

ICDS Overview

ICDS -1, 2, 5 & 9



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Shared at

Shahdara CPE Study Circle of NIRC of ICAI

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ICDS BACKGROUND

- ✖ CG notified 10 ICDS vide notification no. 32 of 2015 dated 31st March 2015 which were applicable from AY 2016-17 onwards
- ✖ Due to various issues & representations referred to Expert committee & deferred by 1 year (6.07.2016).
- ✖ CBDT rescinded the old ICDS through notification no. 86/2016 dated 29th September 2016 and issued revised ICDS vide notification no. 87/2016 and amended Tax Audit Form 3CD.
- ✖ Also issued FAQs dated 25th March 2017
- ✖ Draft ICDS on Real Estate Transaction released for suggestion - 11.05.2017

BASICS

Source

- Section 145(2)

Effective Date

- w.e.f. AY 2017-18

No. of Standards

- 10 vide Not. Dt. 29.09.2016

Disclosure

- Para 13 of Form 3CD & ITR

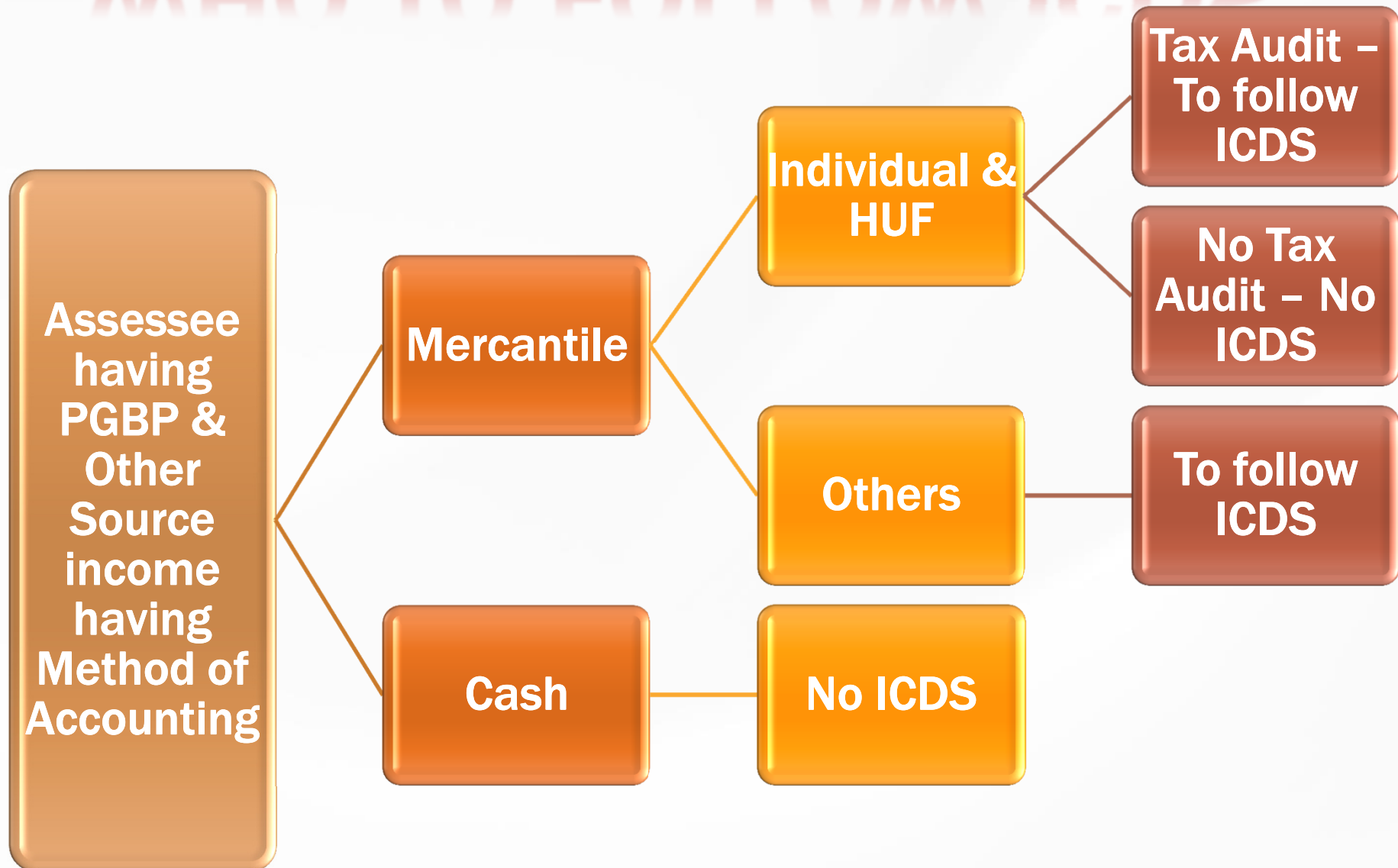
DHC

- The Chamber of Tax Consultants & Anr vs. UOI

I T Act

- Amendment made through FA 2018 w.r.e.f AY 2017-18

WHO TO FOLLOW ICDS



CORRESPONDING AS / IND AS

ICD S	Name of ICDS	Correspondi ng AS	Corresponding Ind AS
I	Accounting Policies	1 & 5	1 & 8
II	Valuation of Inventories	2	2
III	Construction Contracts	7	115
IV	Revenue Recognition	9	115
V	Tangible Fixed Assets	10	16
VI	Changes in Foreign Exchange Rates	11	21
VII	Government Grants	12	20
VIII	Securities	13	109
IX	Borrowing Costs	16	23
X	Provisions, Contingent Liabilities & Contingent Assets	29	37

