AS-28: IMPAIRMENT OF ASSETS

SCOPE OF AS 28

- ✓ This AS deals with the impairment of PPE (AS-10) and Intangible assets (AS-26)
- ✓ This AS is not applicable on
  - AS 02 - Inventory
  - AS 07 -Asset Arising out of Construction Contract
  - AS 13 – Financial asset incl. Investment
  - AS 22 – Deferred Tax Asset

AS 28 X

IMPAIRMENT LOSS

When is Impairment Done? When Carrying amount is more than Recoverable Amount

Asset shall be valued at lower of carrying amt or Recoverable amt

Impairment Loss = Carrying Amount – Recoverable Amount
↳ +ve figure
↳ Cost (-) Depn
↳ Cost (-) Amortisation

Note: Ignore Impairment Gain

Recoverable amount shall be higher of:

a) Net selling Value = *[Expected Sale Price – Estimated Selling Expenses]**

OR

b) Value in use (Mandatory to Calculate) ---> Also linked with CGU
[Present value of Net cash inflows from continuous use of asset & includes its residual value]

*If Estimated selling ~~price~~ expense > Expected Sale Price then the difference dealt under –> AS-29
20L 0 20L

machine → Cost 500L
(-) Acc. Depn 200L
CA 300L
RA 275L → Higher of
∴ Impairment ₹25L loss
(a) value in use [PV of net cashflow] → 250L
(b) Net selling price → 275L
[FMV if sold net of selling exp]

shirts produce ↓ sell

What if
machine → Cost 500L
(-) Acc. Depn 200L
CA 300L
RA 500L
∴ No Impairment loss
Ignore gains

* Machine ⟶ 2020 purchase ⟶ COA ₹500L, scrap value ₹50L, Life 10 year

After 3 years ⟶ There in increase in Interest Rate

Net cash flow from asset are ⟶ Y4 Y5 Y6 Y7 Y8 Y9 Y10

(if used) 200L 250L 250L 300L 150L 100L 33.98L

Discounting factor ⟶ 10%.

If asset is sold today it will fetch ₹ 200L [net of selling exp]

↳ i.e Year end 3 or Year start 4

801n

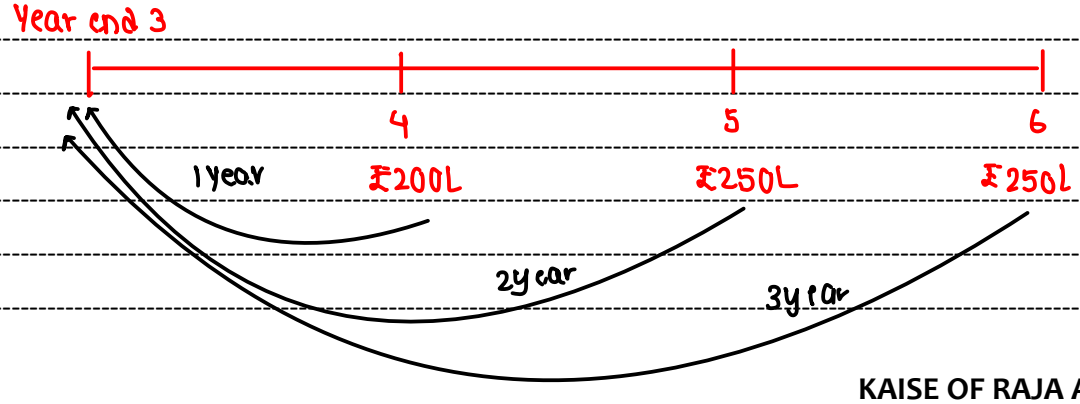
	₹
COA ↓	500L
(-) Depn for 3 years $\left[\frac{500-50}{10}\right] \times 3$	135L
CA after 3 years	365L

Recoverable Amt ⟶ Higher of

∴ 973.84L

value in use	973.84L
or	
Net selling price	200L

Year	Cash flow	PVF @ 10%		PV
4	200L	$1/(1.1)^1$	0.9091	₹ 181.82
5	250L	$1/(1.1)^2$	0.8264	₹ 206.60
6	250L	$1/(1.1)^3$	0.7513	₹ 187.83
7	300L	$1/(1.1)^4$	0.6830	₹ 204.90
8	150L	$1/(1.1)^5$	0.6209	₹ 93.14
9	100L	$1/(1.1)^6$	0.5645	₹ 56.45
10	33.98 + 50L	$1/(1.1)^7$	0.5132	₹ 43.10
				₹ 973.84



* Machine ⟶ 2020 purchase ⟶ COA ₹5000L, scrap value ₹50L, Life 10 year
After 3 years ⟶ There in increase in Interest Rate

Net cash flow from asset are ⟶ Y4 Y5 Y6 Y7 Y8 Y9 Y10
(if used) 200L 250L 250L 300L 150L 100L 33-98L

Discounting factor ⟶ 10%.

