

**Limited Revision to
Accounting Standard (AS) 29 (issued 2003)**

**Provisions, Contingent Liabilities and Contingent
Assets**

The following is the text of the limited revision to AS 29, Provisions, Contingent Liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India.

In view of Accounting Standard (AS) 30, *Financial Instruments: Recognition and Measurement*, AS 29 (issued 2003) is modified as under (modifications are shown as double-underline/ strike-through):

1. Paragraphs 1 and 2, given under the heading ‘Scope’, are amended as below:

1. *This Statement should be applied in accounting for provisions and contingent liabilities and in dealing with contingent assets, except:*

- (a) ~~those resulting from financial instruments¹ that are carried at fair value~~[Deleted];**
- (b) *those resulting from executory contracts, except where the contract is onerous²;***
- (c) *those arising in insurance enterprises from contracts with policy-holders; and***
- (d) *those covered by another Accounting Standard.***

¹ ~~For the purpose of this Statement, the term ‘financial instruments’ shall have the same meaning as in Accounting Standard (AS) 20, Earnings Per Share.~~

² The meaning of the term ‘onerous contracts’ and the application of the recognition and measurement principles of this Statement to such contracts are given in the Accounting Standards Interpretation (ASI) 30 on ‘Applicability of AS 29 to Onerous Contracts’.

2. This Statement ~~does not apply~~ applies to financial instruments (including guarantees) that are within the scope of Accounting Standard (AS) 30, *Financial Instruments: Recognition and Measurement*~~not carried at fair value~~.

2. Example 7: A Single Guarantee, given in Appendix C is deleted.

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.