Income Computation and Disclosure Standards (ICDS)

Section 145 : **Method of Accounting**

Section 145(2) : The central govt. may notify in the official gazette from time to time computation and disclosure standards to be followed by any class of assessees in respect of any class of Income.

ICDS were notified twice 31.3.2015 and then 29.09.2016

The newly notified ICDSs have to be followed by all the assesses (other than an Individual or HUF who is not required to get his accounts of previous year audited in accordance with the provisions of Sec 44AB) following the mercantile system of accounting, for the purposes of computation of income chargeable to income tax under the head PGBP or Income from other sources from A.Y. 2017-18.

The ICDSs are not meant for maintenance of books of accounts but are to be followed for computation of income and disclosure of information.

In case of conflict between the provisions of income tax act, 1961 and the notified ICDSs, the provisions of Act shall prevail to that extent.

There are 10 ICDS:-
ICDS I : Accounting Policies (Similar to AS-1)
ICDS II : Valuation of Inventories (Similar to AS-2)
ICDS III : Construction contracts (Similar to AS-7)
ICDS IV : Revenue Recognition (Similar to AS-9)
ICDS V : Tangible Fixed Assets (Similar to Previous AS-10)
ICDS VI : The effect of changes in Foreign exchange rates (Similar to AS-11)
ICDS VII: Government Grants (Similar to AS-12)
ICDS VIII : Securities
ICDS IX : Borrowing cost (Similar to AS-16)
ICDS X : Provisions , Contingent liabilities and Contingent Assets
(Similar to AS-29)

ICDS I : ACCOUNTING POLICIES

Considerations in the selection of Accounting policies	• Accounting policies adopted by a person shall be such so as to represent a true and fair view of the state of affairs and income of the business or profession. • The treatment and presentation of the transactions and events shall be governed by their substance and not merely by the legal form. • Marked to market loss or an expected loss shall not be recognized unless the recognition of such loss is in accordance with the provisions of any other ICDS.
Change of Accounting policies	• An Accounting policy shall not be changed without any reasonable cause.
Disclosure of Accounting policies	• All significant accounting policies adopted by a person shall be disclosed. • Any change in an accounting policy which has a material effect shall be disclosed. The amount by which an item is affected by such change shall also be disclosed to the extent ascertainable. Where such amount is not ascertainable, wholly or in part, the fact shall be indicated. • If Fundamental accounting assumptions of Going concern, consistency and accrual are followed, specific disclosure is not required.
Transitional Provisions	• All contract or transactions existing on April 1, 2015 or entered into on or after April 1, 2015 shall be dealt with in accordance with the provisions of this standard after taking into account of income, expense or loss , if any recognized in respect of the said contract or transaction for the P.Y

	2014-15

ICDS II : VALUATION OF INVENTORIES

Scope	Valuation of all inventories are covered , except the following:- ➢ Work in progress under construction contracts. ➢ Work in progress covered by other standards. ➢ Share debentures and other financial instruments held as stock in trade. ➢ Producers inventories of livestock, agriculture and forest produce, mineral oils, ores and gases to the extent that they are measured at Net realizable value. ➢ Machinery spares, which can be used only in connection with a tangible fixed asset and their use is expected to be irregular.
Measurement	Inventories shall be valued at cost, or Net realizable value, whichever is lower.
Cost of Inventories, purchase, services	➢ Cost of Inventories shall comprise of all costs of purchase, cost of services, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. ➢ The cost of purchase shall consist of Purchase price including duties and taxes, freight inwards and other expenditures directly attributable to the acquisition. ➢ Trade discounts, rebates and other similar items shall be deducted in determining the cost of purchase. ➢ The cost of services shall consists of labour and other costs of personnel directly engaged in providing the service including supervisory and attributable overheads.
Other Costs	➢ Interest and other borrowing costs shall not be included in the cost of inventories, unless they meet the

