

Tax Hotline

November 07, 2000

DEFERRED TAX TO BE SHOWN AS LIABILITY IN THE BOOKS OF ACCOUNTS

The Securities and Exchange Board of India (**SEBI**) has finalised the move of making it mandatory for the Indian corporates (a select category to begin with) to start showing deferred taxation as a liability in their annual reports, in line with the norms of International Accounting Standards (**IAS**) from financial year 2001-2002. The guidelines for this disclosure are expected to be issued by the Institute of Chartered Accountants of India (**ICAI**) sometime later, however till such time, SEBI has decided to go ahead with the IAS from the beginning of the next fiscal year i.e. April 01, 2001.

A committee on corporate governance had earlier proposed that four sets of financial disclosures viz. consolidation of accounts, segment-wise reporting, related party transactions and treatment of deferred taxation should be introduced at the earliest. Of these, ICAI has already come out with guidelines for segment-wise reporting of accounts and for related party transactions.

SEBI has also decided to make the consolidation of accounts mandatory on lines with IAS with effect from April 01, 2001, if ICAI is unable to come out with guidelines till then. In such case the companies would have to disclose consolidated accounts of all its subsidiaries in which they hold more than 51% stake.

Source: The Economic Times, November 07, 2000

DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

Research Papers

Structuring Platform Investments in India For Foreign Investors

March 31, 2025

India's Oil & Gas Sector— at a Glance?

March 27, 2025

Artificial Intelligence in Healthcare

March 27, 2025

Research Articles

2025 Watchlist: Life Sciences Sector India

April 04, 2025

Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Audio

CCI's Deal Value Test

February 22, 2025

Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

[Click here to view Hotline archives.](#)

Video

Vyapak Desai speaking on the danger of deepfakes | Legally Speaking with Tarun Nangia | NewsX

April 01, 2025

**Vaibhav Parikh, Partner, Nishith
Desai Associate on Tech, M&A, and
Ease of Doing Business**

March 19, 2025

**SIAC 2025 Rules: Key changes &
Implications**

February 18, 2025