BASICS

- ✗ It's for income computation only and NOT for books maintenance
- ✗ Is separate books to be maintained?
- ✗ ICAI standards amended – Examples removed
- ✗ Would it impact incomes u/s 44AD, 44AE, etc?
- ✗ FAQ - Applicable on partnership firm u/s 44AD ...wherever possible – example construction contracts, revenue recognition??
- ✗ No ICDS details in ITR 1, 2 & 4
- ✗ Draft ICDS on Real Estate Transactions – 11.5.17

BASICS

- ✗ Would it impact MAT / AMT??
- ✗ ICDS not to apply on MAT but applicable on AMT – Q 6 FAQ
- ✗ Take care of AS 22
- ✗ What if assessee has no business income but only income from other sources?
- ✗ What if has one business on mercantile basis and other on cash ?
- ✗ Disclosure requirements

STRUCTURE



PREAMBLE

- 1. This Income Computation and Disclosure Standard is applicable for computation of income chargeable under the head "Profits and gains of business or profession" or "Income from other sources" and not for the purpose of maintenance of books of account.**
- 2. In the case of conflict between the provisions of the Income-tax Act, 1961 ('the Act') and this Income Computation and Disclosure Standard, the provisions of the Act shall prevail to that extent.**

FINANCE ACT 2018

- ✖ Various provisions amended w.r.e.f. AY 2017-18
- ✖ S. 145A - amended
 - + ICDS 2 (Valuation of Inventories of goods)
 - + ICDS 4 (Valuation of Inventories of services)
 - + ICDS 8 (Securities)
- ✖ S. 145B - inserted
 - + ICDS 4 (Revenue Recognition)
 - + ICDS 7 (Government Grants)
- ✖ S. 36(xvii) inserted – Mark to Market Loss – ICDS1
- ✖ S. 40A amended - ICDS 1 (Accounting Policies)

FINANCE ACT 2018

- ✖ S. 43AA inserted -ICDS 6(Foreign Exchange Rate)
- ✖ S. 43CB inserted -ICDS 3 (Cons. Cont.) / ICDS 4

FORM 3CD – CLAUSE - 13

- ✗ (a) Method of accounting employed in previous year – Mercantile / cash
- ✗ (b) Change in method of accounting applied
- ✗ (c) If, yes, effect thereof on profit / loss
- ✗ (Old d) Deviation in method of accounting from accounting standards prescribed u/s 145 and effect thereof on P/L
- ✗ ICDS reporting brought in w.e.f. 1.4.2017

FORM 3CD – CLAUSE - 13

- ✗ (d) – Whether any adjustment is required to be made to the profits or loss for complying with the ICDS notified u/s 145(2)
- ✗ (e) – Is, yes, give details
- ✗ (f) – Disclosure as per ICDS
 - + For 8 standards
 - + Two omitted as no disclosure required as per the standard:
 - ✗ Changes in Foreign Exchange Rates
 - ✗ Securities

FORM 3CD – CLAUSE – 13(E)

ICDS	Name of ICDS	Increase in Profit	Decrease in Profit	Net (Rs.)	Description
I	Accounting Policies	14 Ch			
II	Valuation of Inventories				
III	Construction Contracts				
IV	Revenue Recognition				
V	Tangible Fixed Assets				
VI	Changes in Foreign Exchange Rates				
VII	Government Grants				
VIII	Securities				
IX	Borrowing Costs				
X	Provisions, Contingent Liab & Assets				
	Total				

FORM 3CD – CLAUSE – 13(F)

ICDS	Name of ICDS	Disclosures	Descrip.
I	Accounting Policies	500 Character	
II	Valuation of Inventories		
III	Construction Contracts		
IV	Revenue Recognition		
V	Tangible Fixed Assets		
VII	Government Grants		
IX	Borrowing Costs		
X	Provisions, Contingent Liab & Assets		

Schedule ICDS Effect of Income Computation Disclosure Standards on profit		
Sl. No.	ICDS	Amount
(i)	(ii)	(iii)
I	Accounting Policies	
II	Valuation of Inventories <i>(other than the effect of change in method of valuation u/s 145A, if the same is separately reported at col. 4d or 4e of Part A-OI)</i>	
III	Construction Contracts	200000
IV	Revenue Recognition	300000
V	Tangible Fixed Assets	
VI	Changes in Foreign Exchange Rates	
VII	Government Grants	
VIII	Securities <i>(other than the effect of change in method of valuation u/s 145A, if the same is separately reported at col. 4d or 4e of Part A-OI)</i>	
IX	Borrowing Costs	5000
X	Provisions, Contingent Liabilities and Contingent Assets	
11a	Total Effect of ICDS adjustments on Profits (I+II+III+IV+V+VI+VII+VIII+IX+X) (If Positive)	505000
11b	Total Effect of ICDS adjustments on Profits (I+II+III+IV+V+VI+VII+VIII+IX+X) (If Negative)	

