SUPER SUMMARY AS-9

Purpose:

- Recognizing revenue arising in the course of the ordinary activities of the enterprise.

Scope:

- The **SALE** of goods.

- The **RENDERING** of services.

- The **USE BY OTHERS** of enterprise resources yielding interest, royalties and dividends.

Non-Applicability:

- Revenue arising from **construction contracts**.
- Revenue arising from **hire-purchase, lease agreements**.
- Revenue arising from **government grants** and other similar subsidies.
- Revenue of insurance companies arising from **insurance contracts**.

Revenue	Revenue is the **gross inflow** of cash, receivables or other consideration arising in the course of ordinary activities of an enterprise from: - The sale of goods, - The rendering of services, and - The use by others of enterprise resources yielding interest, royalties and dividends.
REVENUE RECOGNITION IN SALE OF GOODS	- The **PROPERTY** in **GOODS** in **TRANSFERRED** for a **PRICE**. 

	⌗ All significant **RISKS AND REWARDS** have been **TRANSFERRED** and no effective control is retained.  ⌗ **NO** significant **UNCERTAINTY EXISTS** regarding the amount of consideration.  ⌗ It is reasonable to **EXPECT ULTIMATE COLLECTION** of consideration.
REVENUE RECOGNITION IN RENDERING OF SERVICES	⌗ Service is recognised either on **COMPLETED SERVICE** or **PROPORTIONATE COMPLETION METHOD**. ⌗ No significant uncertainty exists regarding amount of consideration. ⌗ It is reasonable to expect ultimate collection of consideration.
	➢ **Completed service method** recognizes revenue only when service complete or substantially complete. In such cases there is more than one act involved and revenue is recognised on execution of all those acts. ➢ **Proportionate completed method** recognizes revenue proportionate with the degree of completion of services. ➢ In such cases there is more than one act involved and revenue is recognised on execution of certain acts.
REVENUE RECOGNITION IN USE OF ENTERPRISE RESOURCES BY OTHERS	⌗ Interest: Revenue is recognized on the **time basis** determined by the amount outstanding and the rate applicable. ⌗ Royalty: Revenue is recognized in accordance with the terms of the relevant **agreement (accrual basis)**. ⌗ Dividends: Revenue is recognized only when a **right to receive payment** is established.
DISCLOSURE REQUIREMENTS	⌗ When recognition of revenue is postponed due to the effect of uncertainties, an enterprise should disclose the circumstances in which revenue recognition has been postponed.

KIND ATTENTION CA/CS/CMA Students

AS-6 HAS BEEN DELETED AND CHANGES IN OTHER AS

The Central Government, in consultation with NACAS, makes Companies (Accounting Standards) Amendments Rules, 2016 in which, there are changes in AS-2, AS-4, AS-10, AS-13, AS-14, AS-21, AS-29. AS-6 has been deleted. **WAITING FOR OFFICIAL NOTIFICATION.**