

Asset org Cost 50,00,000
 Prov. for Dep 20,00,000

Fair Value = 45,00,000

Revaluation upward = 15,00,000

Ist Alternative (net method) (Gross method) 2nd alternative

Eliminate Prov. for Dep from Asset—

I don't want to eliminate Provision

① Provision Dr. 20 / 20
 To Asset

Asset Bal = 30

% Change = $\frac{15,00,000}{30,00,000} \times 100 = 50\%$

② New Revalue upward

Asset 15 / 15
 To RR

Org Cost ↑ 50%
 provision ↑ 50%

Asset at 45 (B/s)

Asset Dr. 25
 To provision 10
 To RR 15

B/s	
Asset	75
(-) prov. for Dep	(30)
	45

Revision

1) PPE → Tangible item.

Held for use &

- production of goods
- Red. of Services
- Admst. purpose
- Rental to others.

Expected to be used for more than 12 m.

↓
Ordinary Business activity

2) Biological Assets ⇒ Living Animals & Plants

Animals

Plants

↓
Animals for Admst. purpose

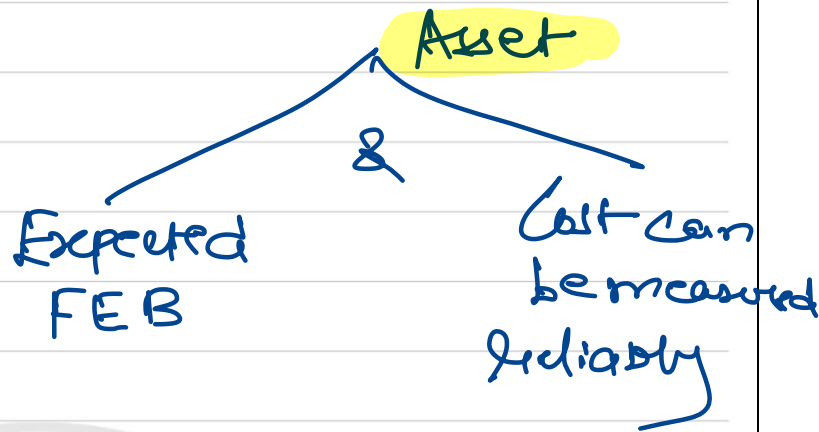
↓
all others
not PPE

↓
Bearing
↓
PPE

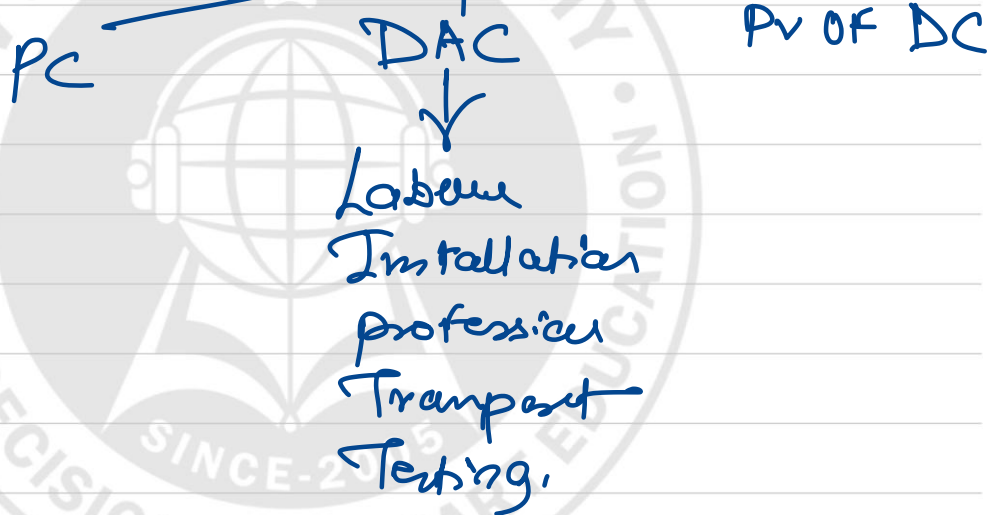
↓
non-bearing
↓
NOT a PPE

(PPE)