ITR – PART A - OI

- ✖ **3a - Increase in Profit or decrease in loss because of deviation, if any as per ICDS notified u/s 145(2) [Column 11a(iii) of Schedule ICDS]**
- ✖ **3b - Decrease in Profit or Increase in loss because of deviation, if any as per ICDS notified u/s 145(2) [Column 11b(iii) of Schedule ICDS]**

ITR – SCHEDULE BP

- ✖ **25. Increase in Profit or decrease in loss on account of ICDS adjustments and deviation in method of valuation of stock (Column 3a + 4d of Part A OI)**
- ✖ **33. Decrease in Profit or Increase in loss on account of ICDS adjustments and deviation in method of valuation of stock (Column 3b + 4e of Part A OI)**

ACCOUNTING POLICIES

If books / FS as
per AS / Ind AS



Effect and
disclosure in
Form 3CD

If books / FS
as per ICDS

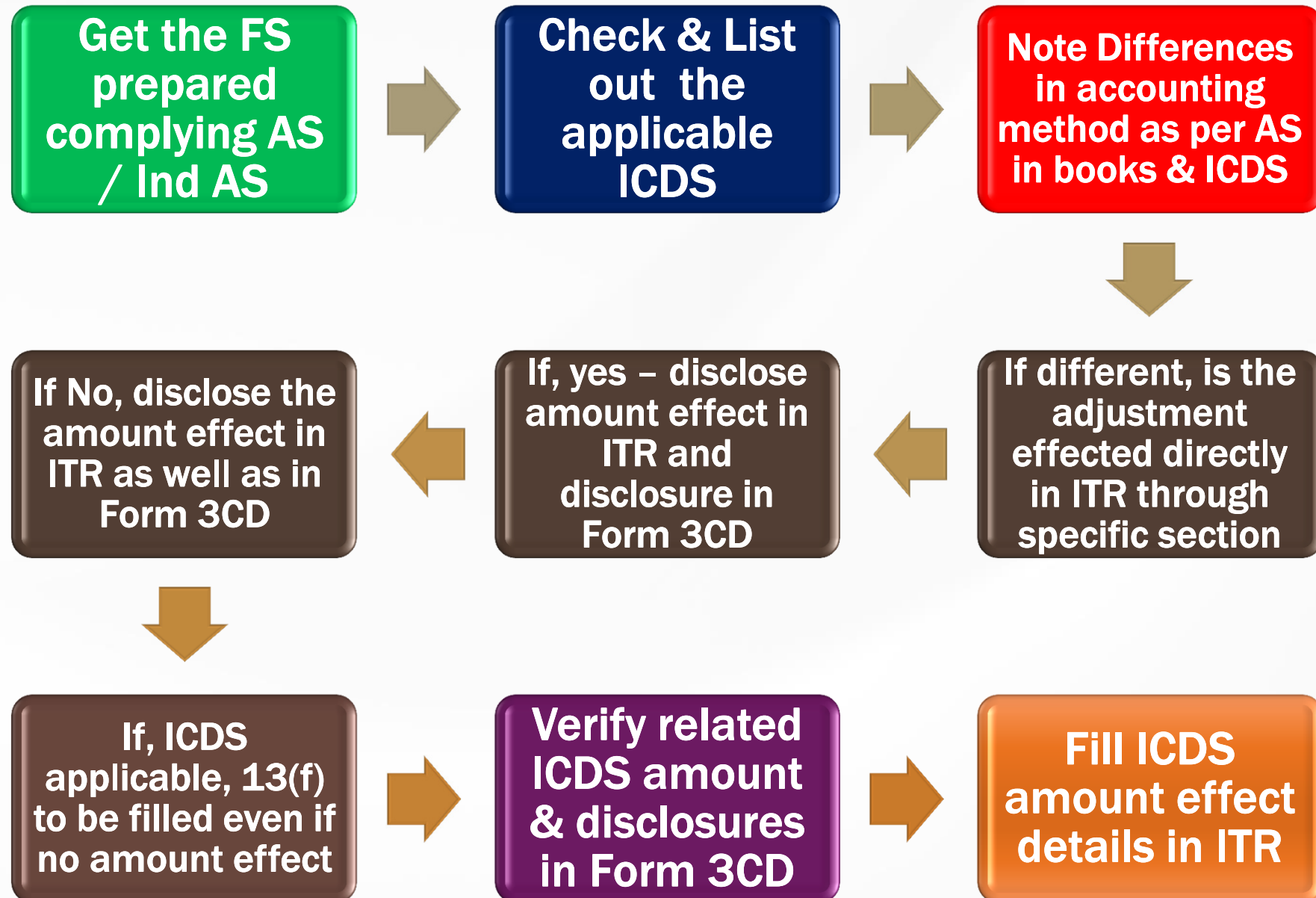


Qualify in
Audit Report



Disclosure in
Form 3CD

WHAT TO DO – PRACTICAL APPROACH



WHAT IF ICDS NOT FOLLOWED

- ✖ Section 145(3) - AO has the power to make best judgment assessment u/s. 144 if he is not satisfied about the :-
 - + Correctness or completeness of the accounts of the assessee ; or
 - + Method of accounting is not regularly followed ;or
 - + **Income not computed as per ICDS**
- ✖ Hence ICDS has to be mandatorily followed or else best judgment assessment can be done by Assessing Officer.

