IND AS 115 – REVENUE FROM CONTRACT WITH CUSTOMERS

IMPACT ANALYSIS ON PHARMACEUTICAL INDUSTRY

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MARCH 2022

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EXECUTIVE SUMMARY:

IND AS 115 is a new IND AS made effective with effect from 1st April, 2018 to be complied by all the entities which are required to present the financial statements under the IND AS. This Standard is a combination of IND AS 18 - Revenue Recognition and IND AS 11 – Construction Contracts, both the later being discontinued with effect from the introduction of this new Standard.

IND AS 115 works on a 5 step model to recognise the revenue;

- Identify the contract with the customer
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize the revenue when the entity satisfies a performance obligation.

ANALYSIS OF THE IMPACT OF IND AS II5 FOR PHARMA SECTOR UNDER VARIOUS SITUATIONS;

1) EXPORT SALES:

Export sales happens generally under three terms,

- Free on Board (FOB).
- Cost including Freight (CIF) &
- Cost & Insurance (CI).

In cases of the **Free on Board (FOB)** terms, the buyer agrees to take the full control and responsibility of the consignment the moment they get loaded in the vessel from the seller's port. As a result of which the obligation of the seller finishes the date on which the consignment gets loaded onto the vessel which can be considered as the date on which the revenue could be recognised in the seller's books.

However there could be cases wherein the buyer although after accepting the FOB terms would request the seller to arrange for the freight as buyer might not have any agency in India for such activity. In these cases the seller might get in touch with the freight providers and incur all those expenses and get the same reimbursed from the seller on a later date. In such cases the seller technically would be construed to have entered two different contacts with the buyer first one for the sale of goods and the second one for arrangement of the transportation or freight. As a result revenue for each of the activity would be recognised as and when the seller completes the performance obligations for each of the contract. In the case of sale of goods since the terms is on FOB, the seller would be construed to have completed his

performance obligation on the date of loading of the consignment into the vessel and hence can recognize the revenue accordingly. However as far as the reimbursement of freight is considered the performance obligation of the seller would be construed to have been completed only on the date when the shipment actually reaches the sellers port for his retrieval which should be the date on which seller can recognise the revenue in his books.

In cases of the **Cost including Freight (CIF)** terms, the seller agrees to provide the delivery of the goods at the buyer's port for his retrieval and for this he actually includes the cost of freight to be incurred by him in the negotiated selling price itself with the buyer. This is a case of bundled contract. In this case though there are technically two different performance obligations one for the sale of goods and the other for providing the delivery at the buyer's port still on account of the terms of the contract both the obligations would be considered as a single performance obligation. In these cases the seller would actually not transfer the risk and rewards as well as the control and ownership of the goods till the time the goods have not reached the buyer's port for his retrieval. Hence in these cases the revenue would be recognised by the seller in his books only on the date of actual receipt of the consignment at the buyer's port for his retrieval.

In cases of the **Cost & Insurance (CI)** the seller agrees to provide an additional insurance to keep the buyer covered for any unexpected losses in transit. Otherwise the entire terms would be similar to that of FOB. In these contracts there would be two performance obligations one for the sale of goods and another one for providing the insurance cover. Revenue for the sale of goods would b recognised on the date on which the goods are loaded in the vessel at the seller's port. The revenue for the insurance can be recognised on the date on which the insurance policy is issued. ***However if the cost of insurance is negotiated and included in the selling price itself then both the performance obligation shall be considered to be a single performance obligation and hence the revenue can be recognised only on the date of loading the goods in the vessel at the seller's port or on the date of insurance policy whichever is later.***

Practical Case Study 1

XYZ Pharmaceuticals Private Ltd enters a contract for exporting medicines to a customer PQR in Australia under the below mentioned terms.

Sr	Terms	Details
	Situation 1	
1	Value of Exports	Rs.11,56,000
2	Date of uploading in JNPT, Mumbai	3st March, 2022
3	Date of consignment reaching Sydney Port	03rd May, 2022
4	Date of Insurance Policy	02nd April, 2022

When the revenue should be recognised in the books of XYZ Pharmaceuticals Private Ltd under the IND 115 and the erstwhile IND AS 18.