If asset is sold today it will fetch ₹200L [net of selling exp]
↳ i.e Year end 3 or Year start 4

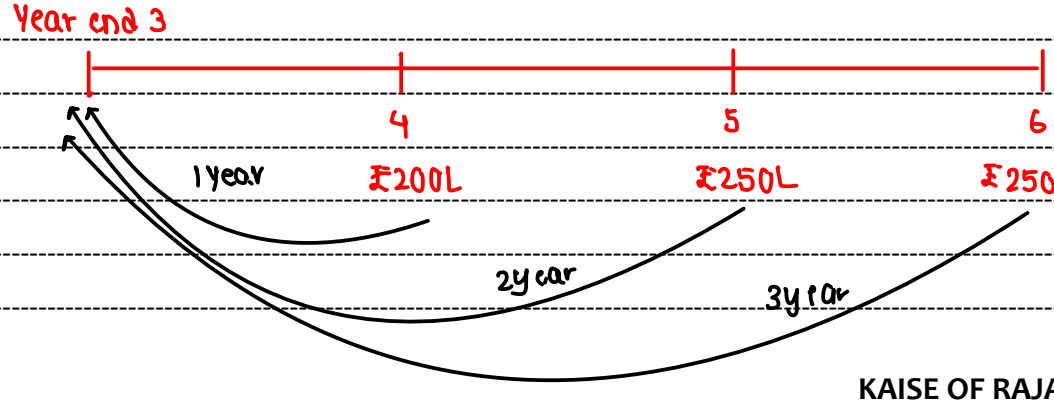
8010

	₹
COA	5000L
(-) Depn for 3 years $\left[\frac{5000-50}{10}\right] \times 3$	1485L
CA after 3 years	3,515

Recoverable Amt ⟶ Higher of
∴ 973.84L

value in use	973-84L
or	
Net selling price	200L

	Year	Cash flow	PVF @ 10%		PV
	4	200L	$1/(1.1)^1$	0.9091	₹181.82
CA 3515	5	250L	$1/(1.1)^2$	0.8264	₹206.60
RA 973.84	6	250L	$1/(1.1)^3$	0.7513	₹187.83
	7	300L	$1/(1.1)^4$	0.6830	₹204.90
∴ Impairment	8	150L	$1/(1.1)^5$	0.6209	₹93.14
Loss ₹2541.16	9	100L	$1/(1.1)^6$	0.5645	₹56.45
	10	33.98L + 50L	$1/(1.1)^7$	0.5132	₹43.10
					₹973.84



Additional Points for Value in Use:

1. **Net Cash Inflows =** Gross Inflows (incl. residual value) – Outflow to generate inflows
2. Such cash flows should be reasonable and supportable to assumptions of management
3. Cash flows should be taken for a maximum of 5 years unless justified
4. Use only Pre Tax discounted rates

Can Recoverable Amount be Negative ---> No Refer PQ7

Example:

Machine ⟶ CA ₹100L

RA ₹ 0L ⟶ Higher of

Impairment Loss ₹100L

(1) value in use ⟶ ₹0

(2) Net selling price ⟶ Estimated SP (-) Selling Exp

0 (-) 20L

= -20L

↳ As 2a deals it

PQ7

CA of Asset	₹6,00,000
RA of Asset	0
↳ value in use ₹0	
or	
Net selling price (₹70000)	
[0 (-) 70000]	
Impairment Loss	₹ 6,00,000

ILL 1

31/12/2011 ⟶ Net selling price is ₹ 20000L

Year	Net cash flow [₹ in Lakhs]	PVF@15%	PV
2012	4000	0.8696	3478.4
2013	6000	0.7561	4536.6
2014	6000	0.6575	3945
2015	8000	0.5718	4574.4
2016	5000	0.4972	2486
	[4000+1000]		19,020.4

