

Comment 1:

Do you agree with the definitions of collective services and individual services that are included in this Exposure Draft?

Collective services may be modified as “Bundled services”

Comment 2:

Do you agree that no provision should be recognized for collective services?

No. provision is needed to make the financial statements prepared by the public sector unit complete. Under collective services come universal services like universal education, health care, street lighting etc.,

These are universal services targeting society as a whole provided generally out of budget allocation, the accounts being drawn for a year(Financial year). Funds are provided by the Government/local body depending upon Government policy. Hence towards the close of the year all known liabilities must be provided for by debiting the appropriate expenditure head to make the accounts complete. Without these provisions the accounts will not show the complete state of affairs.

Comment 3:

Do you agree that no provision should be recognized for individual services?

No. provision is needed to make the financial statements prepared by the public sector unit complete. Under collective services come universal services like universal education, health care, street lighting etc.,

These are not universal services but targeting a particular segment of society like upliftment of living conditions of the downtrodden like SC/ST Aadhivasi etc, the accounts being drawn for a year(Financial year). Funds are provided by the Government/local body depending upon Government policy. Hence towards the close of the year all known liabilities must be provided for by debiting the appropriate expenditure head to make the accounts complete. Without these provisions the accounts will not show the complete state of affairs.

Comment 4:

Do you agree with the proposed accounting for emergency relief?

Accounting for Emergency relief is accounting for expenditure incurred in the context of an emergency like floods, drought, accidental fire causing extreme damage etc.,

Here the normal principles of accounting apply, though the expenditure is incurred in the context of an emergency.

Till the relief measures last expenditure is incurred, providing funds is out of expediency and the emergency may occur any time during a year.

Accounting must be based on RPG.