In case the existing terms is on FOB – (Free on Board)

Under IND AS 18.

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	PQR A/C...Dr To Export Sales		11,56,000	 11,56,000

Under IND AS 115.

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	PQR A/C...Dr To Export Sales		11,56,000	 11,56,000

In case the existing terms is on CIF – (Cost, Insurance & Freight)

Under IND AS 18.

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	PQR A/C...Dr To Export Sales		11,56,000	 11,56,000

Under IND AS 115.

Date	Particulars	LF	Debit Amt	Credit Amt
03/05/2022	PQR A/C...Dr To Export Sales		11,56,000	 11,56,000

Since the terms of sales was on CIF basis the completion of the Performance Obligation would be the date on which the shipment reaches the destination port of the Buyer.

In case the existing terms is on CI (Cost & Insurance)

Under IND AS 18.

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	PQR A/C...Dr To Export Sales		11,56,000	 11,56,000

Under IND AS 115.

Date	Particulars	LF	Debit Amt	Credit Amt
02/04/2022	PQR A/C..Dr To Export Sales		11,56,000	 11,56,000

Since the cost of insurance is not provided separately it is assumed to be included in the part of selling price. Further here the date of issuance of Insurance Policy would be considered as the date of completion of performance obligation.

Practical Case Study 2

XYZ Pharmaceuticals Private Ltd enters a contract for exporting medicines to a customer PQR in Australia under the below mentioned terms.

Sr	Terms	Details
	Situation 1	
1	Value of Exports	Rs.11,56,000
2	Date of uploading in JNPT, Mumbai	3st March, 2022
3	Date of consignment reaching Sydney Port	03rd May, 2022
4	Date of Insurance Policy	02nd April, 2022
5	Cost of Freight to XYZ	Rs.1,50,000 (Stand alone selling price) – Charged additionally
6	Cost of Insurance to XYZ	Rs.1,00,000 (Best estimated selling price) – included in the selling price

When would the revenue be recognised in the books of XYZ Pharmaceuticals Private Ltd under the IND 115 and the erstwhile IND AS 18.

In case the existing terms is on FOB (without the Freight being arranged)

Under IND AS 18.

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	PQR A/C...Dr To Export Sales		11,56,000	 11,56,000

Under IND AS 115.

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	PQR A/C...Dr To Export Sales		11,56,000	 11,56,000

In case the existing terms is on FOB (with the Freight being arranged)

Under IND AS 18.

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	PQR A/C...Dr To Export Sales To Other Income		13,06,000	 11,56,000 1,50,000

Under IND AS 115 (for sale of goods)

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	PQR A/C..Dr To Export Sales		11,56,000	 11,56,000

Under IND AS 115. (for recognising the freight recovery)

Date	Particulars	LF	Debit Amt	Credit Amt
03/05/2022	PQR A/C..Dr To Other Income (Freight)		1,50,000	 1,50,000

Since the freight has a separate stand-alone Selling price the income has been considered proportionately. However, if there is no separate standalone selling price then there won't be separate entry to recognise the freight recovery. In such cases the entire sales revenue would be booked on the date the consignment finally reaches the buyer's port.

In case the existing terms is on CIF

Under IND AS 18.

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	PQR A/C..Dr To Export Sales To Other Income Freight		13,06,000	 11,56,000 1,50,000

Under IND AS 115.

Date	Particulars	LF	Debit Amt	Credit Amt
03/05/2022	PQR A/C..Dr To Export Sales To Other Income Freight		13,06,000	 11,56,000 1,50,000

In case the existing terms is on CI

Under IND AS 18.

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	PQR A/C..Dr To Export Sales		11,56,000	 11,56,000

Under IND AS 115 (for sale of goods)

Date	Particulars	LF	Debit Amt	Credit Amt
02/04/2022	PQR A/C...Dr To Export Sales		11,56,000	 11,56,000

Insurance cost is the estimated cost and does not have a standalone selling price and hence not recognised separately.

