

Draft Disclosures of ICDS as compiled by CA Nitin Kanwar

SN	ICDS	Disclosure
1	ICDS I-Accounting Policies	<p>1. The significant accounting policies adopted and followed by the assessee are disclosed as per Schedule attached with the financial statements.</p> <p>2. There is no change in Accounting Policy which has material effect on the Financial Statements</p> <p style="text-align: center;">OR</p> <p>2. There is change in Accounting Policy which is as follows ----- (mention that policy) It has a material effect of Rs. _____ in the financial statements</p> <p>3. Following fundamental accounting assumptions is not followed, Please Note: This point to be reported in case any of the fundamental accounting assumptions is not followed. for Example:-</p> <p>i) Going Concern: Where there is question on the same and the same has to be reported in Audit Report under Co's Act as well</p> <p>ii) Accrual: Where the accrual as per Section 5 of Income Tax Act has been followed. The same has to be reported.</p>
2	ICDS II-Valuation of Inventories	<p>1. The accounting policies adopted in measuring inventories including cost formula used is disclosed as per schedules attached to the financial statements.</p> <p>2. The total carrying amount of inventories and its classification is disclosed as per annexure 35a of the Tax Audit Report.</p> <p style="text-align: center;">OR</p> <p>1 Private Limited is engaged in Software Development Business and the company has no inventory; Henceforth this ICDS is not applicable, accordingly disclosure requirement is not applicable (Where there is no inventory)</p>
3.	ICDS III-Construction Contracts	<p>1. Since assessee is not engaged in the activities of construction contracts, hence this ICDS is not applicable to assessee and consequently no disclosure is required under ICDS-III</p> <p style="text-align: center;">OR</p> <p>1. The assessee is engaged in the activities of construction activities and the amount of Rs. _____ as contract revenue has been recognised during the year & the same has been recognized as per Percentage Completion Method.</p> <p>2. In context of Contract in progress at reporting date:</p> <p>a) amount of Rs. _____, as cost incurred and recognized profits (less recognized losses) upto the reporting date</p> <p>b) the amount of Rs. _____, as advances received; and</p> <p>c) the amount of Rs. _____, as retentions.</p>

4.	ICDS IV-Revenue Recognition	<p>(1) There is no amount in respect of a transaction involving sale of goods which has not been recognized as revenue during the previous year due to lack of reasonable certainty of its ultimate collection.</p> <p>(2) Since firm has not undertaken any service transactions, thus there is no disclosure required under para 13(b), 13(c) and 13(d) of ICDS-IV.</p> <p style="text-align: center;">OR</p> <p>(2) The firm has undertaken any service transactions, the amount of Rs._____as revenue from Service transaction recognized during the year.</p> <p>a) Revenue on Service Contracts for less than 90 days has been recognized as per Project Completion Method</p> <p>b) Revenue on Service Contracts, which are indeterminate no of acts for a particular period, has been recognized as per Straight Line Method</p> <p>c) Revenue on Service Contracts, item than (a) & (b) stated above has been recognized as per Percentage Completion Method.</p> <p>d) Service Transaction in progress at the end of previous year:</p> <p>i) amount of Rs_____costs incurred and recognized profits (less recognized losses) upto end of previous year.</p> <p>ii) the amount of Rs._____, as advances received; and</p> <p>iii) The amount of Rs._____, as retentions.</p>
5	ICDS V-Tangible Fixed Assets	<p>(a) The description of the block of assets, rate of depreciation, actual cost or written down value, depreciation allowable and written down value at the end of the year in respect of the tangible fixed assets are stated as per point/clause No. 18 to this form 3CD.</p> <p>(b) Additions or deductions during the year with dates, in case of any addition of an asset, date put to use including adjustments on account of CENVAT claimed, change in rate of currency and subsidy or grant or reimbursement, are stated as per schedule 8 of annexed financial statements and as per Addition Details (From Point No. 18) to this form 3CD.</p>
6	ICDS VII-Governments Grants	<p>1. The assessee has not received any government grant during the previous year, thus there is no disclosure required under ICDS- VII.</p> <p style="text-align: center;">OR</p> <p>1. Where there is Government Grants is received:</p> <p>a) nature and extent of Government Grants recognized during the previous year by way of deduction from the actual cost of the asset or assets or from the written down value of block of assets during the previous year;</p> <p>b) nature and extent of Government Grants recognized during the previous year as income;</p> <p>c) nature and extent of Government Grants not recognized during the previous year by way of deduction from the actual cost of the asset or assets or from the written down value of block of assets and the reason thereof; and</p> <p>d) nature and extent of Government Grants not recognized during te previous year as income and reason thereof.</p>

7	ICDS IX Borrowing Costs	<p>(a) The accounting policies adopted for borrowing costs is disclosed as per Schedule attached with the financial statements.</p> <p>(b) The assessee is not carrying any inventory that require a period of 12 months or more to bring them to a saleable condition hence no borrowing costs has been accounted for in the costs of inventory.</p> <p>(c) The assessee is not required to capitalize any borrowing costs during the previous year.</p> <p style="text-align: center;">OR</p> <p>(c) The assessee has capitalized amount of Rs. as borrowing cost during the year.</p>
8	ICDS X-Provisions, Contingent Liabilities and Contingent Assets	<p>(a) Since no Contingent Liabilities have been recognized and disclosures are required in terms of the para 21(1) of ICDS-X.</p> <p>(b) The provisions is disclosed as per Note No. 9 to the annexed audited financial statements. The contingent asset has not been recognized and no disclosures are required in terms of the paragraph 21(2) to the ICDS –X.</p>

*** the paragraphs in red is to be disclosed only if it is applicable**

Compiled by

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