

**MINISTRY OF CORPORATE AFFAIRS**  
**NOTIFICATION**

New Delhi, the 29th August, 2014

**G.S.R. 627(E).**— In exercise of the powers conferred by sub section (1) of Section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following amendments further to amend Schedule II of the said Act with effect from the date of publication of this notification in the Official Gazette, namely:—

1. In Schedule II of the Companies Act, 2013,—

(a) in Part 'A', in paragraph 3, for sub-paragraph (i), the following sub-paragraph shall be substituted, namely:—

"(i) The useful life of an asset shall not ordinarily be different from the useful life specified in Part C and the residual value of an asset shall not be more than five per cent. of the original cost of the asset:

Provided that where a company adopts a useful life different from what is specified in Part C or uses a residual value different from the limit specified above, the financial statements shall disclose such difference and provide justification in this behalf duly supported by technical advice".

(b) after Part 'C', under the heading Notes,—

(i) for paragraph 4 the following paragraph shall be substituted namely:—

"4(a) Useful life specified in Part C of the Schedule is for whole of the asset and where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part shall be determined separately.

(b) The requirement under sub-paragraph (a) shall be voluntary in respect of the financial year commencing on or after the 1st April, 2014 and mandatory for financial statements in respect of financial years commencing on or after the 1st April, 2015."

(c) in paragraph 7, in sub-paragraph (b) for the words "shall be recognized", the words "may be recognized" shall be substituted.

[F. No. A-17/60/2012-CL-V]

AMARDEEP S. BHATIA, Jt. Secy.

**Note:** Schedule II of the Companies Act, 2013 came into force with effect from the 1st April, 2014 and was amended (with effect from 1st April, 2014) *vide* notification number S. O. 237(E), dated the 31st March, 2014.