	criteria for recognition of interest as a component of cost as specified in ICDS of borrowing costs
Exclusions from cost of inventories	➢ Abnormal amounts of wasted materials, labour or other production costs. ➢ Storage costs, unless these costs are necessary in production process prior to a further production stage; ➢ Administrative overheads that do not contribute to bringing the inventories to their present location and condition; ➢ Selling costs
First in first out or Weighted Avg cost formula or Standard Cost Method	➢ Cost of inventories shall be assigned by using FIFO or Weighted Avg. formula or Standard cost Method. The formula used shall reflect the fairest possible approximation to the costs incurred in brining the items of inventory to their present location and condition.
Change in Method	The method of valuation of inventories once adopted by a person in any previous year shall not be changed without reasonable cause.
Dissolution of firm/AOP	In case of dissolution, the inventory shall be valued at Net Realisable Value on date of dissolution.
Disclosure	➢ The accounting policies adopted in measuring inventories including cost formulae used;and ➢ The total carrying cost of inventories and its classification appropriate to a person. ➢ Disclosure to be made when standard cost method issued.
Transitional Provisions	Interest and other borrowing costs , which do not meet the criteria for recognition of interest as component of cost as per ICDS on borrowing cost, but included in the opening inventory as on 1.4.2015, shall be taken into account for determining cost of inventory for valuation as on March 31, 2016 if such inventory continue to remain part of inventory

	as on the close of previous year 2015-16.

ICDS III : Construction contracts

Contract revenue	Contract revenue shall be recognized where there is reasonable certainty of its ultimate collection. Contract revenue shall comprise of the initial amount of revenue agreed in the contract, including retentions and variations in the contract work, claims and incentive payments- - To the extent that it is probable that they will result in revenue; and - They are capable of being reliably measured.
Subsequent Adjustment	Where contract revenue already recognized as income is subsequently written off in the books of accounts as uncollectible, the same shall be recognized as an expense and not an adjustment of the amount of contract revenue.
Contract costs	Contract costs shall comprises of :- ➢ Costs that relate directly to the specific contract; ➢ Costs that are attributable to contract activity in general and can be allocated to the contract; ➢ Such other costs as are specifically chargeable to the customer under the terms of contract;and ➢ Allocated borrowing costs in accordance with ICDS on borrowing cost. These costs shall be reduced by any incidental income, not being in the nature of interest, dividends or capital gains that is not included in contract revenue.
Recognition of contract revenue and Expenses	➢ Contract revenue and contract costs associated with the construction contract should be recognized as revenue and expenses respectively by reference to the stage of completion of the contract to the final completion of the contract.

	➢ The recognition of revenue and expense by reference to the stage of completion of contract is referred to as the percentage of completion of method. Under this method, contract revenue is matched with the contract costs incurred in reaching stage of completion, resulting in the reporting of revenue, expense and profit which can be attributed to the proportion of work completed. ➢ The stage of completion of a contract shall be determined with reference to- - The proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs; or - Surveys of work performed ;or - Completion of physical proportion of the contract work. Progress payments and advances received from customers are not determinative of the stage of completion of a contract. ➢ During the early stages of a contract, where the outcome of the contract cannot be estimated reliably contract revenue is recognized only to the extent of costs incurred. The early stage of a contract shall not extend beyond 25 per cent of the stage of completion.
Changes in estimates	The percentage of completion method is applied on a cumulative basis in each previous year to the current estimates of contract revenue and contract costs. Where there is change in estimates, the changed estimates shall be used in determination of the amount of revenue and expenses in the period in which the changes is made and in subsequent periods.
Disclosure	➢ A person shall disclose– - the amount of contract revenue recognised as revenue in the period and

	- the methods used to determine the stage of completion of contracts in progress. ➢ A person shall disclose the following for contracts in progress at the reporting date, namely– - amount of costs incurred and recognized profits (less recognized losses) up to the reporting date; - the amount of advances received; and - the amount of retentions.
Transitional provisions	Contract revenue and contract costs associated with the construction contract, which commenced on or before March 31,2015 but not completed by the said date, shall be recognized as revenue and costs respectively in accordance with the provisions accounting method followed by the tax payer. Thus Revenue in relation to contracts commenced with effect from April 1, 2016 shall only be recognized as per new ICDS.