PPE Cost of Acquisition ⟶ 40,000 L
Dt of Acquisition ⟶ 01/01/09
Useful Life 8 year

∴ Cal. of carrying amount as on 31/12/11

	₹ [in Lakhs]
Cost of Acquisition	40,000
(-) Depn [(40000 (-) 1000 / 8) x 3]	14,625
Carrying amount as on 31/12/11	25,375

Calculation of Recoverable amount

Higher of value in use (i.e ₹ 19020.4)
or
Net selling price [i.e ₹ 20000L]

∴ Recoverable amount is ₹ 20,000

Cal. of Impairment Loss = ₹ 25375 (-) ₹ 20,000
= ₹ 5,375

Revised carrying amt = 25375 (-) 5375 = ₹ 20,000

Impairment loss Dr
To Asset A/c

Revised Depn for 2012 = $\frac{20,000 (-) 1000}{[8-3]}$

= ₹3800

Illustration 2

Year	Net cash flow [₹ in Lakhs]	PVF @ 10%	PV
2012	50	0.9091	45.455
2013	30	0.8264	24.792
2014	30	0.7513	22.539
2015	20	0.6830	13.660
2016	25	0.6209	15.523
		Value in use →	121.969
		3 Digit ICAI	121.92

Net selling price → 60

∴ Recoverable Amt → 121.969

ACCOUNTING TREATMENT

Journal Entries

Date	Particulars	L/F	Dr.	Cr.
01	Revaluation Reserve (if any) A/c Dr.			
	Impairment Loss A/c Dr.			
	To Accumulated Impairment Loss A/c			
02	Profit and Loss A/c Dr.			
	To Impairment Loss A/c			

Balance Sheet:

Cost of Asset	xx
Less: Accumulated Depreciation or Accumulated Amortization	(xx)
Less: Accumulated Impairment Loss	(xx)
Carrying amount	xx

Note:

- ✓ Depreciation for future periods will be reduced due to impairment loss
- ✓ Create Deferred Tax Assets on it as it is not allowed under Income Tax ---> AS-22

	Intial Recognition	Subsequent Recognition
AS 10 ⟶ PPE	e cost	e cost model e Revaluation model
AS 26 ⟶ ITA	e cost	e cost

AS 10 or AS 26

Subsequent Recognition cost

Impairment Loss A/c Dr.
To Asset A/c

P&L A/c Dr.
To Impairment Loss A/c

AS 10

Subsequent Recognition e Reval model

Impairment Loss A/c Dr.
To Asset A/c

Revaluation surplus A/c Dr.
P&L A/c Dr.
To Impairment Loss A/c

TREATMENT OF IMPAIRMENT LOSS (in case of Cost or Revaluation Model)

Subsequent Recognition

If Cost Model is Followed (AS-10 & AS26) ---> Impairment Loss transferred to P&L A/c

If Revaluation Model is Followed (AS-10) --->

1st Impairment Loss is adjusted from Revaluation Reserve (if any) or surplus

2nd Bal. Of Impairment loss (if any) transferred to P&L A/c

ACCOUNTING TREATMENT

Journal Entries

Date	Particulars	L/F	Dr.	Cr.
01	Revaluation Reserve (if any) A/c Dr.			
	Impairment Loss A/c Dr.			
	To Accumulated Impairment Loss A/c			
02	Profit and Loss A/c Dr.			
	To Impairment Loss A/c			

Balance Sheet:

Cost of Asset	xx
Less: Accumulated Depreciation or Accumulated Amortization	(xx)
Less: Accumulated Impairment Loss	(xx)
Carrying amount	xx

Note:

- ✓ Depreciation for future periods will be reduced due to impairment loss
- ✓ Create Deferred Tax Assets on it as it is not allowed under Income Tax ---> AS-22