2) SALE WITH A RIGHT TO RETURN:

It is a customary practise in the Pharmaceutical Industry wherein the manufacturers provide their customers (distributors generally) a right to return the products purchased from the manufacturer on account of various reasons mainly due to;

- Expiry
- Damage
- Government banning certain products etc

IND AS 115 categorically provides a method of accounting for the sales with a right to return to include the below mentioned elements.

- Revenue for the transferred products.
- Refund liability
- An Asset (with a corresponding adjustment to the cost of sales).

Practical Case Study 3

XYZ Pharmaceuticals Private Limited sells medicines worth Rs.3,00,000 to PQR Distributors on 22nd February, 2022 from Chandigarh branch. On an average worked out location wise it was observed that the sales returns to this particular branch amounted to 10% of sales. Assuming that the cost of sales for these sold products were Rs.2,40,000.

a) How should the sales be recognised at the time of inception.
b) What would be the scenario to the sales recognition as at 31st March, 2022 if it is confirmed that none of the products sold would be returned back.
c) What would be the scenario to the sales recognition as at 31st March, 2022 if it is quite probable that the return of the sales would be around 20%.

Analyse the recognition under the current vis a vis the earlier IND AS.

As per IND AS 18

At the point of sale

Date	Particulars	LF	Debit Amt	Credit Amt
22/02/2022	PQR Distributors A/C.................Dr To Sales A/C		3,00,000	 3,00,000

At the point of return (only when the actual return happens say @20% on 15th April, 2022)

Date	Particulars	LF	Debit Amt	Credit Amt
15/04/2022	Sales Returns A/C.....................................Dr To PQR Distributors A/C		60,000	 60,000

As a result in the existing IND AS there is no adjustment provided to the cost of sales and the sales returns would actually be reduced from the sales that gets recognised in the next financial year. Hence the actual gross profit figures would get distorted.

As per IND AS 115

At the point of sale (first to recognise the sales)

Date	Particulars	LF	Debit Amt	Credit Amt
22/02/2022	PQR Distributors A/C.................Dr To Sales A/C		3,00,000	 300,000

At the point of sale (second to recognise the return liability)

Date	Particulars	LF	Debit Amt	Credit Amt
22/02/2022	Sales A/C.................Dr To Return Liability A/C (10%)		30,000	 30,000

At the point of sale (next to adjust the cost of sales)

Date	Particulars	LF	Debit Amt	Credit Amt
22/02/2022	Return Asset A/C (10% portion of cost of sales).......Dr To Cost of Sales A/C		24,000	 24,000

Such a percentage needs to be reviewed at the year end of the reporting period to reflect a more clearer picture.

Now as of 31st March, 22 if it is confirmed that none of the products would be returned then the entry to be recorded would be as follows;

At the year end (first to reverse the liability)

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	Return Liability A/C (10%)...............................Dr To Sales A/C		30,000	 30,000

At the yearend (next to reverse the asset)

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	Cost of Sales A/C...Dr To Return Asset A/C (10% portion of cost of sales)		24,000	 24,000

Now as of 31st March, 22 if it is confirmed that 20% of the products would be returned then the entry to be recorded would be as follows;

At the year end (to recognise the additional return liability)

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	Sales A/C................Dr To Return Liability A/C (10%)		30,000	 30,000

At the year end (to adjust the additional cost of sales)

Date	Particulars	LF	Debit Amt	Credit Amt

31/03/2022	Return Asset A/C (10% portion of cost of sales)....Dr To Cost of Sales A/C		24,000	 24,000

The extract of the Profit & Loss Statement and the Balance Sheet would appear as follows as at the year end at 31st March, 2022;

Extract of Statement of Profit & Loss Account for the year ended 31st March, 2022

Particulars	Amount	Amount	Particulars	Amount	Amount
To Cost of Sales	2,40,000		By Sales	3,00,000	
Less: Return Assets	24,000		Less: Return Liab	30,000	
Less: Add Return Assets	24,000	1,92,000	Less: Add Return Liab	30,000	2,40,000
To Operating Profit		48,000			
		2,40,000			**2,40,000**

Extract of Balance Sheet as at 31st March, 2022

Liabilities	Amount	Amount	Assets	Amount	Amount
Current Liabilities			*Current Assets*		
Other Current Liability			Other Current Assets		
Return Liability		60,000	Return Assets		48,000

In this case the profit gets recognised appropriately as per the matching concept as the portion of the cost of the goods sold which could be subjected to return also gets recognised as an asset and hence it gets reduced from the cost thereby leading to a proper parity.

