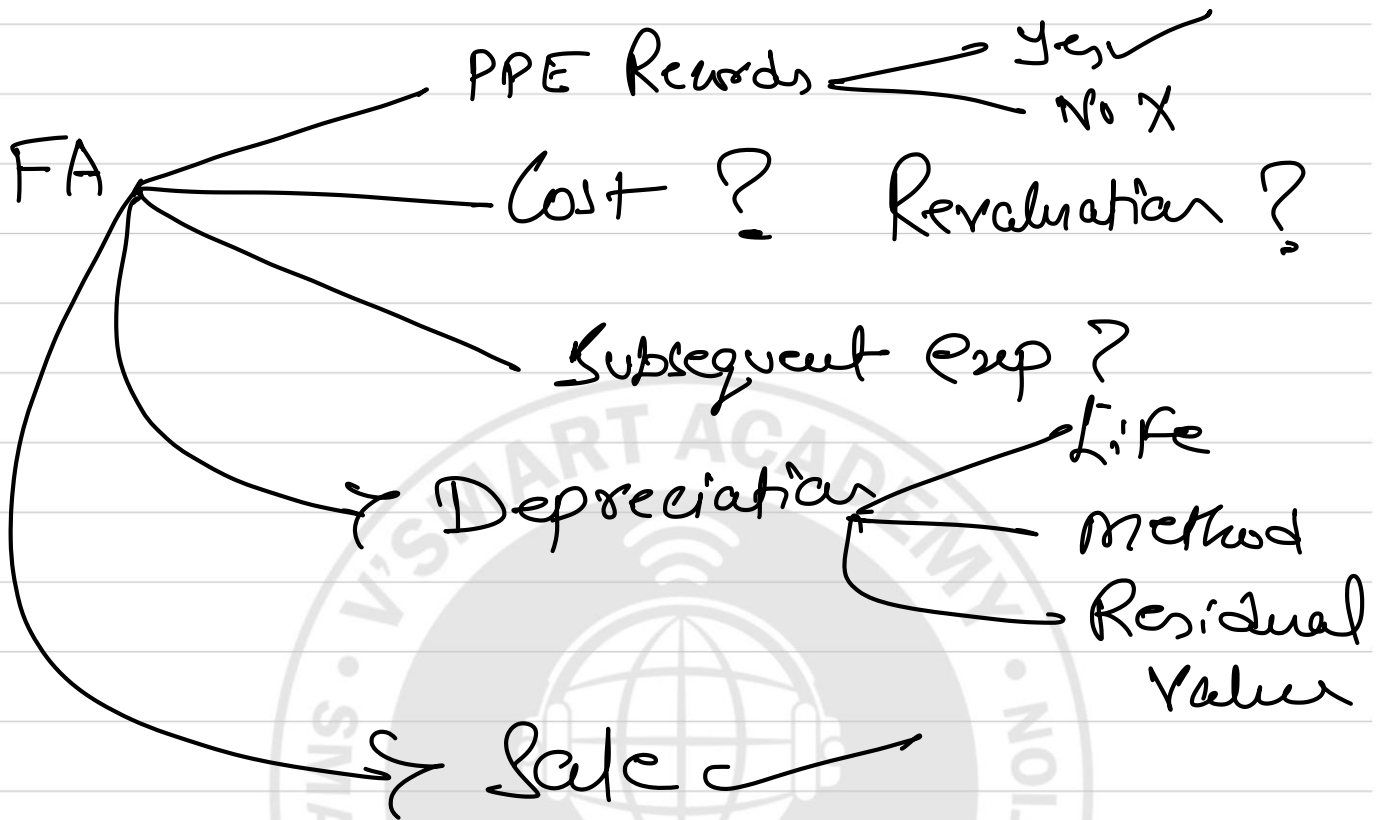


AS 10 - Property Plant & Equipments (PPE)



1)

What is PPE?