Illustration 3

01/04/10 ⟶ COA 7,00,00,000

useful life 7 years

∴ carrying amount as on 01/04/14

Life ⟶ 7

(-) 4

3

COA	₹7,00,00,000
(-) Depn $\left[\frac{7,00,00,000}{7} \times 4\right]$	₹4,00,00,000
i.e Carrying amt	₹3,00,00,000
+ upward Revaluation	₹2,10,00,000 ⟶ PPE A/c Dr 2.1 Cr
	₹5,10,00,000 To Reval. Reserve A/c 2.1 Cr
(-) Depn $\left[\frac{5,10,00,000}{3} \times 2\right]$	₹3,40,00,000
CA 31/03/16	₹1,70,00,000
Recoverable Amt	₹ 79,00,000
∴ Impairment loss	₹ 91,00,000
Adj. against RR	₹ 70,00,000
Trf to P&L A/c	₹ 21,00,000

JE:- Impairment Loss A/c Dr. 91,00,000

To PPE A/c 91,00,000

Revaluation Reserve A/c Dr. 70,00,000 (WN1)

P&L A/c Dr. 21,00,000

To Impairment Loss A/c 91,00,000

WN1:- Bal. in Revaluation Reserve

Depn p.a before Revaluation	₹1,00,00,000
Depn p.a after Revaluation	₹1,70,00,000
Increase in Depn p.a	₹ 70,00,000
No. of years passed after Revaluation	2

∴ Amount trf from Revaluation Reserve to Retained earning ⟶ 70L x2 i.e 1,40,00,000

Hence Bal. left ⟶ 2,10,00,000 ⟷ 1,40,00,000
= ₹ 70,00,000

INDICATORS OF IMPAIRMENT LOSS (i.e. When to Conduct Impairment Test)

External Indicators

- ✓ Low Market Capitalization → market Demand ↓, due to increase in competitor, or Better product
- ✓ Market Price of asset had declined substantially — Asset → MP ↓, FMV ↓, Net selling price ↓.
- ✓ Unfavorable market conditions against entity → Product sale ↓, value in use ↓ → ∴ chance RA ↓
- ✓ Market interest rates have increased substantially
  - ↳ Reason :- Economy Risk of Default increase
  - → Interest Rate ↑ → discounting factor ↑ → value in use ↓

Internal Indicators

- ✓ Performance of asset is lower than expected
- ✓ Asset has become idle or there is plan to dispose of the asset
- ✓ Physical damage to asset
- ✓ Company has plans of restructuring or discontinuation

"Whenever, there is indication we conduct Impairment test. Indication perse doesn't means impairment"

↓ Check CA and RA

Illustration 4

	₹
COA	150L
(-) Depn for 4 years [150L x 10% x 4]	60L
∴ CA after end of 4 years	90L
Revalued to	75L
∴ Amt trf to P&L A/c	15L

∴ Revised carrying amt after Revaluation ₹75L

Recoverable Amt ₹64.5L

Higher of value in use i.e. ₹60L

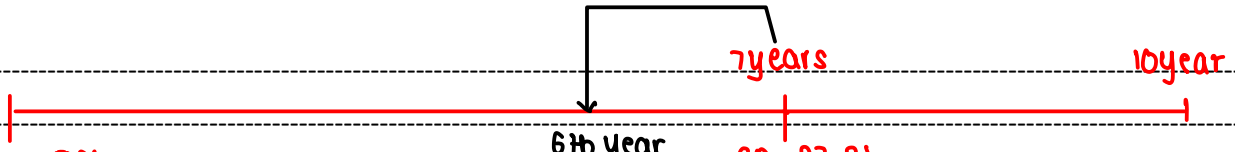
or

Net selling price i.e ₹64.5L

[67.5 (-) 3L]

∴ Impairment Loss ₹10.5L

PQ10



	₹	
COA	56L	
(-) Depn for 6 years $\left[\frac{56L (-) 0}{10} \times 6\right]$	33.6L	
CA at the end of 6th year	22.4L	Need x
+ upward Revalued ⟶	14 L	
value at end of 6th year	36.4L	
∴ Revised Depn for 7th year [36.4L (-) 0] / 4	9.1L	
value at end of 7th year	27.3L	main soln
Recoverable amt	12L	
∴ Impairment Loss	₹15.3L	
Adjusted from Revaluation Reserve	₹14L	
Transferred to P&L A/C	₹1.3L	

PB11

	₹	
COA	5,00,00,000	As on 31103121
(-) Acc. Depn	4,15,00,000	→ Net selling price ₹30L
CA as on 31103121	85,00,000	→ Value of use ₹35L
Depn for 2021-22	25,00,000	
CA as on 31103122	60,00,000	As on 31103122
		→ Net selling price ₹24L
		→ Value in use ₹24.5L