CBDT FAQs DT. 25TH MARCH 2017

- ✖ **Total 25 FAQs**
- ✖ **ICDS to apply on Ind AS FS too**
- ✖ **Applicable to all including bank etc unless specified – like ICDS VIII (securities) for certain financial institutions & ICDS I for Insurance business**
- ✖ **No specific ICDS yet for real estate developers & BOT projects and leases. Normal Act & ICDS applicable**

CBDT FAQs DT. 25TH MARCH 2017

✗ For Derivative contracts :

**+ Forward contracts and similar - ICDS VI
[Foreign Exchange] subject to para 3 of ICDS
VIII [securities]**

+ For others ICDS I

✗ Disclosure where to be made – Q 25

+ Net effect of ICDS to be disclosed in ITR

+ Form 3CD

**+ No separate disclosures persons who are
not liable for tax audit**

I - ACCOUNTING POLICIES



ICDS I – ACCOUNTING POLICIES

- ✗ **No deduction of expected losses or marked to market loss unless as per other ICDS**
- ✗ **FAQ - Marked to Market loss or expected loss as well as Marked to Market gain or expected gain not to be recognised unless as per ICDS**

FINANCE ACT 2018

- ✖ **S. 36(xvii) inserted - deduction in respect of any marked to market loss or other expected loss shall be allowed, if computed in accordance with the ICDS**
- ✖ **Consequently S. 40A(13) inserted - all marked to market losses or other expected losses other than those which are allowed u/s 36 (xvii) shall be disallowed**

ICDS I – DISCLOSURES

- ✖ **All significant accounting policies**
- ✖ **Change in accounting policy which has material effect including amount to the extent ascertainable**
- ✖ **If change in accounting policy to have material effect in later years, then disclosure to be made:**
 - + **In year of adoption as well as**
 - + **In 1st year of material effect - not as per AS**
- ✖ **Disclosure or change in accounting policy cannot remedy a wrong or inappropriate treatment of item**
- ✖ **If fundamental accounting assumptions of going concern, consistency and accrual not followed.**

ICDS I – PRACTICAL IMPLICATIONS

- ✖ **Disclosure of all significant accounting policies in Clause 13 (f) of Form 3CD, wherever applicable:**
 - + Give complete
 - + Where similar may refer of policies in notes to FS
- ✖ **Disallowances or deductions to be disclosed in ICDS schedule in Form 3CD as well as ITR :**
 - + Marked to market loss / gain AND Expected losses / gain
 - + But these being now covered u/s 36(xvii) & 40A(13), disclosure only in Form 3CD. Amount in ITR
- ✖ **Take care of change in accounting policies having material effect in the year of effect too.**

FORM 3CD – CLAUSE – 13(E)

ICDS	Name of ICDS	Increase in Profit	Decrease in Profit	Net (Rs.)	Description
					Other than Marked to Market disclosure
	Total				

FORM 3CD – CLAUSE – 13(F)

ICDS	Name of ICDS	Disclosures
I	Accounting Policies	<ul style="list-style-type: none">• Refer significant accounting policies mentioned at Note No. _ to Financial Statements• Mark to Market Loss is to be disallowed u/s 40A, hence not adjusted in ICDS

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II – VALUATION OF INVENTORIES



ICDS II – VALUATION OF INVENTORIES

- ✖ **Inventory to be valued at cost or NRV whichever is lower.**
- ✖ **By-products, scrap or waste material are immaterial, they shall be measured at NRV and this value shall be deducted from the cost of the main product.**
- ✖ **Cost of inventories to include:**
 - + **Cost of purchases;**
 - ✖ **Includes all duties & taxes . AS 2 excludes refundable from taxing authorities**

ICDS II – VALUATION OF INVENTORIES

- + Costs of services - Includes labour and other costs of personnel directly engaged in providing the service including supervisory personnel and attributable overheads**
- + Costs of conversion; and**
- + Other costs incurred in bringing the inventories to their present location and condition**

× Cost Formulae

- + Specific identification of cost**
- + FIFO**
- + Weighted Average**

ICDS II – VALUATION OF INVENTORIES

- ✖ **Techniques for measurement of cost:**
 - + **Standard Cost**
 - + **Retail method (An average percentage for each retail department is to be used)**
- ✖ **ICDS - Machinery spares, which can be used only in connection with a tangible fixed asset and their use is expected to be irregular, to be dealt with in accordance with the ICDS V (Tangible fixed assets)**
- ✖ **The New AS 10 PPE read with new AS 2 – FA if expected to be used for more than 12 months**