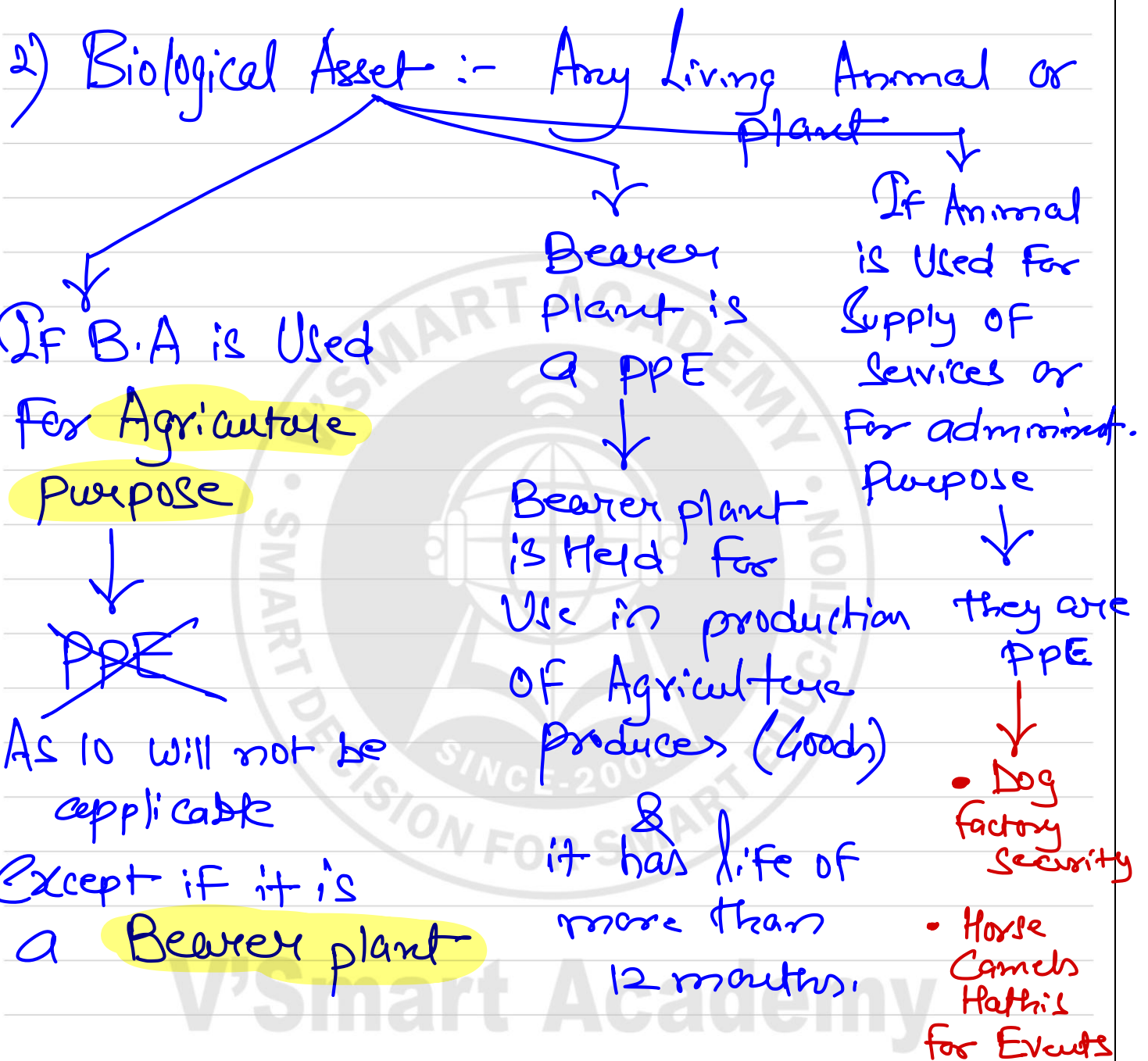
↓
Tangible Asset

a) Held For Use in the production of Goods or Supply of Goods/Service (or)

& Which is Expected to be Used For more than 12 months.