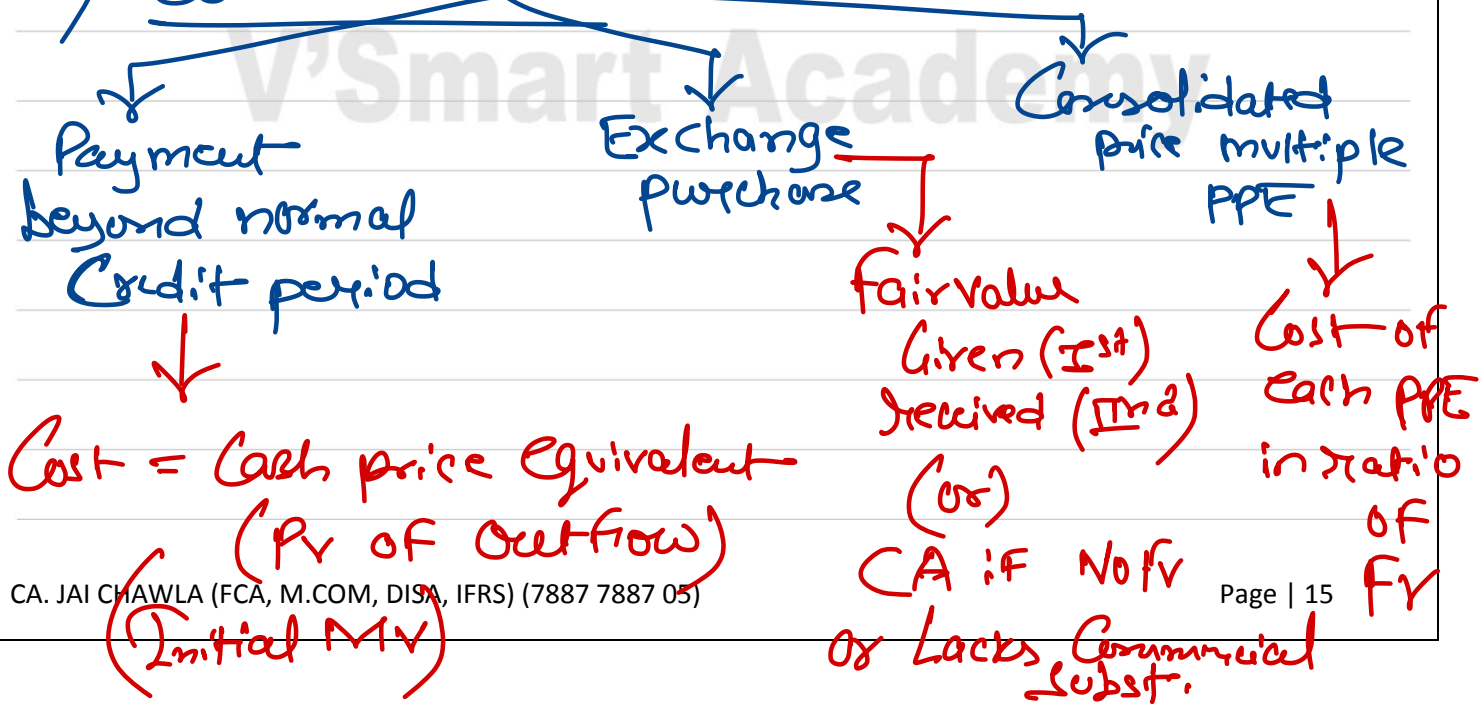
3) Recognition Criteria :- PPE should be recorded as an Asset



