

Preface



In exercise of the powers conferred by section 145(2) of the Income-tax Act, 1961 the Central Government has notified the Income Computation and Disclosure Standards (ICDSs) vide Notification S.O. 892(E), dated 31-3-2015. Although the said notification was rescinded on 29th September, 2016 vide Notification No. 86/2016. The notified ICDS are required to be followed by all assesseees (other than individual or HUF, who are not required to get his accounts audited in accordance with section 44AB of Income-tax Act, 1961), following the mercantile system of accounting, for the purposes of computation of income chargeable to income-tax under the head “Profits and gains of business or profession” or “Income from other sources”. This notification shall come into force with effect from 1st day of April, 2016, and shall accordingly apply to the assessment year 2017-18 and subsequent assessment years. CBDT vide its Notification No. 24/2016, dated 30-3-2016 has notified Income Tax Return forms applicable for the Financial Year 2015-16, which includes requirement of ICDS disclosure in Income Tax Return. The Finance Act, 2018, has made retrospective amendments to Income-tax Act, 1961 (the Act) for adopting several provisions of Income Computation and Disclosure Standards (ICDS) to validate legitimacy of the ICDS provisions.

In this edition, a separate section of ‘SUMMARY’ is added at the end of each chapter covering Key Points and Practice Notes so as to enable the readers to understand and practically apply ICDS requirement quickly.

Accordingly the book professes to serve as a ready reference guide for taxation professionals and students to:

- (a) *Make the compliance smooth and easy with ICDS Practice flow chart linking each section in the book from the practical perspective*
- (b) *Delve deep into latest guidelines (Ten) related to Income Computation and Disclosure Standards issued by the Central Board of Direct Taxes*
- (c) *Bring out detailed comparison of ICDS with the latest version of Indian Accounting Standards (Ind AS) and Accounting Standards (AS)*
- (d) *Summary section in each chapter covering Key Points and Practice Notes*
- (e) *The latest updates on financial reporting framework as per Schedule III of Companies Act, 2013*
- (f) *Highlight more than 100 judicial pronouncements to explain the provisions of ICDS more effectively*
- (g) *Income Tax Return and ICDS requirements therein, incorporating a comprehensive practical example of ICDS adjustments to be made for Computation of Income chargeable under Income-tax Act*
- (h) *Requirements of reporting in Form 3CD with illustrative disclosures in Form 3CD.*

I acknowledge help of our staff members working with in my Chartered Accountant firm. I am thankful to my wife CA. Palak C. Patel and lovely daughter Priyanshi who stood by me to ensure that the book saw the light of day.

I place on record our greatest appreciation for well known publisher - TAXMANN and its staff members.

Whereas due care and precautions have been taken to ensure the correctness of the contents, inadvertent errors may yet have taken place, we shall appreciate if there are brought to our notice.

15th August, 2019

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