Now suppose the actual returns happen on 15th April, 2022 for the complete provision made, then the entries would be as follows;

First to reverse the Return liability

Date	Particulars	LF	Debit Amt	Credit Amt
15/04/2022	Return Liability A/C..Dr To PQR Distributors A/C		60,000	 60,000

Next to reverse the Return Assets

Date	Particulars	LF	Debit Amt	Credit Amt
15/04/2022	Cost of Sales A/C...Dr To Return Assets A/C		48,000	 48,000

3) QUANTITY DISCOUNT:

There is a general practise in the Pharmaceutical Industry to provide quantity schemes say one carton of capsules free for every purchase of 3 cartons of capsules. In the erstwhile IND AS 18 there was no specific requirement to account for such quantity schemes however IND AS 115 requires each and every sales to be accounted for in the books of accounts. There could be two situations to look into these kind of transactions one would be quantity scheme goods provided at the same time wherein the sales is made and the other case would be providing a time frame within which the quantity scheme could be availed by the purchaser for the current purchases.

Practical Case Study 4

XYZ Pharmaceuticals Private Limited sells 4 cartons of a particular medicine to PQR Distributors on 31st October, 2021 with a scheme that for every purchase of 2 cartons the purchase the purchaser would get 1 carton of the same medicine free of cost. However such a scheme would be provided at the time of sale and there would be no right to defer the enjoyment of such a scheme by the customer. In case the selling price of carton is Rs.1,00,000 how would such a sale be accounted in the books under the IND AS 115.

On the date of sale

Date	Particulars	LF	Debit Amt	Credit Amt
31/10/2021	PQR Distributors A/C.................................Dr To Sales A/C *(Rs.1,00,000 x 4 = Rs.4,00,000). Rs.4 Lakhs / 6 cartons = Rs.66,666.67 per carton*		4,00,000	 4,00,000

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In this case since the quantity scheme is compulsorily to be availed at the time of sale the entire sale price of Rs.4,00,000 to be charged for the entire 4 cartons would be considered as the overall price for selling the entire 6 cartons hence the effective selling price per unit would be Rs.66,666.67 per carton.

Practical Case Study 5

XYZ Pharmaceuticals Private Limited sells 4 cartons of a particular medicine to PQR Distributors on 31st October, 2021 with a scheme that for every purchase of 2 cartons the purchase the purchaser would get 1 carton of the same medicine free of cost. Such a scheme provides that the customer can avail such benefits up to two years from the date of original sale. The selling price of carton is Rs.1,00,000. As at 31st March, 2022 XYZ Pharmaceuticals Private Limited from its past experiences and the industry practices estimates that it would be very much probable that the customer would avail the benefit of these cartons. How would such a sale be accounted in the books under the IND AS 115.

On the date of sale

Date	Particulars	LF	Debit Amt	Credit Amt
31/10/2021	PQR Distributors A/C...................................Dr To Sales A/C (For 4 cartons out of total 6) To Liability for Scheme A/C. (For 2 cartons out of 6) (Rs.1,00,000 x 4 = Rs.4,00,000) – Rs.4 Lakhs / 6 cartons = Rs.66,666.67 per carton		4,00,000	 2,66,667 1,33,333

Now in case the customer claims the products on 15th May, 2022, then the sales would be recognised as follows;

Date	Particulars	LF	Debit Amt	Credit Amt
15/05/2022	Liability for Scheme A/C..................................Dr To Sales A/C		1,33,333	 1,33,333

4) MARKETING OTHER COMPANY'S MANUFACTURED PRODUCTS:

In many instances it is generally observed in Pharmaceutical Industries that products manufactured by other Companies (generally not having a direct market base) is sold by bigger Companies having much reputation in the market by charging appropriate marketing charges for the same. In these cases the terms of the contracts actually determines the method of recognising income under the IND AS 115.

