Exposure Draft

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to Ind AS 36)

(Last date for Comments: February 17, 2014)

Issued by

Accounting Standards Board

The Institute of Chartered Accountants of India

Exposure Draft

Recoverable Amount Disclosures for Non-Financial Assets
Amendments to Ind AS 36

Following is the Exposure Draft of Recoverable Amount Disclosures for Non-Financial Assets (Amendments to Ind AS 36) issued by the Accounting Standards Board of The Institute of Chartered Accountants of India, for comments. The Board invites comments on any specific aspect of the Exposure Draft. Comments are most helpful if they indicate the specific paragraph or group of paragraphs to which they relate, contain a clear rationale and, where applicable, provide a suggestion for alternative wording.

Comments should be submitted in writing to the Secretary, Accounting Standards Board, The Institute of Chartered Accountants of India, ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi 110 002, so as to be received not later than February 17, 2014. Comments can also be sent by email to commentsasb@icai.in or asb@icai.in.

(The Exposure Draft of the Indian Accounting Standard includes paragraphs set in bold type and plain type, which have equal authority. Paragraphs in bold type indicate the main principles. (This Exposure Draft of the amendments Indian Accounting Standard should be read in the context of its objective and the Preface to the Statements of Accounting Standards[1])

Amendments to Ind AS 36 *Impairment of Assets*

Paragraphs 130 and 134 are amended . New text is underlined and deleted text is struck through.

Disclosure

…

130 An entity shall disclose the following for <u>an individual asset (including goodwill) or a cash-generating unit, for which an</u> ~~each material~~ impairment loss <u>has been</u> recognised or reversed during the period ~~for an individual asset, including goodwill, or a cash-generating unit~~:

(a) ...

(e) <u>the recoverable amount of the asset (cash-generating unit) and</u> whether the recoverable amount of the asset (cash-generating unit) is its fair value less costs of disposal or its value in use.

(f) if <u>the</u> recoverable amount is fair value less costs of disposal, ~~the basis~~

[1] Attention is specifically drawn to paragraph 4.3 of the Preface, according to which accounting standards are intended to apply only to items which are material

~~used to measure fair value less costs of disposal (such as whether fair value was measured by reference to a quoted price in an active market for an identical asset). An entity is not required to provide the disclosures required by Ind AS 113.~~ the entity shall disclose the following information:

(i) the level of the fair value hierarchy (see Ind AS 113) within which the fair value measurement of the asset (cash-generating unit) is categorised in its entirety (without taking into account whether the 'costs of disposal' are observable);

(ii) for fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) used to measure fair value less costs of disposal. If there has been a change in valuation technique, the entity shall disclose that change and the reason(s) for making it; and

(iii) for fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, each key assumption on which management has based its determination of fair value less costs of disposal. Key assumptions are those to which the asset's (cash-generating unit's) recoverable amount is most sensitive. The entity shall also disclose the discount rate(s) used in the current measurement and previous measurement if fair value less costs of disposal is measured using a present value technique.

(g) …

Estimates used to measure recoverable amounts of cash-generating units containing goodwill or intangible assets with indefinite useful lives

134 **An entity shall disclose the information required by (a)–(f) for each cash-generating unit (group of units) for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit (group of units) is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives:**

(a) ...

(c) ~~the recoverable amount of the unit (or group of units) and~~ the basis on which the unit's (group of units') recoverable amount has been determined (ie value in use or fair value less costs of disposal).

(d) …