ICDS IV : Revenue recognition

Scope	This standard covers activities of a person from sale of goods, rendering of services or income pertaining to interest, royalty, or dividends.
Revenue	“Revenue” is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities of a person from the aforesaid activities. In an agency relationship, the revenue is the amount of commission ad not the gross inflow of cash, receivables or other consideration.
Sale of goods	➢ In sale of goods the revenue shall be recognized when the seller has transferred to the buyer the property in the goods for a price or all significant risks and rewards of ownership have been transferred to the buyer and the seller retains no effective control of the goods transferred to a degree usually associated with ownership. In a

	Situation, where transfer of property in goods does not include with the transfer of significant risks and rewards of ownership, revenue in such a situation shall be recognized at the time of transfer of significant risks and rewards of ownership to the buyer. ➢ Revenue shall be recognized when there is reasonable certainty of its ultimate collection. ➢ Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim for escalation of price and export incentives, revenue recognition in respect of such claim shall be postponed to the extent of uncertainty involved.
Rendering of service	Revenue from service transactions shall be recognized by the percentage completion method. Income Computation and Disclosure Standard on construction contract also requires the recognition of revenue on this basis. The requirements of that Standard shall mutatis mutandis apply to the recognition of revenue and the associated expenses for a service transaction.
Interest	Interest shall accrue on the time basis determined by the amount outstanding and the rate applicable. Discount or premium on debt securities held is treated as though it were accruing over the period to maturity. Interest on refund of taxes/duties shall be recognized as income in the year of receipt.
Royalty	Royalties shall accrue in accordance with the terms of the relevant agreement and shall be recognized on that basis unless, having regard to the substance of the transaction, it is more appropriate to recognize revenue on some other systematic and rational basis.
Dividend	Dividends are recognised in accordance with the provisions of the Act.
Disclosure	Following disclosures shall be made in respect

	of revenue recognition, namely – - in sale of goods amount not recognised as revenue during the previous year; - the amount of revenue from service transactions recognised as revenue during the previous year; - the method used to determine the stage of completion of service transactions in progress; and - for service transactions in progress at the end of previous year: amount of costs incurred and recognised profits (less recognised losses) up to end of previous year, amount of advances received, and amount of retentions. - Use of Straight line method for recognition of revenue when services are provided by an intermediate number of acts over a specific period of time. - Revenue from service contracts with duration of not more than 90 days may be recognized when rendering of services under that contract is completed or substantially completed.
Transitional provisions	➢ The transitional provisions of ICDS on construction contract shall mutatis mutandis apply to the recognition of revenue and the associated costs for a service transaction undertaken on or before March 31, 2015 but not completed by the said date. ➢ Revenue for a transaction (other than a service transaction) undertaken on or before March 31, 2015 but not completed by the said date, shall be recognised in accordance with the provisions of this standard for the previous year 2015-16 (or subsequent year). The amount of revenue, if any, recognised for the said transaction for the previous year 2014-15 (or earlier year) shall be taken into account for recognizing revenue for the said

	transaction for the previous year 2015-16 (or subsequent year).

ICDS V : Tangible fixed assets

Tangible fixed assets	Land, building, machinery, plant or furniture held with the intention of being used for the purpose of producing goods or services and is not held for sale in the normal course of business.
Identification	Stand-by equipment and servicing equipment are to be capitalized. Machinery spares shall be charged to the revenue as and when consumed. When such spares can be used only in connection with an item of tangible fixed asset and their use is expected to be irregular, they shall be capitalised.
Actual cost components	➢ Positive list – The following shall be part of actual cost– - purchase price, import duties and other taxes (excluding those subsequentlyrecoverable) - any directly attributable expenditure on making the asset ready for its intendeduse - expenses which are specifically attributable to construction of a project or to the acquisition of a tangible fixed asset or bringing it to its working condition - Expenditure incurred on start-up and commissioning of the project, including the expenditure incurred on test runs and experimental production. ➢ Negative list – The following shall not be part of actual cost– - any trade discounts and rebates - administration and other general overhead expenses if they do not relate to a specific tangible fixed asset - expenditure incurred after the plan has begun commercial production (i.e., production intended for sale or captive

