

Preface to Third Edition

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 Although the said notification was rescinded on 29th September, 2016 vide Notification No. 86/2016. There 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. Recently, 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.

On the other hand, Companies (Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2016 have also been notified on 30th March, 2016. This has resulted in complex reporting requirements both in case of preparation of financial statements as per the Companies Act, 2013 and computation of Income under the Income Computation and Disclosure Standards.

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) The latest updates on financial reporting framework as per Schedule III of Companies Act, 2013*
- (e) Highlight more than 100 judicial pronouncements to explain the provisions of ICDS more effectively*
- (f) Income Tax Return and ICDS requirements therein*
- (g) Requirements of reporting in Form 3CD with illustrative disclosures in Form 3CD.*

We acknowledge help of our staff members working with us in respective Chartered Accountant firms. We are thankful to our respective wife Debika Chatterjee and Palak C. Patel (CA) who stood by our side to ensure that the book saw the light of day. We 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.

25th August, 2017

B.D. Chatterjee

Gurgaon

Email: bdchatterjee105@gmail.com

CA. Chintan N. Patel

Ahmedabad

chintan@nareshco.com