ICDS II – TAX DUTIES

- ✖ **AS**: The costs of purchase shall consist of purchase price including duties & taxes (**other than those subsequently recoverable by the enterprise from the taxing authorities**), freight inwards & other expenditure directly attributable to the acquisition. (Exclusive method).
- ✖ **ICDS**: The costs of purchase shall consist of purchase price including duties and taxes, freight inwards & other expenditure directly attributable to the acquisition. (Inclusive method)
- ✖ **Already u/s. 145A since 1.4.1999 amended now**

ICDS II – TAX DUTIES

- ✖ Assuming that the assessee has opening stock of Rs.3,30,000/- on which input tax rebate of Rs.30,000/- is available.
- ✖ During the year three items purchased @ Rs.3,00,000/- per item.
- ✖ VAT on purchase @ 10%. There is no opening stock.
- ✖ Two items are sold @ Rs.4,50,000/- per item. VAT on sales @ 10%

ICDS II – TAX DUTIES

The Trading Account on “EXCLUSIVE METHOD”

Particulars	Qty.	Rate	Amount	Particulars	Qty.	Rate	Amount
To Opening Stock	1	3,30,000	3,30,000	By Sales	2	4,50,000	9,00,000
Less Input tax rebate			30,000				
			3,00,000				
To Purchases	3	3,00,000	9,00,000	By Closing Stock	2	3,00,000	6,00,000
To Gross Profit			<u>3,00,000</u>				
Total			<u>15,00,000</u>				15,00,000

ADJUSTMENT U/S 145A

Sl. No.	Particulars	Increase in profit (Rs)	Decrease in profit (Rs)
1	Increase in Opening Stock on inclusion of VAT		30000
2	Increase in Purchases on inclusion of VAT		90000
3	Increase in Sales on inclusion of VAT	90000	
4	Increase in Closing Stock on inclusion of VAT	60000	
5	VAT paid on sales		90000
6	VAT credit availed on cost of goods sold	60000	
		210000	210000

The net impact on Profit & Loss Account is NIL.

COMPUTATION OF INCOME

Guidance Note on Tax Audit under Section 44AB of the Income-tax Act, 1961

The computation of total income would appear as under:-

Profit as per Profit & Loss account on the basis of exclusive method	Rs.3,00,000
Add: Adjustments required under section 145A	
1. Increase in Sales on inclusion of VAT	Rs. 90,000
2. Increase in Closing Stock on inclusion of VAT	Rs. 60,000
Total	Rs. 4,50,000
Less:	
1. Increase in Opening Stock on inclusion of VAT	Rs. 30,000
2. VAT Credit Receivables (Input) A/c	Rs. 90,000
3. VAT Paid on sales 90,000	
Less: VAT Credit availed on Cost of Goods Sold 60,000	
Net VAT Paid	<u>Rs.30,000</u>
Profit	Rs. <u>3,00,000</u>

ICDS II – PARTNERSHIP FIRMS

- ✖ In case of dissolution of a partnership firm or AOP / BOI, notwithstanding whether business is discontinued or not, the inventory on the date of dissolution shall be valued at the NRV.
- ✖ Judicial Precedents:
 - + At prevailing market price while preparing a/cs if the business of firm is discontinued- *A.L.A. Firm v. CIT [1991] 55 Taxman 497(SC)*
 - + Business continued without any interruption after death - closing stock was to be valued at cost or MP, whichever was lower, & not at market value -*Sakthi Trading Co. v. CIT [2001] 118 Taxman 301 (SC)*

FINANCE ACT 2018 – S. 145A

- ✖ Valuation of inventory shall be made at lower of actual cost or NRV in accordance with ICDS notified u/s 145(2)
- ✖ Valuation of purchase and sale of goods or **services** and of inventory shall be adjusted to include the amount of any tax, duty, cess or fee actually paid or incurred by the assessee to bring the goods or **services** to the place of its location and condition as on the date of valuation.

ICDS II – VALUATION OF INVENTORIES

- ✖ **No Interest /borrowing cost unless as per ICDS IX**
 - + **Where inventories require a period of 12 months or more to bring them to a saleable condition**
- ✖ **Value of the inventory as on beginning of PY shall be:**
 - + **Cost of inventory available, if any, on day of commencement of business when the business has commenced during the PY;**
 - + **Value of the inventory as on the close of the immediately preceding PY, in any other case.**

ICDS II – DISCLOSURES

- ✖ Accounting policies adopted in measuring inventories including the cost formulae used. Where Standard Costing has been used as a measurement of cost, details of such inventories and a confirmation of the fact that standard cost approximates the actual cost;
- ✖ The total carrying amount of inventories and its classification appropriate to a person.
- ✖ AS – same as above except underlined content

ICDS II – PRACTICAL IMPLICATION

✗ Disclosures

- + Same as per AS 2, but if standard cost used..
State whether it approximates the actual cost**
- + Carrying amount??**
- ✗ If there is change in method of valuation of
inventory its change in accounting policy...
follow AS 1 disclosure**
- ✗ Take care at time of dissolution of partnership
firm**

