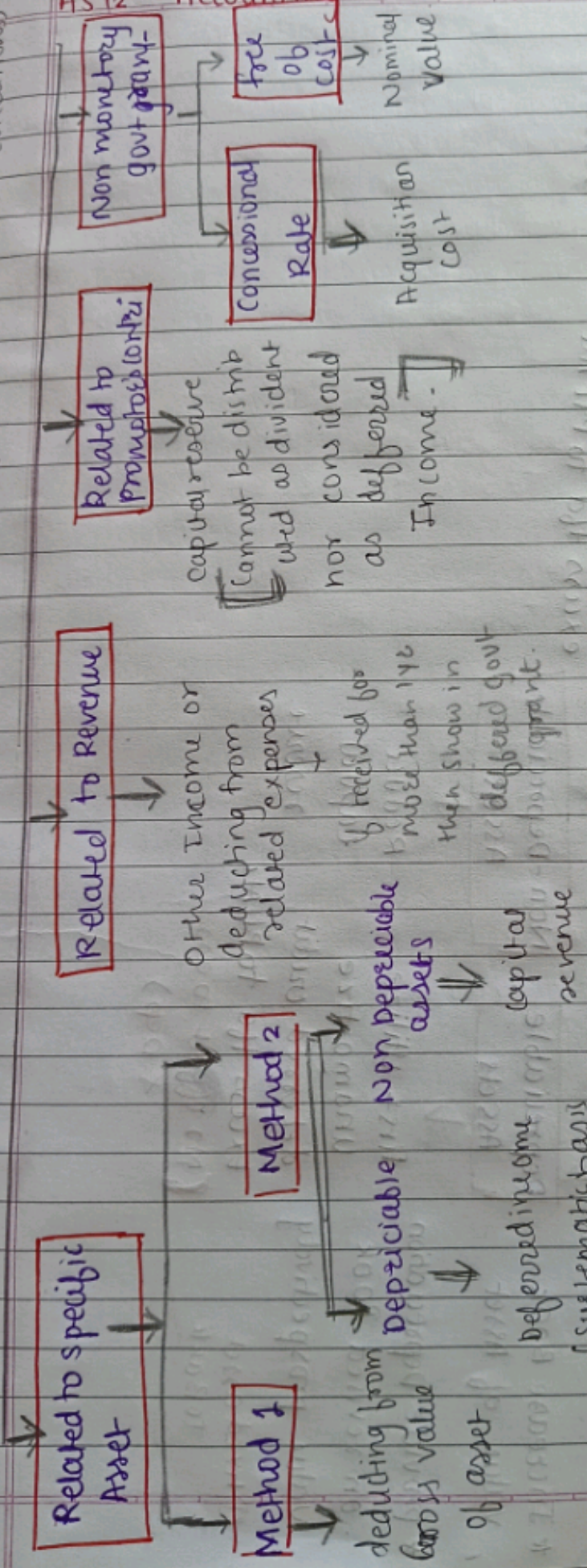


AS 12 - Accounting For Government Grants

Accounting for Government Grants AS 12.

Assistance by government in cash/kind to enterprise for compliance with certain conditions



Related to specific Asset

Method 1

deducting from gross value of asset

Method 2

depreciable Non depreciable assets
 deferred income Systematic basis
 For the ratio of depreciation
 capital revenue

Related to Revenue

Other Income or deducting from related expenses
 received for more than 12 months show in deferred govt
 Debt discount grant

Related to Promoters/stockists

capital revenue
 Cannot be distributed as dividend
 not considered as deferred Income

