of the financial year in which the merger takes place;

(f) all the assets and liabilities of the merging registered non-profit organisation shall become the assets and liabilities of the merged registered non-profit organisation from the date of the merger;

(g) the merger shall not result in any direct or indirect benefit to any related person as referred to in section 337(1) [Table: Sl. No. 2] of the merging or the merged registered non-profit organisation;

(h) all the obligations of the merging registered non-profit organisation shall be the obligations of the merged registered non-profit organisation including the following: —

(i) application of the income of the merging registered non-profit organisation shall be given effect to by the merged registered non-profit organisation as per section 341;

(ii) application of the accumulated income of the merging registered non-profit organisation shall be given effect to by the merged registered non-profit organisation as per section 342;

(iii) the merged registered non-profit organisation shall be liable to pay tax under section 334 in respect of the specified income of the merging registered non-profit organisation;

(iv) the merged registered non-profit organisation shall ensure that the conditions mentioned in section 340 are not violated;

(v) investment of the funds by the merged registered non-profit organisation shall be made as per modes specified in section 350; and

(vi) payment of the additional income-tax as per the provisions of section 352 shall be made by the merged registered non-profit organisation whenever such liability arises;

(i) the merged registered non-profit organisation shall intimate the jurisdictional Principal Commissioner or Commissioner in Form No. 112A within one month from the end of the month in which such merger comes into effect;

(j) where there is merger, the assessment or reassessment or any other proceedings, made or initiated on the merging registered non-profit organisation, shall be deemed to have been made or initiated on the merged registered non-profit organisation and all the provisions of the Act shall, so far as may be, apply accordingly;

(k) in a case other than the case mentioned in clause (j), the assessment or reassessment or any other proceedings in respect of the tax year in which the merger took place up to the date of merger and in respect of the tax years preceding that year shall be made on the merged registered non-profit organisation in like manner and to the same extent as it would have been made on the merging registered non-profit organisation, and all the provisions of the Act shall, so far as may be, apply accordingly; and

(l) the merging registered non-profit organisation and the merged registered non-profit organisation shall get the books of accounts audited by an accountant defined in section 515(3)(b) as on the date of merger.

(2) Form No. 112A referred to in sub-rule (1)(i) shall be furnished electronically either under digital signature or electronic verification code.

(3) For the purposes of this rule, the expressions —

(i) "electronic verification code" means a code generated for the purpose of electronic verification of the person furnishing the Form as per the data structure and standards specified by the Director General of Income-tax (Systems);

(ii) "merging registered non-profit organisation" means a registered non-profit organisation which merges with another registered non-profit organisation having same or similar objects;

(iii) "merged registered non-profit organisation" means a registered non-profit organisation in which the registered non-profit organisation having same or similar objects merges into.**"**.

3. In the said rules, in Appendix III, after Form No. 112, the following Form shall be inserted, namely: —

"FORM NO. 112A

[*See* rule 189A(1)(i)]

Intimation for merger of registered non-profit organisations

Part A: Details of the merging registered non-profit organisations			
1.	Name:	*(refer Note 1)*	
2.	Address:	*(refer Note 2)*	
3.	Permanent Account Number (PAN):		
4.	E-mail Id:		
5.	Contact Number:	Country Code	Number
6.	Date of merger:		
Part B: Details of the merged registered non-profit organisation			
7.	Name:	*(refer Note 1)*	
8.	Address:	*(refer Note 2)*	
9.	PAN:		

10	E-mail Id:		
11.	Contact Number:	Country Code	Number
12.	Other details to be provided as separate enclosure:	*(refer Note 3)*	

Declaration

I, _____ on behalf of _____ (merged registered non-profit organisation) having Permanent Account Number (PAN) hereby intimate that by way of a resolution passed by the trustees/governing body/management, on _____ (dd/mm/yyyy) the merger of the _____ (name of the merging registered non-profit organisation) with _____ (name of the merged registered non-profit organisation) has been decided upon. The details of the merging and merged entities are provided in Part A and Part B above.

I further undertake that, —

- the objects of the merged registered non-profit organisation shall not be amended within a period of five years from the end of the financial year in which merger takes place;
- application of the income of the merging registered non-profit organisation shall be given effect to by the merged registered non-profit organisation as per section 341;
- application of the accumulated income of the merging registered non-profit organisation shall be given effect to by the merged registered non-profit organisation as per section 342;
- the claim of depreciation where cost of acquisition has already been claimed as application by the merging registered non-profit organisation shall not be claimed by the merged registered non-profit organisation;
- the merged registered non-profit organisation shall be liable to pay tax under section 334 in respect of the specified income of the merging registered non-profit organisation;
- contribution made by any person to the merging registered non-profit organisation shall be taken into account for calculating the total contribution to the merged registered non-profit organisation for the purposes of section 355(h)(ii);
- the merged registered non-profit organisation shall ensure that the conditions mentioned in section 340 are not violated, not even by the merging registered non-profit organisations;
- investment of the funds by the merged registered non-profit organisation shall be made as per modes specified in section 350; and
- payment of the additional income-tax as per the provisions of section 352 shall be made by the merged registered non-profit organisation whenever such liability arises.

Place: Signature:

Date: Name:

Designation:

Notes:

1. The name shall include full name of the merging or merged registered non-profit organisations.
2. The address shall include flat/door/building, road/street/block/sector, area/locality, post office, town/city/district, state, country/specified territory and pin code.
3. With respect to Part B (Sl. No. 12), following details shall be provided as annexures, namely: —

Annexure	Particulars
A-1	Provide the copy of the trust deeds of both the merging registered non-profit organisation and merged registered non-profit organisation.
A-2	Provide the copy of the registration granted of both the merging registered non-profit organisation and merged registered non-profit organisation.
A-3	A copy of the resolution passed by the trustees/governing body/management highlighting the details of the merger.
A-4	Audited books of accounts of both the merging registered non-profit organisation and merged registered non-profit organisation as on the date of merger as well as for the financial year immediately preceding the tax year in which merger has taken place.
A-5	Reasons for undertaking merger of the registered non-profit organisation.

4. Some of the information in the form would be pre-filled to the extent possible.**".**

[No. 139/2026/ F. No. 370142/32/2026-TPL]

ROHIT SINGH, Under Sec. TPL-I, CBDT.

Note: The principal rules were published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) *vide* number G.S.R. 198(E), dated the 20th March, 2026 and were last amended *vide* notification number G.S.R. 901(E), dated the 19th October, 2026.

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