ICDS II – PRACTICAL IMPLICATION

- ✖ **Disclosure for not following inclusive method of valuation of inventory – non-compliance of s. 145A**
 - + **Already reporting at S. No. 14(b) of Form 3CD– refer Para 23 of ICAI Tax Audit Guidance Note (After GST – refer Paras 23.18 to 23.24)**
 - + **ITR for AY 2018-19 says to disclose other than 145A?? Form 3CD??**
- ✖ **Borrowing costs for inventories only if they require a period of 12 months or more to bring them to a saleable condition**

FORM 3CD – CLAUSE – 13(E)

ICD S	Name of ICDS	Increase in Profit	Decrease in Profit	Net (Rs.)	Description
					Other than 145A disclosure
	Total				

FORM 3CD – CLAUSE – 13(F)

ICDS	Name of ICDS	Disclosures
II	Valuation of Inventories	<ul style="list-style-type: none">• Refer to Note No. _ (SAP) to Financial Statements• For carrying amount & classification refer Note No. _ to Balance Sheet• Inventories are not inclusive of duties and taxes, yet there is no effect on profits u/s 145A, refer to clause 14(b) of Form 3CD• Difference over cost to NRV in case of dissolution of firm is to be disclosed u/s 145A, hence not disclosed in ICDS.• Assessee is following Standard Costing as a measurement of cost, and that approximates the actual cost

V – TANGIBLE FIXED ASSETS



ICDS V – TANGIBLE FIXED ASSETS

- ✗ **Time upto which to be capitalized:**
 - + **Expenditure incurred on start-up and commissioning of the project, including the expenditure incurred on test runs and experimental production, shall be capitalised. AS 10- Initial cost to include testing costs**
 - + **Expenditure incurred after the plant has begun commercial production, that is, production intended for sale or captive consumption, shall be treated as revenue expenditure.**
- ✗ **Exp. incurred till plant has begun commercial production intended for sale or captive consumption to be capitalised. FAQ – Q 15**

ICDS V – TANGIBLE FIXED ASSETS

- ✖ **AS 10 - Provides for recognizing & derecognizing costs of replacement of:**
 - ✖ **Parts (other than small parts)**
 - ✖ **Major inspection costs**
- ✖ **ICDS - An Expenditure that increases the future benefits from the existing asset beyond its previously assessed standard of performance is added to the actual cost**
- ✖ **If against shares – FV of asset acquired to be actual cost. In AS same but with various conditions**
- ✖ **Revaluation**
- ✖ **Depreciation as per IT Act**
- ✖ **Income on transfer as per IT Act**

ICDS V – DISCLOSURES – CLAUSE 18 FORM 3CD

- ✗ **Description of asset or block of assets;**
- ✗ **Rate of depreciation;**
- ✗ **Actual cost or WDV, as the case may be;**
- ✗ **Additions or deductions during the yr with dates; in the case of any addition of an asset, date put to use; including adjustments on account of—**
 - + **CENVAT credit claimed and allowed under CENVAT Credit Rules, 2004;**
 - + **Change in rate of exchange of currency;**
 - + **Subsidy or grant or reimbursement, by whatever name called;**
- ✗ **Depreciation Allowable; and**
- ✗ **Written down value at the end of year.**

ICDS V – PRACTICAL IMPLICATIONS

- ✖ **Disclosure - Clause 18 of Form 3CD. Mention same in description as well as disclosure**
- ✖ **If cost varies due to borrowing costs, what to do...? No specific column in Para 18. Addition would tally with FS too?**
 - + Add in actual cost in Para 18 and give details in additions
- ✖ **Would Depreciation adjustment for companies etc to be disclosed in ICDS?**
- ✖ **Would gain / loss on sale of asset be disclosed in ICDS?**
- ✖ **Machinery Spares / Stand by equipments, etc**

FORM 3CD – CLAUSE – 13(E)

ICDS	Name of ICDS	Increase in Profit	Decrease in Profit	Net (Rs.)	Description
V	Tangible Fixed Assets		5000	-5000	<ul style="list-style-type: none"> Profit on sale of assets 5000 taken on block of asset method
	Total			-10000	