Non monetary govt grant

Concessional Rate

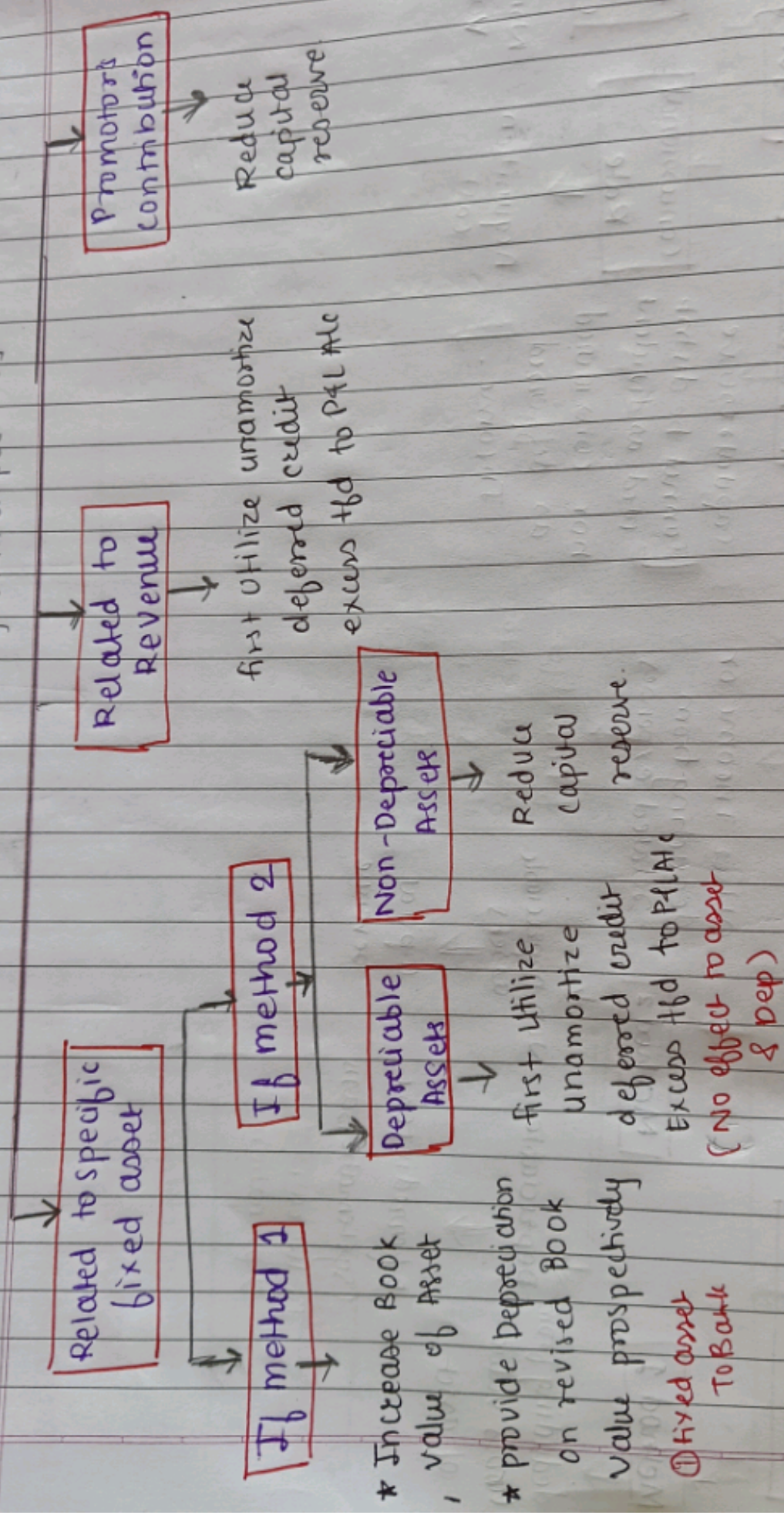
Acquisition cost

face of cost

Nominal value

Refund of Government Grants.

[to be treated as extraordinary Item as per AS-5]



* Increase Book value of Asset
 * provide Depreciation on revised Book value prospectively
 ① Fixed asset To Bank

(NO effect to asset & Dep)