(ii) As on 31103122 ⟶ Carrying amt ₹60,00,000
Recoverable amt ₹24,50,000

∴ Impairment Loss = ₹60,00,000 (-) ₹24,50,000
Trf to P&L A/c = ₹35,50,000

(i) Hence Revised CA = 60,00,000 (-) 35,50,000
= ₹24,50,000

(iii) If Revaluation Reserve is ₹12,00,000
Then out of total impairment loss of ₹35,50,000
₹12,00,000 will be adjusted from Reval. Reserve
Bal. ₹23,50,000 trf to P&L A/c

(iv) As on 31103122 ⟶ CA ₹60,00,000
RA ₹ 0

Higher of
Value in use ₹0
OR
Net selling price (₹2L)
[0 (-) 2L]

∴ Impairment Loss ₹60,00,000
∴ Revised CA = 60L (-) 60L
= 0

CASH GENERATING UNIT (CGU)

Meaning: It is the smallest identifiable group of assets working together to generate cash flows that are largely independent of cash inflows from other assets or groups.

Ex:
Mic or Camera individually has no value in use in Teaching, but whole Teaching Setup has value in use.
Therefore, Individual Value in Use test is not possible and Hence here come CGU

Note: If asset is capable of generating cash flows on an independent basis, then such single asset is CGU

CGU

AS10 → PPE ⟶	Camera	Mic	Laptop	Ipad	Pencil	Panel [incl. pencil]	Total
Cost [excl. gst]	125000	25000	100000	25000	7000	125000	
↳ Depn @10% for 2 years	25000	5000	20000	5000	1400	25000	
carrying amount	100000	20000	80000	20000	5600	100000	3,25,600
Recoverable amt	x	x	x	x	x	x	3,00,00,000

Because I cannot cal. value in use individually

Carrying amount of CGU
Summation of carrying amount of all assets grouped under one CGU and it includes liabilities also only if it is necessary to be considered
↳ Ex:- Decommissioning and Restoration

Teacher x

	Camera	Mic	Panel	good will	Total
Asset CA	1,00,000	25,000	1,25,000	2,00,000	4,50,000
Recoverable Amt					2,00,000
Impairment	(20,000) [50000 x 1L] 2.5L	(5,000) [50000 x 0.25L] 2.5L	(25,000)	(2,00,000)	2,50,000

1st pref

Treatment of Impairment Loss of CGU

1. *Use first to Goodwill allocated to CGU and*
2. *Then to other assets on Pro rata basis based on carrying amount of each asset in CGU*

Treatment of Goodwill

It cannot generate cash flows independently from other assets or group of assets therefore its recoverable amount cannot be determined

CASE 1: If Goodwill can be allocated on reasonable and consistent basis: *Apply Bottom-Up Test only*

Noida office → 2 cgu → 2 Type studio → Panel → commerce → cgu 1 → CA ₹10L
→ Ipad → CA → cgu 2 → CA ₹4L
→ goodwill → 3,00,000 → Allocable to cgu 1 → 60%.
[purchased] cgu 2 → 40%.

	cgu 1	goodwill	Total
CA	10L	1.8L (3L x 60%)	11.8L
RA			9L
Impairment	(1L)	(1.8L)	2.8L

	cgu 2	goodwill	Total
CA	4L	1.2L (3L x 40%)	5.2L
RA			6.0L
Impairment			0

Test-1

CASE 2: If Goodwill cannot be allocated on reasonable and consistent basis: *Apply both* *Bottom-Up Test* *and* *Top-Down Test* → Test 2

Noida office → 2 cgu → 2 Type studio → Panel → commerce → cgu 1 → CA ₹10L
→ Ipad → CA → cgu 2 → CA ₹4L
→ goodwill [purchased] → 3,00,000 → Allocable X

Ex1 :- 1st Test :- Bottom up

	cgu 1		cgu 2
CA	10L	CA	4L
RA	9L	RA	5L
Impairment	1L	Impairment	0
∴ Revised CA	₹9L	∴ CA	₹4L

2nd Test Top-Down

	cgu1	cg2	gw	Total
CA	9L	4L	3L	16L
RA				15L
Impairment	-	-	(1L)	1L

Ex 2 :- 1st Test :-

	cgu 1		cgu 2
CA	10L	CA	4L
RA	9L	RA	5L
Impairment	1L	Impairment	0
∴ Revised CA	₹9L	∴ CA	₹4L

2nd Test

	cgu1	cg2	gw	Total
CA	9L	4L	3L	16L
RA				10L
Impairment	(2.08) [3L × 9/13]	(0.92) [3L × 4/13]	(3L)	6L

Treatment of Corporate Assets

Treatment is same as Goodwill with 1 Exception allocation of Impariment loss

[Example: Administrative assets like HO Building, EDP Equipment's, Research units, etc.]