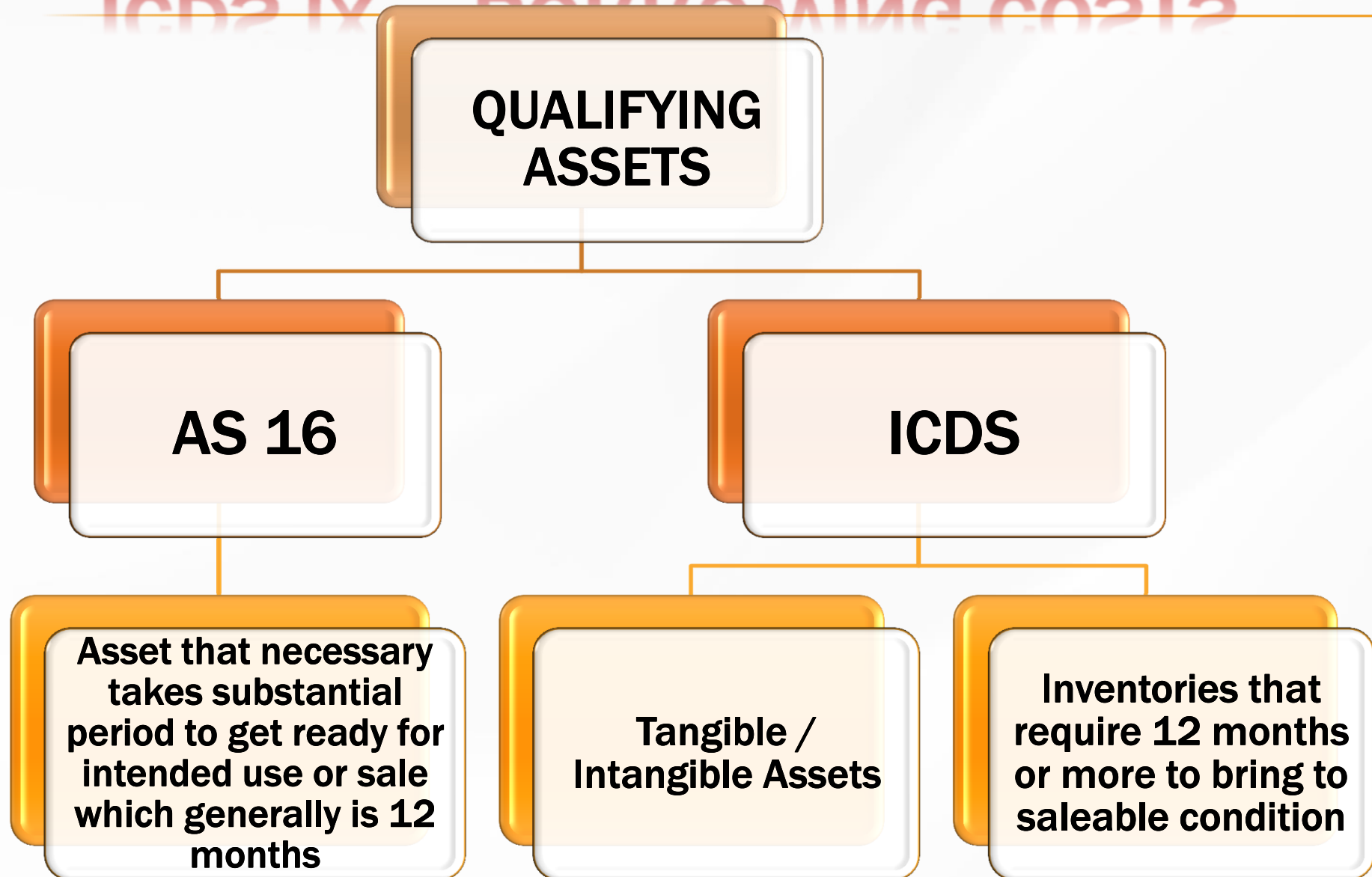
FORM 3CD – CLAUSE – 13(F)

ICDS	Name of ICDS	Disclosures
V	Tangible Fixed Assets	<ul style="list-style-type: none">• For Disclosures Refer to the clause 18 of Form 3CD• (In case of Companies) Depreciation effect due to change in rates as per books and IT Act is to be taken as per s. 32 in computation of income hence not disclosed in ICDS

IX – BORROWING COSTS



ICDS IX – BORROWING COSTS



ICDS IX – BORROWING COSTS

- × **Capitalization:**

- + **Specific Borrowing**
- + **General Borrowing**

- × **Specific Borrowing:**

- + **Actual borrowing costs incurred during period on funds so borrowed from the date funds borrowed**

ICDS IX – BORROWING COSTS

- ✗ Other than specific borrowing:
 - + Capitalization of general borrowing costs as per para 6 of ICDS IX formula to be done on asset-by-asset basis. FAQ – Q 22
- ✗ Formulae Based
 - + $A \times B / C$
 - + A = borrowing costs incurred except on specific borrowings

ICDS IX – BORROWING COSTS

- + B = (excluding directly funded by specific borrowing)
 - ✗ average of costs of qualifying asset as appearing in B/S of a person on 1st day & last day of PY;
 - ✗ in case the qualifying asset does not appear in the B/S of a person on 1st day, half of the cost of qualifying asset; or
 - ✗ in case the qualifying asset does not appear in the B/S of a person on last day of PY, average of costs of qualifying asset as appearing in B/S of a person on 1st day of PY and on date of put to use or completion, as case may be
- + C = average of amount of total assets as appearing in B/S of a person on 1st day & last day of PY, other than assets to the extent they are directly funded out of specific borrowings
- ✗ For this formulae qualifying asset - if it requires 12 months or more for acquisition or construction or production)
- ✗ If less than 12 months... no capitalization?

ICDS IX – CESSATION

- ✖ Cessation of borrowing costs: -
 - + In case of tangible fixed asset and intangible asset when **first put to use**; and
 - + In case of inventory when substantial activities necessary to prepare such inventory for its intended sale are complete
- ✖ ICDS - silent on suspension of capitalization during extended periods in which active development is interrupted.