4) Initial Reog. :- At Cost



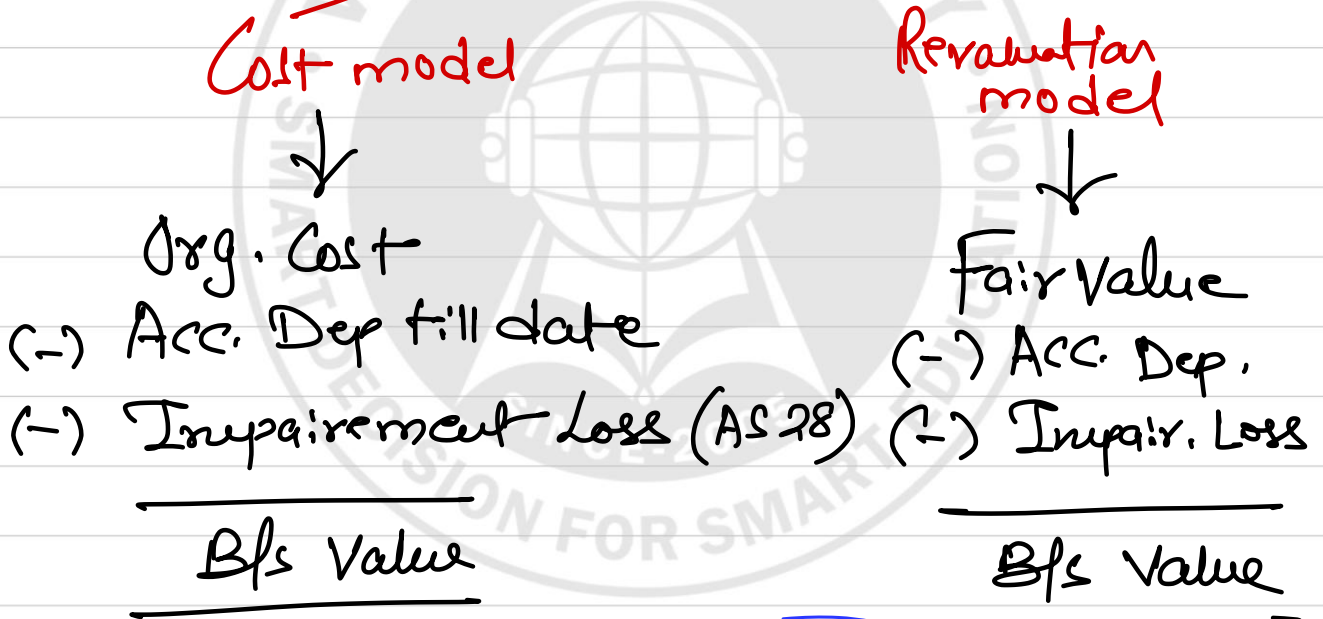
5) COST OF PPE



Cost in case in GG :-

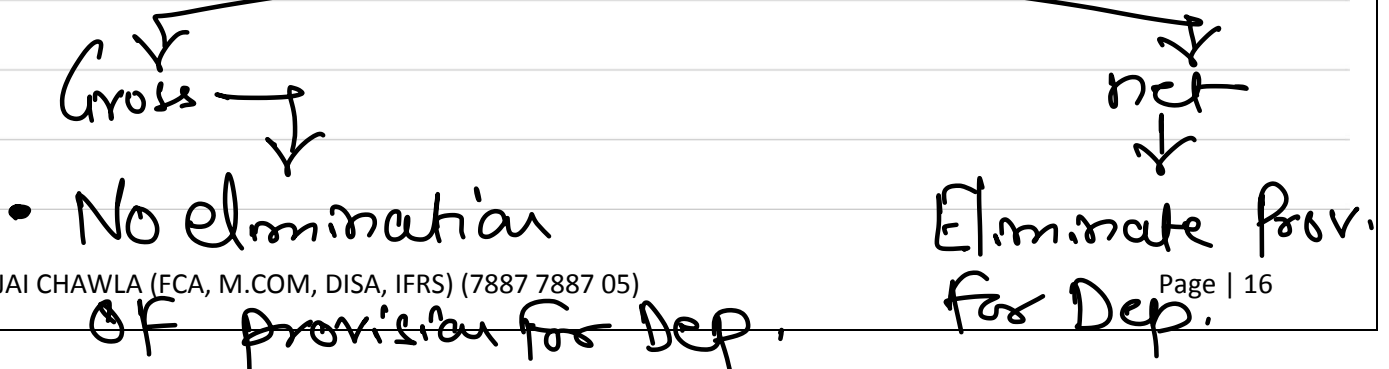


6) Subsequent Measurement (PPE at Bfs) Date



7) Revaluation model (Imp)

a) Technique of Revaluation :-



& then apply Revaluation

• % of Change:-

$$\frac{\text{Rev. Gain/Loss}}{\text{WDV}} \times 100$$

- Org. Cost \rightarrow % Change
- Prov. For Dep \rightarrow % Change

① Asset Dr.

