S. No.	Particulars	ICDS	Accounting Standard	Type of Difference	Deferred Tax Impact
1	Securities	When one security is exchanged for another security , fair value of security acquired shall be treated as cost of acquisition	Fair market value of security forgone or the securities acquired, whichever is more clearly evident.	Permanent	Although this does not create a direct deferred tax impact, the real challenge will be on sale of the security as it will result in two different gains, one for books of account and another for computation of taxable income. The difference in gain is permanent in nature and would be having impact only on effective tax rate reconciliation.
		Subsequent measurement of securities shall be done only on class of security basis	Subsequent measurement of securities shall be done security wise.	Timing/ Temporary	If valuation adopted for AS 13 is higher than ICDS , then the Assessee is ending up paying lower tax and will result in creation of deferred tax liability
		'Unlisted' or 'Listed but rarely traded securities' shall be valued at Cost	Securities shall be valued at Cost or NRV whichever is lower.	Timing/ Temporary	
2	Borrowing Cost	Capitalization of borrowing cost on fixed asset shall commence irrespective of whether substantial time is taken for intended use and installation.	Capitalization of borrowing cost on Qualifying asset shall be commenced only if asset takes substantial period of time for its intended use and installation	Two Outlooks - One Permanent and another temporary	(i) Amount of interest expenditure for books of account will vary from expenditure allowed for computation of taxable income - This difference in Permanent in nature. (ii) WDV of the fixed asset arrived for books of account and amount arrived for computation of taxable income will be different and result in deferred tax liability/ asset considering the value of WDV.
		Point of capitalization shall begin from date of borrowing in case of specific borrowing and from date of application of funds in case of general borrowings	Point of capitalization shall be only when 1. Expenditure related to asset acquisition is completed. 2. Expenditure related to		

			borrowing cost is completed. 3. Activities to enable the asset utilisation are completed.		
		Income earned from the temporary investment of borrowing, will be treated as income in appropriate head of Income.	Income earned shall be reduced from borrowing cost.		
		Capitalization of general borrowing cost shall be done by separate formula provided in ICDS.	Capitalization of general borrowing cost shall be done at rate computed by weighted average cost of borrowing cost	Two Outlooks - One Permanent and another temporary	(i) Amount of interest expenditure for books of account will vary from expenditure allowed for computation of taxable income - This difference in Permanent in nature. (ii) WDV of the fixed asset arrived for books of account and amount arrived for computation of taxable income will be different and result in deferred tax liability/ asset considering the value of WDV.
3	Provisions Contingent assets and liability	Provisions shall be recognized only when it is reasonably certain that there will be outflow of economic resources on account of past events	Provisions shall be recognized only when it is probable that there will be outflow of economic resources on account of past events	Timing/ Temporary	Deferred tax asset would be created when provisions are disallowed which does not satisfy the test of reasonable certainty