

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4102
ANSWERED ON:20.03.2015
NEW TAX ACCOUNTING STANDARDS
Teacher Smt. P.K.Sreemathi

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has proposed new tax accounting standards related to income computation and disclosures by businesses to ensure consistency as well as clarity on taxation issue;
- (b) if so, the details thereof; and
- (c) the time by which the new system is likely to be implanted?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) & (b) Yes Madam. Sub-section (2) of section 145 of the Income-tax Act, 1961 (the Act) provides that the Central Government may notify Income Computation and Disclosure Standards for any class of assessee or for any class of income. The Central Board of Direct Taxes (CBDT) constituted a Committee comprising of departmental officers and professionals in December, 2010 to inter alia suggest standards for the purposes of notification under section 145 (2) of the Act. The Committee submitted its final report along with the draft of standards in August, 2012 which was placed in public domain for comments. The draft standards submitted by the Committee have been revised in view of the suggestions received from the stakeholders and examination by the CBDT. The drafts of 12 revised standards were placed in the public domain on 8th January, 2015 for inviting comments/suggestions from the stakeholders.

(c) The Income Computation and Disclosure Standards are likely to be implemented with effect from the 1st day of April, 2015, and shall accordingly apply to the assessment year 2016-17 and subsequent assessment years.