

**PRESS RELEASE**

New Delhi, 11th May, 2017.

**Request for stakeholders comments on Draft Income Computation and Disclosure Standards on Real Estate Transactions**

Section 145(2) of the Income-tax Act, 1961 ('the Act') provides that the Central Government may notify Income Computation and Disclosure Standards (ICDS) for any class of assessee or for any class of income. Accordingly, Central Government notified 10 ICDS vide Notification No. S.O. 3079 (E) dated 29th September, 2016. These ICDS *inter-alia* contains provisions relating to valuation of inventory; construction contracts; Effects in changes of foreign exchange rates, borrowing costs etc. These ICDS are applicable from assessment year 2017-18 (previous year 2016-17) in respect of specified assessee for computation of income under the head "Profits and gains of business or profession" or "Income from other sources".

The Finance Minister had constituted a committee comprising of experts from accounting field; departmental officers and representatives from Institute of Chartered Accountants of India (ICAI) to suggest the areas in respect of which further ICDS may be notified under the Act.

The Committee suggested notification of ICDS in respect of Real Estate Transactions and submitted the draft of the same. The draft ICDS submitted by the committee is based on the Guidance Note issued on Real Estate Transactions issued by ICAI. For the purposes of providing uniformity and certainty and harmonising the same with provisions of the Act, the committee suggested certain changes in draft ICDS.

The draft ICDS on Real Estate Transactions along with the significant changes suggested in ICDS vis-à-vis the Guidance Note issued by ICAI are uploaded on the Income-tax website at <http://www.incometaxindia.gov.in>. The stakeholders are requested to submit their comments on draft ICDS on Real Estate Transactions by **26<sup>th</sup> May, 2017** to Director TPL-III by e-mail at [dirtpl3@nic.in](mailto:dirtpl3@nic.in).

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