Upward

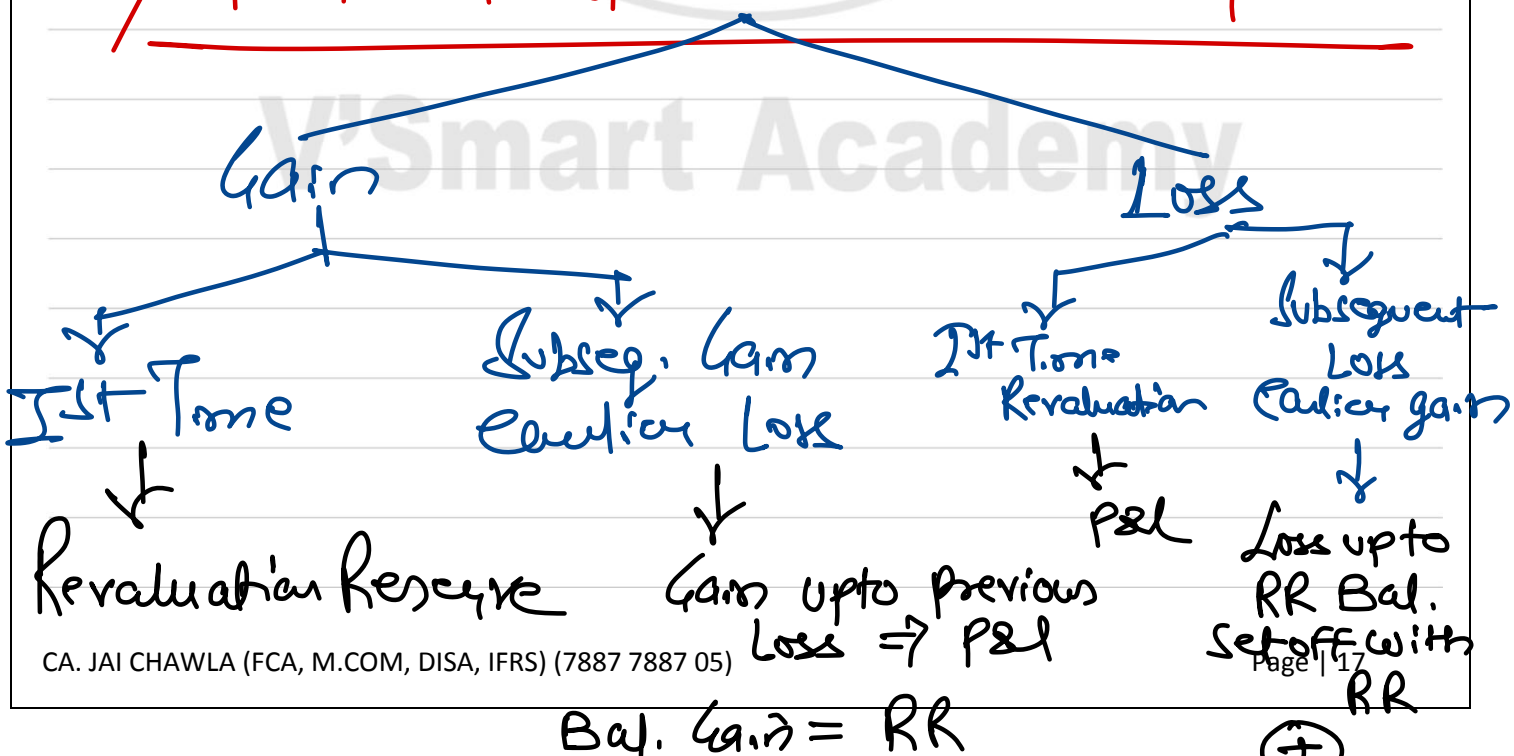
To prov.
To RR

② Provision P&L/RR

Downward

To Asset

2) Treatment of Revaluation Gain/Loss



c) Treatment of Revaluation Reserve

Mandatory Treatment

Optional Treatment
(at the discretion of Entity)

On Sale of PPE
Transfer RR to GR

Never Transfer RR to P&L

Transfer RR to GR
Annually equal to Excess Depreciation
(Even though PPE is not sold)