ICDS IX – CESSATION

- ✖ ICDS – 1st put to use
- ✖ AS 16 – Cessation when substantially all the activities necessary to prepare the qualifying asset for its **intended use** or sale are complete, i.e. when the asset is **ready to be put to use**
- ✖ Difference between ready to be put to use and put to use is important...
- ✖ Loan for vehicle. Interest between loan taken and vehicle on road... capitalise

ICDS IX – S. 36(1)(III)

- ✖ Finance Act, 2015 already amended Proviso to Section 36(i)(iii) that the interest expenses incurred for acquisition of capital asset upto put to use shall not be deductible.
- ✖ Provided that any amount of the interest paid, in respect of capital borrowed for acquisition of **an asset** ~~for the [extension of existing business or profession]~~ (whether capitalized in the books of accounts or not), for any period beginning from the date on which the capital was borrowed for acquisition of the assets till the date on which **such asset was first put to use**, shall not be allowed as deduction.

ICDS IX – BORROWING COSTS

- ✖ **AS 16 – Income earned on temporary investment of borrowings is to be deducted from borrowing costs.**
 - + **No similar provision in ICDS?**
 - + **Would be taxed as income**

ICDS IX – DISCLOSURE

- ✖ **Accounting policy adopted for borrowing costs**
- ✖ **Amount of borrowing costs capitalised during the previous year.**
- ✖ **AS - Similar**

ICDS IX – PRACTICAL IMPLICATIONS

- ✖ **Disclosure ... same as per AS**
- ✖ **Capitalize Interest if charged to revenue:**
 - + **For Qualifying assets as per AS as well as ICDS**
 - ✖ **From date of ready to be put to use and put to use**
 - + **For Qualifying asset as per ICDS but not a Qualifying assets as per AS:**
 - ✖ **Interest charged to revenue as per books to be capitalized upto the date of put of use including for loan taken for vehicles from date of loan taken till put on road**

ICDS IX – PRACTICAL IMPLICATIONS

- ✗ **Exchange differences arising from foreign currency borrowings to the extent .. interest cost**
 - + **In books revenue**
 - + **In computation**
 - ✗ **If related to s. 43A – capitalize**
 - ✗ **If related to revenue – not borrowing but exchange difference**

FORM 3CD – CLAUSE – 13(E)

ICDS	Name of ICDS	Increase in Profit	Decrease in Profit	Net (Rs.)	Description
IX	Borrowing Costs	10000		10000	<ul style="list-style-type: none"> • Qualifying assets as per AS & ICDS – intt from date of ready for use to date of put to use - 2000 • Qualifying assets as per ICDS but not as per AS upto put to use -3000 • Exchange Fluctuation loss being borrowing cost as per AS 16 - 5000
	Total			10000	

FORM 3CD – CLAUSE – 13(F)

ICDS	Name of ICDS	Disclosures
IX	Borrowing Costs	<ul style="list-style-type: none">Refer to the significant accounting policies mentioned at Note No. _ to the Financial Statements

TAKE CARE

**Certificate of ICDS is
through Form 3CD**



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The screenshot displays the homepage of ExpertsPanel.in. At the top, a dark navigation bar contains the site logo, a search bar, and links for Questions, Unanswered, Categories, Experts, Ask a Question, and Tagged Question. Below this is a banner with the text 'A Place to Share Knowledge for and by Professionals in Law, Tax, Accounts, Finance' and an image of hands working on a laptop. A secondary navigation bar offers links for Recent Questions, Articles, Presentations, Videos, and Notifications. The main content area is divided into three sections: a left sidebar with 'All Categories' (Audit & Assurance and Accounting Standards (51), Bank / Insurance / Stock / Debtors Audit (39), Corporate Matters/LLP (167), Goods and Services Tax (GST) (719), and Income Tax), a central 'Recent Questions' section, and a right sidebar with a 'Have a written opinion?' button and an 'Ask a question:' form. The 'Recent Questions' section lists two queries about 'buyback of shares' by Suresh Kumar Goyal, CA, Punjabi Bagh. The first query has 0 answers and 6 views. The second query has 1 answer by CA PRAMOD JAIN and 11 views.

ExpertsPanel.in

Questions

Questions Unanswered Categories Experts Ask a Question Tagged Question

A Place to Share Knowledge
for and by Professionals in Law, Tax, Accounts, Finance

Recent Questions Articles Presentations Videos Notifications

All Categories

- Audit & Assurance and Accounting Standards (51)
- Bank / Insurance / Stock / Debtors Audit (39)
- Corporate Matters/LLP (167)
- Goods and Services Tax (GST) (719)
- Income Tax

Recent Questions

Question added **4 hours** ago **Income Tax** By **Suresh Kumar Goyal, CA, Punjabi Bagh**

0 answers
6 views

Q. buyback of shares

Question added **5 hours** ago **Income Tax** By **Suresh Kumar Goyal, CA, Punjabi Bagh**

1 answer
11 views

Q. Buy back of shares
Answered By **CA PRAMOD JAIN**

Have a written opinion?

Ask a question:

Next

Concept by
CA Pramod Jain

**This Presentation would be available
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THANK YOU



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