

Govt Amends Accounting Norms for Depreciation

NEW DELHI Providing more clarity for companies, the government has made changes to norms for determining depreciation of assets. The new Companies Act emphasises on the concept of useful life of assets by providing indicative life and residual value for assets in Schedule II. In the Companies Act, 1956, there were specified minimum rates. The Corporate Affairs Ministry has now said that useful lives of assets and the residual value specified in Schedule II should be ordinarily used by companies, else adequate disclosures in financial statements would be required.

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