

# ICDS Master Disclosures – Clause 13 (f) of Form 3CD

## Tax Audit Requirements



### I. Accounting Policies

All significant accounting policies adopted are disclosed in the notes to the attached financial statements.

### II. Inventories



#### Option 1

a. Inventories are valued at lower of Cost and Net Realizable Value. The cost has been measured at **FIFO / Weighted average basis** and includes cost of purchase, cost of services, cost of conversion and other costs incurred in bringing them into their present location and condition. Also refer **clause 14 (b)** to Form 3CD

The inventories has been valued using standard costing technique as a measurement of cost and it approximates the actual cost

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## Clause 14(b) of Form 3CD

Deviation in method of valuation of closing stock in respect of VAT / CENVAT from that specified u/s. 145A –

Stock is valued at cost or NRV whichever is lower, **excluding** taxes, duty etc. which are subsequently recoverable. Closing Stock represents unsold purchases, since purchases have been recorded **exclusive** of tax, duty etc., cancellation through closing stock valuation is done on same basis. As there will be no impact on P/L chargeable to tax.

Further, this treatment is supported by under mentioned decisions that inclusive method of stock is **revenue neutral**:

- i. Berger Paints India Ltd. Vs. CIT 187 CTR (SC) 93.
- ii. CIT Vs. Indo Nippon Chemicals Ltd. 261 ITR 275 (SC)

### Option 2

- b. The total carrying amount of inventories and its appropriate classification is provided in attached financial statements. Also refer **clause 14 (a) and clause 14 (b) to Form 3CD**

(\* ) The total carrying amount of Inventories is as under:

Particulars	Amount ( in ₹ )
Raw Material	XXX
WIP	XXX
Finished Goods	XXX
Stock in trade	XXX
<b>Total</b>	<b>XXX</b>

(\* ) – Need to be given if detailed break is not provided in Notes / Schedules

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## III. Construction Contract

a. The total amount of Contract revenue recognized during the year is provided in attached Financial Statements / Rs.

\_\_\_\_\_

b. The assessee has **used** the **proportion** that contract costs incurred for work performed bears to estimated total contract costs / surveys of work performed / completion of a physical proportion of the contract work done to determine the stage of completion of contracts in progress



c. Disclosure for **contract work in progress**

i. The total amount of contract cost incurred upto 31st March 2017 is Rs.

\_\_\_\_\_

ii. The total amount of profits recognized upto 31st March 2017 is Rs.

\_\_\_\_\_

iii. The total amount of advance received as on 31st March 2017 is Rs.

\_\_\_\_\_

iv. The total amount of retention as on 31st March 2017 is Rs.

\_\_\_\_\_

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## IV. Revenue Recognition



- a. Amount of Rs. \_\_\_\_\_ is **not** recognized as revenue during FY 2016-17 as the work has been suspended due to legal hurdles (or any other nature of uncertainty) and there is lack of reasonable certainty of its ultimate collection.
  
- b. The total amount of revenue from **service transactions** is recognized during the year is provided in attached Financial Statements / Rs. \_\_\_\_\_.
  
- c. The assessee has used the proportion that "costs incurred for service provided bears to estimated total costs / surveys of work performed / completion of a physical proportion of the contract work done to determine the stage of completion of service transaction in progress
  
- d. Disclosure for **service transaction in progress**
  - i. The total amount of cost incurred upto 31st March 2017 is Rs. \_\_\_\_\_
  - ii. The total amount of profits recognized upto 31st March 2017 is Rs. \_\_\_\_\_
  - iii. The total amount of advance received as on 31st March 2017 is Rs. \_\_\_\_\_
  - iv. The total amount of retention as on 31st March 2017 is Rs. \_\_\_\_\_

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## V. Tangible Fixed Assets

Disclosures as per ICDS V have been made against Clause No. 18 of Form 3CD



## VI. Forex



No disclosure required under ICDS

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## VII. Government Grants

a. Government Grant (explain nature) of Rs. \_\_\_\_\_ has been received, which is reduced from the value of fixed asset / recognized as income during PY / accounted as part of reserves and surplus and offered to tax.



b. Government Grant of Rs. \_\_\_\_\_ has been received, which is not reduced from the value of fixed asset / **not** recognized as income during PY as the conditions mentioned therein may not be satisfied. [or explain any other reason]

## VIII. Securities



No disclosure required under ICDS

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## IX. Borrowing Cost

a. Borrowing costs that are attributable to the acquisition or construction of a Qualifying asset (as defined in ICDS IX) are capitalized as a part of cost of such asset till such time as the asset is **first put to use / when**



**substantially all the activities necessary to prepare such inventory for its intended sale are complete.** All other borrowing costs are charged to Statement of Profit or Loss.

"Qualifying Asset" means:

- ✓ Land, Building, Machinery, Plant or Furniture, being tangible assets.,
- ✓ Know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature, being intangible assets.
- ✓ Inventories that require a period of 12 months or more to bring them to a saleable condition

b. The total amount of borrowing cost capitalized during the year is

Particulars	For the year ended 31 <sup>st</sup> March, 2017 (₹)
• As Fixed Assets / Intangible assets / Capital WIP	XXX
• As Inventory	XXX
	XXX

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## X. Provisions and contingent liabilities



a. Details in respect of each class of provisions, are given as below:

(amount in ₹)

Description of the nature of obligation	As at 1 April, 2016	Additions	Utilizations	Reversal (withdrawal as no longer required)	Expected Reimbursement (asset recognized for that expected reimbursement)	As at 31 March, 2017
1.	Xxx	Xxx	Xxx	Xxx	Xxx	Xxx
2.						
<b>Total</b>	Xxx	Xxx	Xxx	Xxx	Xxx	Xxx



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b. Details in respect of each class of asset, are given as below:

(amount in ₹)

Description of the nature of Asset & Related Income	As at 1 April, 2016	Additions	Reversal (withdrawal as no longer required)	As at 31 March, 2017
	Xxx	Xxx	Xxx	Xxx
Total	Xxx	Xxx	Xxx	Xxx

### XI. General Notes

If a particular Income Computation and Disclosure standard is not applicable then the disclosure box in Form 3CD to be stated as – Not Applicable

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## Beautiful Story

a little boy went to a telephone booth which was at the cash counter of a store and dialed a number.

The store-owner observed and listened to the conversation:



Boy: "Lady, can you give me the job of cutting your lawn?"

Women: (at the other end of the phone line) "I already have someone to cut my lawn. "

Boy: "Lady, I will cut your lawn for half price than the person who cuts your lawn now."

Women: I'm very satisfied with the person who is presently cutting my lawn.

Boy: (with more perseverance) "Lady, I'll even sweep the floor and the stairs of your house for free.

Women: No, thank you.

With a smile on his face, the little boy replaced the receiver. The store-owner, who was listening to all this, walked over to the boy.

Store Owner: "Son... I like your attitude; I like that positive spirit and would like to offer you a job."

Boy: No Sir, I was just checking my performance at the job I already have. I am the one who is working for that lady I was talking to!"

**\*\*This is called self-Appraisal!\*\*** Give your best and the world comes to you !!!!!