	consumption) [such expenditure shall be treated as revenue expenditure].
Self-constructed tangible fixed assets	In arriving at the actual cost of self-constructed tangible fixed assets. Cost of construction that relate directly to the specific tangible fixed asset and costs that are attributable to the construction activity in general and can be allocated to the specific tangible fixed asset shall be included in actual cost. Any internal profits shall be eliminated in arriving at such costs.
Non-monetary consideration	➢ When a tangible fixed asset is acquired in exchange for another asset, the fair value of the tangible fixed asset so acquired shall be its actual cost. ➢ When a tangible fixed asset is acquired in exchange for shares or other securities, the fair value of the tangible fixed asset so acquired shall be its actual cost.
Improvements and repairs	Expenditure that increases the future benefits from the existing asset be beyond its previously assessed standard of performance is added to the actual cost.
Transitional provisions	The actual cost of tangible fixed assets, acquisition or construction of which commenced on or before March 31,2015 but not completed by the said date, shall be recognised in accordance with the provisions of this standard. The amount of actual cost of the said assets for the previous year 2014-15 (or earlier year) shall be taken into account for recognizing actual cost of the said assets for the previous year 2015-16 (or subsequent year).

ICDS VI : Changes in foreign exchange rate

Initial recognition, conversation, recognition of exchange difference	➢ If covered by section 43A or rule 115 – It shall be subject to the provisions of section 43A of the Act and rule 115 read with the rule 26 of income tax Rules. ➢ If not covered – A foreign currency

	transaction shall be recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. - An average rate for a week or a month that approximates the actual rate at the date of the transaction may be used for all transaction in each foreign currency occurring during that period. If the exchange rate fluctuates significantly, the actual rate at the date of the transaction shall be used. - In respect of monetary items, exchange differences arising on the settlement thereof or on conversion thereof at last day of the previous year.
Forward exchange contracts	➢ For trading/speculation purpose or to hedge foreign currency risk – Premium, discount or exchange difference on contracts that are intended for trading or speculation purposes, or that are entered into to hedge the foreign currency risk of a firm commitment or a highly probable forecast transaction shall be recognised at the time of settlement. ➢ In other cases – Any premium or discount arising at the inception of a forward exchange contract shall be amortized as expense or income over the life of the contract. Exchange differences on such a contract shall be recognized as income or as expense in the previous year in which the exchange rate change. Any profit or loss arising on cancellation or renewal shall be recognised as income or as expense for the previous year.
Transitional provisions	➢ All foreign currency transactions undertaken on or after April 1, 2015 shall be recognised in accordance with the provisions of this standard.

	➢ Exchange difference arising in respect of monetary or non-monetary items on the settlement thereof during the previous year 2015-16 or on conversion thereof at March 31, 2016 shall be recognised in accordance with the provisions of this standard after taking into account the amount recognised on March 31, 2015 for an item, if any, which is carried forward from the previous year2014-15. ➢ The financial statements of foreign operations for the previous year 2015-16 shall be translated using the principles and procedures specified in this standard after taking into account the amount recognised on March 31, 2015 for an item, if any, which is carried forward from the previous year 2014-15 (or earlier year). ➢ All forward exchange contracts existing on April 1, 2015 or entered on or after the said date shall be dealt with in accordance with the provisions of this standard after taking into account the income or expenses, if any, recognized in respect of said contracts for the previous year 2014-15 (or earlier year).

ICDS VII : Government grants

Scope	This Standard deals with the treatment of Government grants. The Government grants are sometimes called by other names such as subsidies, cash incentives, duty drawbacks, waiver, concessions, reimbursements, etc. However, it does not cover Government assistance (other than in the form of Government grants) and Government participation in the ownership of the enterprise.
Meaning of Government	“Government” refers to the Central Government, State Governments, agencies

	and similar bodies, whether local, national, or international.
Recognition of Government grants	➢ Government grants should not be recognised until there is reasonable assurance that the person shall comply with conditions attached to them, and the grants shall be received. ➢ Recognition of Government grant shall not be postponed beyond the date of actual receipt.
Treatment of Government grants	➢ Grant relating to non-depreciable assets – Where the Government grant relates to non-depreciable assets of a person requiring fulfillment of certain obligations, the grant shall be recognized as income over the same period over which the cost of meeting such obligations is charged to income. ➢ Grant not directly relatable to an asset acquired – Such grant shall be deducted on proportionate basis from the actual cost of the asset. ➢ Grant received as compensation for expenses/losses – Government grant that is receivable as compensation for expenses or losses incurred in a previous financial year or for the purpose of giving immediate financial support to the person with no further related costs, shall be recognised as income of the period in which it is receivable. ➢ Other grants – Any other Government grant (other than covered by above provisions) shall be recognised as income over the periods necessary to match them with the related costs, which they are intended to compensate. ➢ Non-monetary grants- Government grants in the form of non-monetary assets, given at a concessional rate, shall be accounted for on the basis of their acquisition cost.

