

ANNOUNCEMENT

Option to an entity to adopt alternative treatment allowed by way of amendment to the Transitional Provisions of Accounting Standard (AS) 15, Employee Benefits (revised 2005)

An amendment by way of limited revision to Accounting Standard (AS) 15, *Employee Benefits* (revised 2005), has been made with a view to provide, inter alia, an option to an entity to charge additional liability arising upon the first application of the Standard as an expense over a period upto five years with a disclosure of un-recognised amount.

The Council of the Institute of Chartered Accountants of India has decided to give a one time option to the entities which have followed the treatment prescribed under the Transitional Provisions prior to the above-stated amendment to adopt the alternative treatment, allowed by way of the said amendment, from the date the Transitional Provision was so applied. An entity is, however, allowed to exercise this option only during the first accounting year commencing on or after 7th December, 2006. In case an entity chooses to adopt the option, the earlier accounting treatment followed in this respect should be reversed.