

Limited Revision to Accounting Standard (AS) 26 (issued 2002)

Intangible Assets

The following is the text of the limited revision to AS 26, Intangible Assets, issued by the Institute of Chartered Accountants of India.

In view of Accounting Standard (AS) 30, *Financial Instruments: Recognition and Measurement*, AS 26 (issued 2002) is modified as under (modifications are shown as double-underline/ strike-through):

After the existing paragraph 25, new paragraph 25A is added as below:

25A. If payment for an intangible asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognised as interest expense over the period of credit unless it is capitalised in accordance with AS 16, *Borrowing Costs*.

The limited revision comes into effect in respect of accounting periods commencing on or after the date on which Accounting Standard (AS) 30, *Financial Instruments: Recognition and Measurement*, comes into effect.