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Practical Case Study 6

PQR Pharma manufactures certain drugs and sells them to XYZ Pharmaceuticals Private Limited for packing and directly selling to customers under the name of XYZ Pharmaceuticals Private Limited as Marketing Company. A contract for the same was signed by PQR Pharma and it specified an non refundable upfront fees of Rs.2,00,000 and further stated that the goods would initially be sold by PQR Pharma to XYZ Pharmaceuticals Private Limited under a Sale with a right to Return basis. The contract was signed on 01st April, 2021 and was having a validity period of two years with further extensions in future in the form of execution of revised contract. XYZ Pharmaceuticals Private Limited was provided right to sell the products at the rate that may be fixed by it. However the rate at which the products were being purchased from PQR was fixed in the contract. Analyse in this case how the revenue would be recognised in the books of XYZ Pharmaceuticals Private Limited.

In this case the performance obligation by XYZ to PQR is providing the marketing services for sale of products manufactured by PQR. In revert for such a service XYZ is paid a non cancellable marketing fees of Rs.2 lakhs. As per IND AS 115 non refundable upfront fees received is to be recognised as revenue over the contract period in case there is a fixed contract period and accordingly the marketing fees would be recognised as revenue in the books of XYZ proportionately over a period of 2 years (Rs.1 lakh for the FY 21-22 & Rs.1 lakh for the FY 22-23).

FY 21-22

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	Bank A/C..Dr To Marketing Fees A/C To Contract Liability for Marketing A/C.		2,00,000	 1,00,000 1,00,000

FY 22-23

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2023	Contract Liability for Marketing A/C.............Dr To Marketing Fees A/C		1,00,000	 1,00,000

5) INCOME FROM LOAN LICENSING:

According to Drugs & Cosmetics Act 1940 and Drugs & Cosmetics Rules 1945, a loan licensee is a manufacturer of drugs who may be a company or a unit or a body corporate or any other

establishment having no drug manufacturing facilities, but who intends to avail manufacturing facilities owned by another licensee who has both the license as well as the facilities to manufacture.

In these cases the manufacturer who wants to avail the facilities of manufacturing could either bring in his own labourers (in case of specific formula based medicine) or use the entire facility including the labour of the other manufacturer (in case of generic drugs). The IP remains the property of the original license owner also the onus on maintenance of the quality of the medicines remains on the original license owner.

In such cases contracts may be executed between the license owner and the actual manufacturer and accordingly the revenue would be accounted for in the books of either party.

Practical Case Study 7.

PQR Pharmaceuticals Private Limited wants to expand its operations in western part of India and has accordingly got the license to manufacture. However it does not have infra commensurate to its requirements. It enters into a two year contract with XYZ Pharmaceuticals Private Ltd on 01st April, 2021 to undertake the manufacturing activity for one of its line of tablet on an idle facility of the later. The terms of the contract were as follows;

Sr	Description	Details
1	Upfront Fee	Rs.3,00,000 non refundable
2	Total Units to be manufactured	1,000 cartons (100 strips in one carton)
3	Rate to be paid	Rs.150 per strip (XYZ's cost to manufacture is Rs.90 per strip)
4	Fixed Cost (per month) to cover up the overheads of XYZ	Rs.25,000 per month
5	Storage Costs	Rs.5 per day per carton (if the inventory needs to be stored for more than a week after manufacture)
6	Actual units sold in FY 21-22	600 cartons
7	Storage actual days in FY 21-22	10 days in Feb 22 (20 cartons) & 5 days in March 22 (30 cartons). Assume that these days are over and above a week's time as mentioned earlier.
8	Right to return product against defect	Yes. XYZ anticipates 5% defect rate in these lines of production.

Identify the revenue to be recognised by XYZ Pharmaceuticals Private Limited for the FY 21-22 by applying the concepts of IND AS 115.

The Performance Obligation under this agreement to be satisfied by XYZ Pharmaceuticals Private Limited are as follows;

- Execution of the Contract.

- Provision of the Infrastructure
- Manufacturing of the Medicines and selling to PQR
- Storing the Inventories.