RRG Edtech Pvt. Ltd ⟶ Head office ⟶ Nagpur (Administrative)

- ↳ Carrying amt ✓
- Recoverable amt
  - ↳ value in use ??
  - ↳ Net selling price ✓

↓ part of cgu

Treatment

- Allocable
- cannot be allocated

2 cgu ⟶ 2 Type studio ⟶ Panel ⟶ commerce ⟶ cgu 1 → CA ₹10L

↳ Ipad ⟶ CA ⟶ cgu 2 → CA ₹ 4L

Nagpur office ⟶ 3,00,000 ⟶ Allocable to cgu 1 → 60%.
cgu 2 → 40%.

	cgu 1	Corporate Office	Total
CA	10L	1·8L (3L x 60%)	11·8L
RA			9L
	2·37 [2·8L x 10L/11·8L]	0·43L [2·8L x 1·8L/11·8L]	2·8L

	cgu 2	Corporate Office	Total
CA	4L	1·2L (3L x 40%)	5·2L
RA			6·0L
Impairment			0

corporate office → Not Allocable

Ex1 :- 1st Test :-

	cgu 1		cgu 2
CA	10L	CA	4L
RA	9L	RA	5L
Impairment	1L	Impairment	0
∴ Revised CA	₹9L	∴ CA	₹4L

2nd Test

	cgu1	cg2	Corporate asset	Total
CA	9L	4L	3L	16L
RA				15L
Impairment	0.5625L [1L x 9/16]	0.25L [1L x 4/16]	0.1875L [1L x 3/16]	1L

Example :- Not Allocate X , Test 2

	CGU1	CGU2	Corporate Asset	GW	Total
CA	10L	12L	8L	10L	40L
RA	→				25L
Impairment	1.67L	2L	1.33L	10L	15L
	[5L × 10/30]	[5L × 12/30]	[5L × 8/30]		

PQ 9

		₹
As on 31/03/22 ⟶	carrying amt	41,00,000
	Recoverable amt	Not able to find

↓

Value in use → is not available individually

Net selling price → ₹36,00,000

		₹
∴ cgu [incl. machine] ⟶	carrying amount	3,46,00,000
	Recoverable amount	54,00,00,000
	value in use 54cr	
	Net selling price 4.4cr	
	Impairment	-

If cgu has no impairment, then asset under cgu cannot be impaired and vice-versa

Q4

	CGU A	CGU B	CGU C	Allocable HQ - Bldg	Not Allocable Research centre
As on 31/03/18					
(A) useful life	10	20	20	20	20
(B) carrying amt	100L	150L	200L	150L	50L
(C) Relative carrying amt	1000	3000	4000		
∴ Bldg cost allocation	18.75L [150L × 1000/8000]	56.25L [150L × 3000/8000]	75L [150L × 4000/8000]		

Test 1

	CGU 1	CGU 2	CGU 3
∴ carrying amt	118.75L	206.25L	275L
Recoverable amt	199.00L	164.00L	271L
Impairment	–	42.25L	4L
Revised CA	118.75L	164.00L	271L

Asset / CGU wise impairment

		CA	Impairment	
CGU 2 + Bldg ⟶	CGU 2	150	30.73	[42.25 × 150 / 206.25]
	Bldg	56.25	11.52	[42.25 × 56.25 / 206.25]
			42.25	
CGU 3 + Bldg ⟶	CGU 3	200	2.91	[4L × 200 / 275]
	Bldg	75	1.09	[4L × 75 / 275]