Refund of Government grants	➢ Grants related to depreciated assets- Refund relating to depreciable assets shall be recorded by increasing the actual cost or written down values of the block of assets by the amount refundable. Where the actual cost of the assets is increased, depreciation on the revised actual cost or written down value shall be provided prospectively at the prescribed rate. ➢ Grant not related to the depreciated assets: Amount refundable shall be applied first against any unamortized deferred credit remaining in respect of the government grant. To the extent that the amount refundable exceeds any such deferred credit, or where no deferred exists, the amount shall be charged to profit and loss statement.
Disclosure	➢ Nature and extent of Government grants recognised during the year by way of deduction from actual costs/written down value of block or recognised during the year as income, shall be disclosed. Further, nature and extent of Government grants not recognised during the year shall also be disclosed.
Transitional provisions	➢ All Government grants which meet the recognition criteria on or after April 1, 2015 shall be recognised for the previous year 2015-16 in the accordance with the provisions of this standard after taking into account the amount, if any, of the said Government grant recognised for the previous year 2014-15 or earlier year.
ICDS VIII : Securities	
Scope	➢ This standard deals with securities held as stock-in-trade. However, it does not cover securities held by a person who

	is engaged in the business of insurance or securities held by a person who is engaged in the business of insurance or securities held by mutual funds, venture capital funds, banks and public financial institutions.
Recognition and initial measurement of securities	➢ A security on acquisition shall be recognised at actual cost (i.e. purchase price, acquisition charges, brokerages, fees, tax, duty or cess). Where a security is acquired in exchange for other securities/assets, the fair value of the security so acquired shall be its actual cost. Where unpaid interest has accrued before the acquisition of an interest-bearing security and is included in the price paid for the security, the subsequent receipt of interest is allocated between pre-acquisition periods; the pre-acquisition portion of the interest is deducted from the actual cost.
Subsequent measurement of listed securities	➢ Securities (held as stock-in-trade) shall be valued at the end of the previous year at actual cost initially recognised or net realisable value at the end of that previous year, whichever is lower. ➢ For above purpose, the comparison of actual cost initially recognised and net realisable value shall be done category wise and not for each individual security [for this purpose, securities shall be classified into following categories – (a) shares; (b) debt securities; (c) convertible securities; and (d) any other securities not covered above].
Subsequent measurement of unlisted securities	➢ At the end of any previous year, securities not listed on a recognised stock exchange (or listed but not quoted on a recognised stock exchange with regularity from time to time) shall be valued at actual cost initially recognised.

ICDS IX : Borrowing costs

Definitions	➢ Borrowing costs – "Borrowing costs" are interest and other costs incurred by a person in connection with the borrowing of funds and include (a) commitment charges on borrowings; (b) amortized amount of discounts or premiums relating to borrowings; (c) amortized amount of ancillary costs incurred in connection with the arrangement of borrowings; (d) finance charge in respect of assets acquired under finance leases or under other similar arrangements. ➢ Qualifying assets – It 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 twelve months or more to bring them to a saleable condition.
Recognition	➢ Borrowing costs (directly attributable to the acquisition, construction or production of a qualifying asset) shall be capitalized. In the case of inventory, such borrowing costs shall be added to the cost of inventory.
Borrowing costs eligible for capitalization	➢ Specific borrowing - To the extent the funds are borrowed specifically for the purpose of acquisition, construction or production of a qualifying asset, the amount of borrowing costs to be capitalised on that asset shall be the actual borrowing costs incurred on the funds so borrowed. ➢ Other than specific borrowing – To the extent the funds are borrowed generally and utilized for the purpose

