

Grants related to income

[Finance](#)



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This explanation proposes to standardize accounting patterns amongst real estate creators for sales of units, like apartments or houses, 'off-plan', that is prior to construction being completed. As of now, real estate creators adopt the option of either to record the revenue only after they have actually handed over the finished unit to the buyer or before, as construction progresses, by referring to the stage of finishing construction of the development. The understanding suggests that revenue should be entered as construction builds up only if the creator is rendering construction services, and not only selling goods (for example completed real estate units). It also suggests features that suggest that the vendor is giving construction services.

The accounting treatment would not have been different even if there was a rent guarantee on only some of the flats.

Issue 3:

It is essential that particulars of all monies received either as advance or otherwise are identified and properly recorded so that collections on or before the due date becomes easier. Also if a refund takes place then the company has to record it as and when it takes place.