Rev. Res. Dr.
To GR

8) Depreciation

No method provided in AS10

Dep. is mandatory

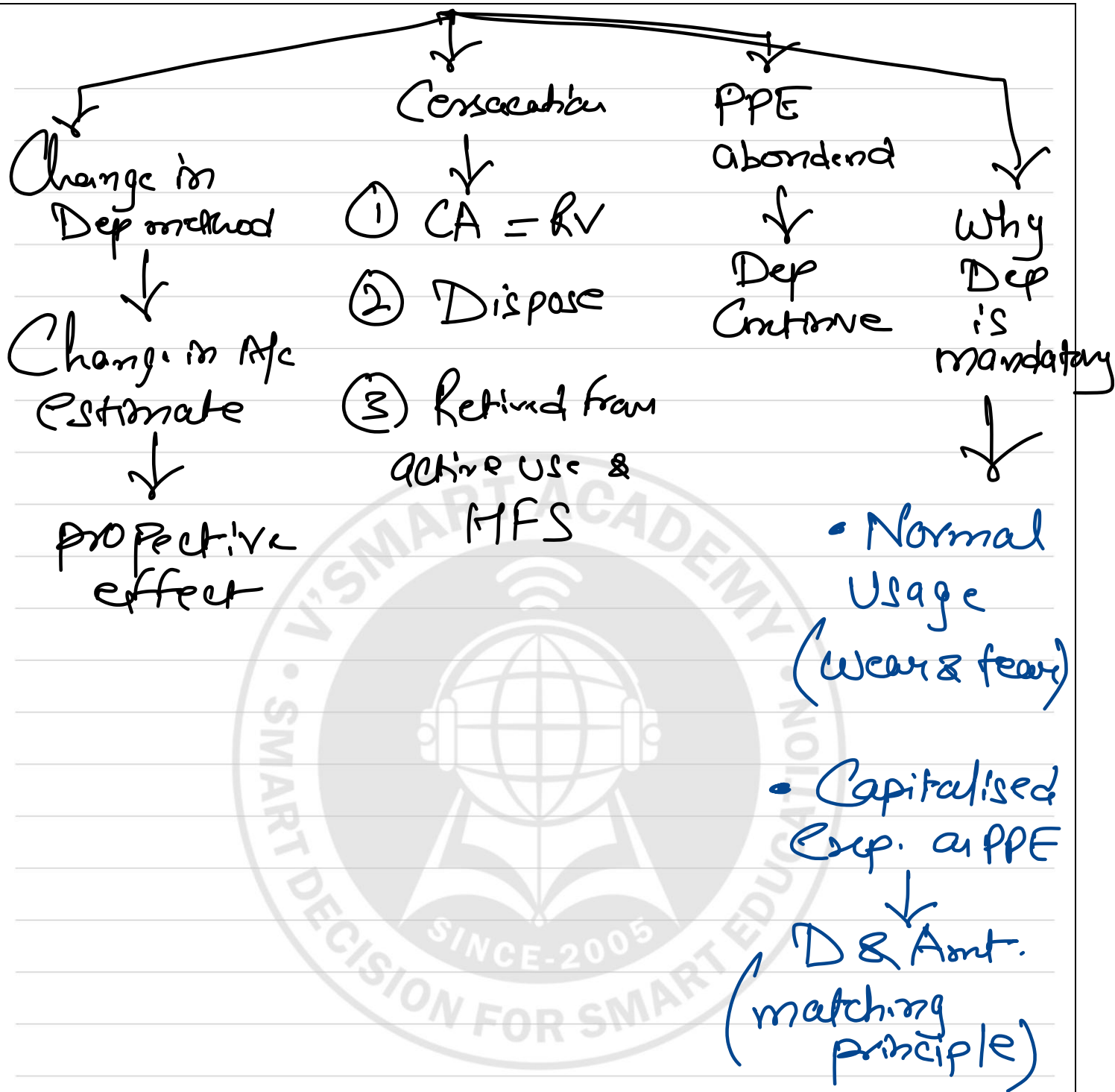
Dep. is based on Pattern of FEB

Dep. as Component wise

Commencement
↓
Asset is available for use

IF
a) Comm. diff life

&
b) Comm. have signif. cost



g) Retired from Active Use & MFS

↓
measure at lower of }
a) CA or } Difference
b) NRV } (P&J)