	of acquisition, construction or production of a qualifying asset, the amount of borrowing costs to be capitalized shall be computed on proportionate basis. Formula for working out proportionate borrowing cost : A × B ÷ C. A = Borrowing cost incurred during the previous year (except on borrowings directly relatable to specific purposes) B = The average of costs of qualifying asset as appearing in the balance sheet of a person on the first day and the last day of the previous year (excluding qualifying asset which are directly funded out of specific borrowings) C = The average of the amount of total assets as appearing in the balance sheet of a person on the first day and the last day of the previous year (excluding qualifying assets which are directly funded out of specific borrowings) Some modification are specified for B follow – - Value of B (when the qualifying asset does not appear in the balance sheet of a person on the first day or both on the first day and the last day of previous year) : Half of the cost of qualifying asset - Value of B (when the qualifying asset does not appear in the balance sheet of a person on the last day of previous year) : Average of the costs of qualifying asset as appearing in the balance sheet of a person on the first day of the previous year and on the date of put to use or completion.
Commencement of capitalization	In the case In the case of specific borrowing, the capitalization of borrowing costs shall commence from the date on which funds were borrowed. Otherwise (when general funds are utilized), capitalization of costs shall commence from the date on which funds were utilised.
Cessation of capitalisation	In the case of tangible assets (i.e., all qualifying

	assets other than inventory), capitalization of borrowing costs shall cease when the asset is first put to use. In the case of inventory, capitalization of borrowing costs shall cease when substantially all the activities necessary to prepare such inventory for its intended sale are complete. Part of assets or part of inventory when the construction of a qualifying asset is completed in parts and a completed part is capable of being used while construction continues for the other parts.
Disclosure	The accounting policy adopted for borrowing costs and the amount of borrowing costs capitalised during the previous year, shall be disclosed.
Transitional provisions	All the borrowing costs incurred on or after April 1,2015 shall be capitalised for the previous year 2015-16 (or subsequent year) in the accordance with the provisions of this standard after taking into account the amount of borrowing costs capitalised, if any, for the same borrowing for the previous year 2014-15 (or earlier year).

ICDS X : contingent costs

Definitions	➢ Provision – “Provision” is a liability which can be measured only by using a substantial degree of estimation. ➢ Contingent liability – It is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events (not wholly within the control of the person). Further, it includes a present obligation that arises from past events but is not recognised because reliable estimate cannot be made (or it is not reasonably certain that an outflow of resources embodying economic benefits will be

	required to settle the obligation).
Recognition – Provisions	A provisions shall be recognised when – - A person has a present obligation as a result of a past even; - It is reasonably certain that an outflow of resources embodying economic benefits will be required to settle the obligation; and - A reliable estimate can be made of the amount of the obligation. If these conditions are satisfied, provision shall be recognised and it shall be used in future for incurring expenditure for which the provision is originally made. It is only those obligations arising form past events existing independently of a person's future actions (i.e., the future conduct of its business) that are recognised as provisions. Where details of a proposed new law have yet to be finalized, an obligation arises only when the legislation is enacted.
Recognition – Contingent liabilities	A person shall not recognise a contingent asset. Contingent assets are assessed continually and when it becomes and related income are recognised in the previous year in which the change occurs.
Measurement	Best estimate – The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the previous year. The amount of a provision shall not be discounted to its present value.
Reimbursement	➢ Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when it is reasonably certain that reimbursement will be received if the person settles the obligation. The amount recognised for the reimbursement shall not exceed the amount of the provision. ➢ Where a person is not liable for payment of costs in case the third

	party fails to pay, no provision shall be made for those costs. ➢ An obligation, for which a person is jointly and severally liable, is a contingent liability to the extent that it is expected that the obligation will be settled by the other parties.
Review	➢ Provisions shall be reviewed at the end of each previous year and adjusted to reflect the current best estimate. If it is no longer reasonably certain that an outflow of resources embodying economic benefits will arise, the asset and related income shall be reversed.
Disclosure	Following disclosure shall be made in respect of each class of provision (or each class of asset and related income), namely – - Brief description of the nature of the obligation/nature of assets and related income; - The carrying amount of provision (or asset) at the beginning and end of the previous year; - Additional provisions of made (or additional amount of asset and related income recognised) during the previous year; - Amounts used, that is incurred and charged against the provisions, during the previous year; - Unused amounts of provision (or asset and related income) reversed during the previous year; - The amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.
Transitional provisions	All the provisions or assets and related income shall be recognised fir the previous year 2015-16 (or subsequent year) in accordance with the provisions of this standard after taking into account the amount recognised, if any, for the same for the previous year 2014-15 (or any earlier year).