Test 2

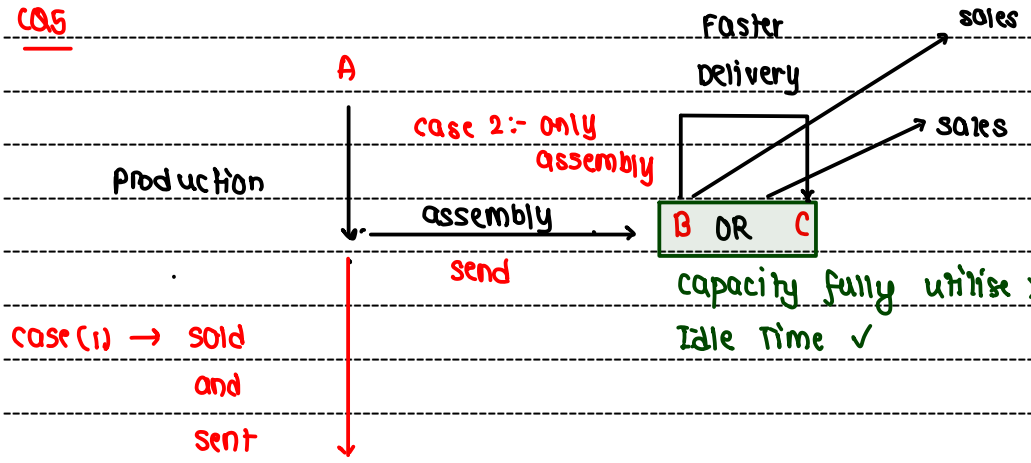
	CGU 1	CGU 2	CGU 3	Bldg	Research centre	Total
Carrying amt	100L	150L	200L	150L	50L	650L
(-) Impairment		30.73	2.91L	12.61	–	46.25
Revised CA	100L	119.27	197.09	137.39	50L	603.75
Recoverable amt ⟶						720
Impairment ⟶						0

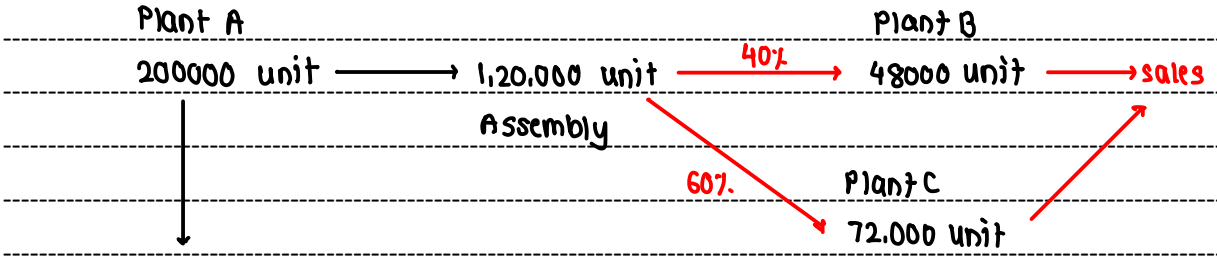
CQ6

₹ in lakhs

	CGU	GW	Total
COA	6,000	2,000	
(-) Depn / Amortisation for 2 years	2,400 [6000/5 x 2]	1,000 [2000/4 x 2]	
31103118 → carrying amt	3,600	1,000	4,600
Recoverable amt	→	→	3,459.40
Impairment	140.60	(1,000)	1,140.60
Revised CA	3,459.40	0	

CQ5





₹ Recd.

i.e value in use ✓

Since Allocation Decide the cashflow

Allocation vary from time to time

If Allocation varies value in use vary

management may not have support document w.r.t future cashflow

REVERSAL OF IMPAIRMENT LOSS

If indicators due to which impairment loss recognized earlier no longer exists, then Impairment Loss shall be reversed

Reversal shall be lower of

a) Recoverable amount – Carrying amount

OR

b) Impairment loss recognized earlier

Note: *Goodwill written off can be reversed only if certain conditions are met* ⟶ Reversal possible if done within 5 year of purchase
(Goodwill ↳ Purchased)