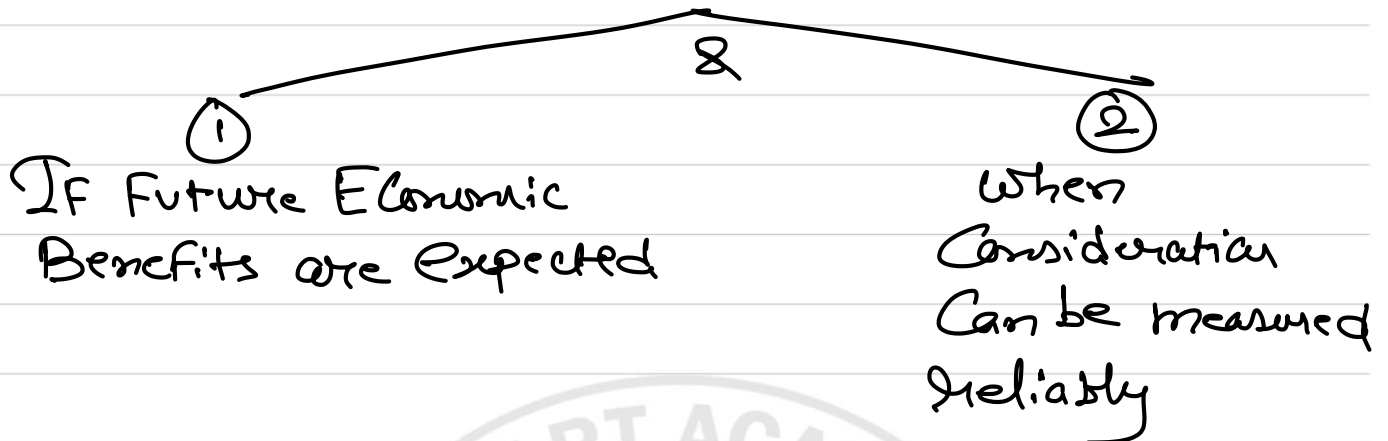
b) Held For Rental to others (or)
(if Renting or Leasing is Business Activity)

c) For Administration purpose



3) When to Record PPE in the Books ?

↓
When Two Conditions Will be Satisfied



4) Spare parts, Tools → PPE ?

↓
depends on life

Expected to be Used for 1 yr. or more

↓
They are also treated as PPE

Expected to be Used for less than 1 yr.

↓
Then they are treated as Expense first & if at Bfs date

They are having remaining life then treated as Inventory

Q3 Calculation of Cost of PPE

<u>Particulars</u>		<u>Asset.</u>
1) Purchase cost (excluding GST)	$\frac{15834000}{112} \times 100$	1,41,37,500

2) Directly attributable cost :-

Cost of Site preparation	141870
Technician's fees (45000 x 3)	135000
Transportation fees	55,770
Archit. fees	30,000

Total Cost of Machine = 1,45,00,140

* Since input Tax Credit is available Hence GST shall not be treated as Cost.

V'Smart Academy

$$\frac{1}{1.07}$$

$$= 0.934$$

$$\frac{1}{1.07}$$

$$= 0.873$$

$$\frac{1}{1.07^2}$$

Loan

?

9% Int.

Int.

PvF

Pv

$$1 \quad 25 \text{ lac} \times 0.917 = 2292500$$

$$2 \quad 25 \text{ lac} \times 0.841 = 2102500$$

$$3 \quad 25 \text{ lac} \times 0.772 = 1930000$$

$$4 \quad 25 \text{ lac} \times 0.708 = 1770000$$

80,95,000

$$\frac{1}{1.09} =$$

1 ~~0.917~~
 25 ~~?~~

Interest Schedule :-

<u>Year</u>	<u>Loan of</u>	<u>Int. @ 9%</u>	<u>Paymt.</u>	<u>Close Loan</u>
1	8,09,500	72,855	(2,50,000)	6,32,355
2	6,32,355	56,912	(2,50,000)	4,39,267
3	4,39,267	39,534	(2,50,000)	2,28,801
4	2,28,801	21,199 (B/F)	(2,50,000)	0

Req. PPE a/c Dr. 8,09,500
 To Creditors 8,09,500

Y. End Creditors Dr. 2,50,000
 To Bank 2,50,000