Contract Execution and receipt of non refundable Upfront Fees

At the time of execution of the contract there would be upfront fees of Rs.3 lakhs which is non refundable. However such an upfront fees needs to be recognised over the period of the contract and hence the entries would be accounted for as follows;

At the time of receipt of upfront fees;

Date	Particulars	LF	Debit Amt	Credit Amt
01/04/2021	Bank A/C....................................Dr To Contract Liability A/C		3,00,000	 3,00,000

At the end of FY 21-22;

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2019	Contract Liability A/C....................................Dr To Loan License Contract Fees A/C		1,50,000	 1,50,000

Provision of Infrastructure

For providing the infrastructure XYZ Pharmaceuticals Private Limited has been guaranteed a monthly fee of Rs.25,000 per month. This would clearly be a case of continuous performance obligation.

The conditions which are essential for continuous performance obligations are as follows (any one condition to be met);

- The customer simultaneously obtains the benefit and consumes it as and when the services are provided by the seller.
- The activities of the seller create or enhances an asset which the customer controls as the asset is created.

- The seller's performance does not create an asset which has alternative use to the seller and the seller has enforceable right to collection of the money for the services provided by it till date.

In this case the monthly fees may be recognised at the end of each month as it would have the effect of completion of performance obligation of provision of the infra facilities month on month basis. Accordingly, the revenue to be recognised as follows;

First Month

Date	Particulars	LF	Debit Amt	Credit Amt
30/04/2021	PQR Pharmaceuticals Private Ltd A/C.....Dr To Infrastructure Lending Fees A/C		25,000	 25,000

Second Month

Date	Particulars	LF	Debit Amt	Credit Amt
31/05/2021	PQR Pharmaceuticals Private Ltd A/C.....Dr To Infrastructure Lending Fees A/C		25,000	 25,000

And so on till the end of contract period.

<u>Manufacturing and Selling Medicines to PQR Pharma</u>

The revenue for the sale of the product would be recognised at the point of the time of sale. However there is term in the contract which states that in case of defect in the products manufactured XYZ Pharmaceuticals Private Limited would be ready to accept the return. Hence there would be a liability to be recognised for possible returns and at the same time an asset to be created for the product to be receive back.

At the time of sale.

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	PQR Pharma A/C....................................Dr To Loan License Contract Fees A/C (600 strips x Rs.150 per strip)		90,000	 90,000

To recognise the return liability.

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2021	Sales A/C....................................Dr To Return Liability A/C (600 strips x 5% = 30 Strips x Rs.150 per strip)		4,500	 4,500

To recognise the return Asset.

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2021	Return Assets A/C....................................Dr To Cost of Sales A/C (600 strips x 5% = 30 Strips x Rs.90 per strip)		2,700	 2,700

Storing Fees / Inventory Management.

From the terms of the agreement with PQR it appears that invariably as soon as the manufacture is completed the sale to PQR gets completed except in few cases as specified in the terms as a result of which there is no monthly charge even though these kind of services could be classified as continuous performance obligation. Accordingly as per the terms of the contract the performance obligation would be measured on a month on month basis and accordingly the revenue would be considered in the books of XYZ Pharmaceuticals Private Limited.

To recognise the return revenue for the month of Feb 22.

Date	Particulars	LF	Debit Amt	Credit Amt
28/02/2022	PQR Pharma A/C....................................Dr To Inventory Management Charges A/C (Rs.5 per carton per day x 10 days x 20 cartons = Rs.1,000)		1,000	 1,000

To recognise the return revenue for the month of Mar 22.

Date	Particulars	LF	Debit Amt	Credit Amt
31/03/2022	PQR Pharma A/C....................................Dr To Inventory Management Charges A/C (Rs.5 per carton per day x 5 days x 30 cartons = Rs.750)		750	 750

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Disclaimers;

- ***The above-mentioned revised Standard have been examined to the applicability to the Pharmaceutical Industry as at the date of its notification (28th March, 2018). Further changes or amendments to the standards would require change in the methodology of analysing the revised applicability (if any).***

- ***The illustrations and the scenarios provided herein may not be exhaustive. Further actual scenario could require a different reviewing of the Standard applicability on case to case basis.***