Example :-

01/01/15 COA 10,00,000 ⟶ Life 20 years

31/12/20 Depn [10L/20 × 6] 3,00,000

CA 31/12/20 7,00,000

RA 31/12/20 5,60,000

Impairment Loss 1,40,000

∴ Revised CA ⟶ 5,60,000

31/12/24 Depn [5.6L/14 × 4] 1,60,000

CA 31/12/24 4,00,000

RA 31/12/24 6,00,000

(a) PL A/c Dr. 1.4L

(b) Reval. Reserve Dr. 1.4L

(c) Reval. Reserve Dr. 0.8L

PL A/c Dr. 0.6L

} Reversal of impairment ₹200000 X

₹140000 X

Cal. CA as on 31/12/24 as if initially no impairment

COA	₹ 10,00,000
(-) Depn [10L/20 × 10]	₹ 5,00,000
	₹5,00,000
CA if asset was impaired	₹4,00,000

] ₹1,00,000 will be reversed

∴ JE :-

(a)

PPE A/c Dr. 1L

To P&L A/c 1L

or

(b)

PPE A/c Dr. 1L

To Reval. Reserve A/c 1L

(c)

PPE A/c Dr. 1L

To RR A/c 0.8L

To P&L A/c 0.2L

Example :-

				Impairment not done		Impairment done		Diff
01/01/15	COA	10,00,000	Y1	[10L/20]	₹50,000	[10L/20]	₹50,000	0
31/12/20	Depn	3,00,000	Y2	-11-		-11-		0
	[10L/20 x 6]		Y3	-11-		-11-		0
CA	31/12/20	7,00,000	Y4	-11-		-11-		0
RA	31/12/20	5,60,000	Y5	-11-		-11-		0
Impairment Loss		1,40,000	Y6	-11-		-11-		0
∴ Revised CA ⟶		5,60,000	Y7	-11-		[5·6L/14]	40,000	10,000
31/12/24	Depn	1,60,000	Y8	-11-		-11-		10,000
	[5·6L x 4/14]		Y9	-11-		-11-		10,000
			Y10	-11-		-11-		10,000
CA	31/12/24	4,00,000		Dr		Cr		
RA	31/12/24	6,00,000		TOT Imp. : 140000 (-) 40,000				
				Loss		Profit		
				= ₹1,00,000 Reverse				
				↳ P&L Cr.				

Example 2

Goodwill Purchase	01/01/21	₹5,00,000
31/12/22 → Amortisation		₹2,00,000
CA	31/12/22	₹3,00,000
RA	31/12/22	₹1,20,000
Impairment		₹1,80,000
CA (Revised)	31/12/22	₹1,20,000
31/12/25 → Amortisation		₹1,20,000
[120000/8 x 3]		
	CA	₹ 0
	RA	₹1,50,000

⟶ Life AS14 → 5 year

CA 31/12/25 → Impairment x ₹0
Impairment ✓ ₹0

Reversal ⟶ ₹0

5year → 31/12/19

CQ2

		CGU (Asset (other than GW))	GW	Total
COA → 31/12/2014		4,000	2,000	6000
(-) Depn / Amortisation 4 years	[4000/15 x4]	1,066.67	[2000/5 x4] 1,600	2,666.67
CA → 31/12/18		2933.33	400	3333.33
Recoverable 31/12/18 →				2720
Impairment		(213.33)	(400)	613.33
Revised CA		2720	0	
(-) Depn for 2 years	[2720/11 x2]	494.55		
CA as on 31/12/20		2225.45		
RA OD on 31/12/20		3420		

Reversal of impairment

X (A) 1194.55 [3420 (-) 2225.45]

X (B) 613.33

✓ (C) 174.55

WN1:-

		Other Asset	GW
CA of asset as on 31/12/20			
→ without impairment	(WN2)	2400	0
→ with impairment		2225.45	0
Reversal		174.55	0

WN2:

→ COA (-) Depn 6year

4000 (-) [4000/15 x6]

CQ3

Own

150 magazine Titles ⟶ 70 purchase AS 26 ITA ✓ Recognise ✓

⟶ 80 internally generated

AS 26 ITA Recognise x

kaunse title seh kya cash flow aaenga ⟶ Identifiable value in use ✓

Identifiable ✓ Economic life ✓

after end of economic life → abandon individually

DISCLOSURE REQUIREMENTS

Kya राजा ! Ab Disclose कर ले ?

- ✓ Impairment loss recorded in profit and loss A/c
- ✓ Impairment loss adjusted with revaluation reserve
- ✓ Segments affected by impairment
- ✓ Indicators used for calculations
- ✓ Assumptions applied in calculation of recoverable amount
- ✓ CGU and its identification
- ✓ Impairment loss reversed during the year