



**Guwahati Branch**  
Eastern India Regional Council  
**The Institute of Chartered Accountants of India**

(Setup by an Act of Parliament)  
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**Exposure Draft of Revised Accounting Standards for Public Comments-  
Review Comments**

**Accounting Standard- (AS 12) Income Taxes**

**Comments**

1. Reference may be made to withholding taxes as well in para 2 as follows :

**Para 2 Scope –**

Income taxes include all taxes (domestic and foreign) based on taxable profits and also withholding taxes. These withholding taxes are payable by a subsidiary, associate of Joint Venture on distribution to investors.

2. The proposed Standard AS 12 is largely in alignment with existing AS 22, hence the flow of the standard and paragraph heads do not warrant significant change.
3. A clarification is requested with respect to the following excerpts from Para 15 of AS 12 and Appendix 2

**Para 15**

“Deferred tax assets shall be recognised and carried forward only to the extent that it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised ”

**Appendix 2 excerpt**

**Comparison with existing AS 22, *Accounting for Taxes on Income***

“As per revised AS 12, deferred tax asset is recognized for all timing differences to the extent that it is probable that sufficient taxable profit will be available against which the timing difference can be realized ”



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**4. In Para 28-32 :**

Suitable example to facilitate Presentation & Disclosure may be added as guidance, which may be incorporated by reporting entities in Notes to Accounts.

5. Revised AS 12 is largely aligned to AS 22 and similarly is based on income statement approach. However, the global reporting standard IAS 12 and Ind AS 12 in India follow the balance sheet approach. Hence an approach may be adopted to ensure convergence to global accounting treatment, i.e. the balance sheet approach.

Dated at Guwahati,  
27<sup>th</sup> day of May, 2021

For, Guwahati Branch of EIRC of ICAI

(Sd/-)  
CA. Kamal Mour  
(Chairman)