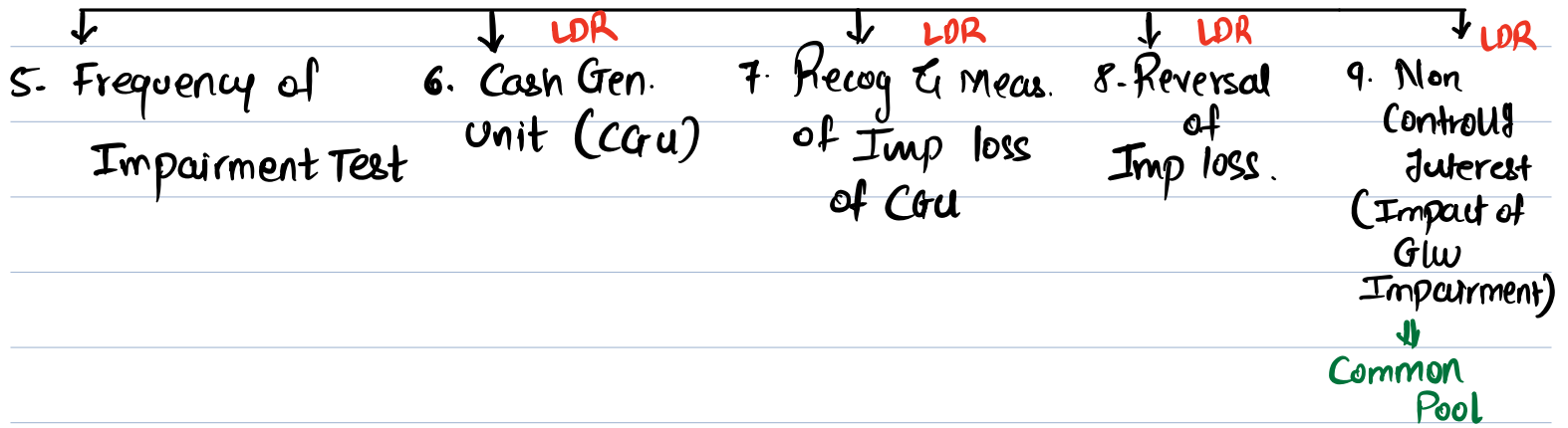
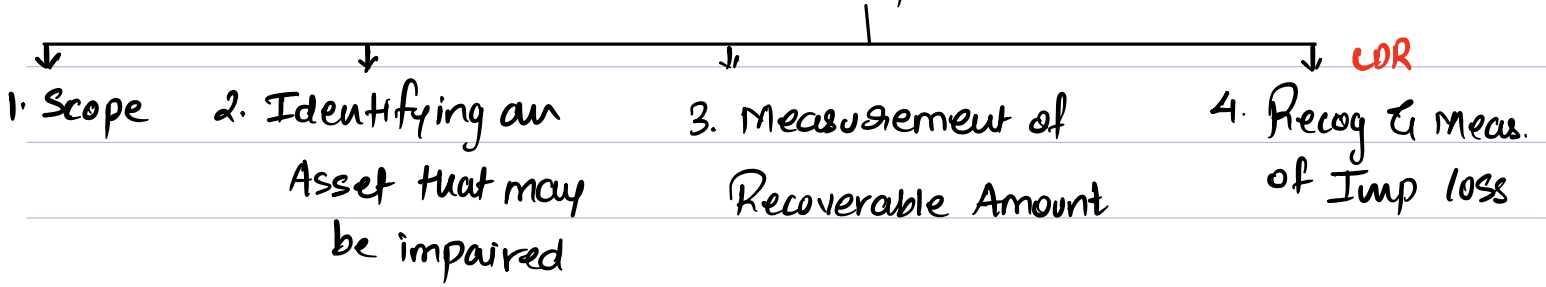
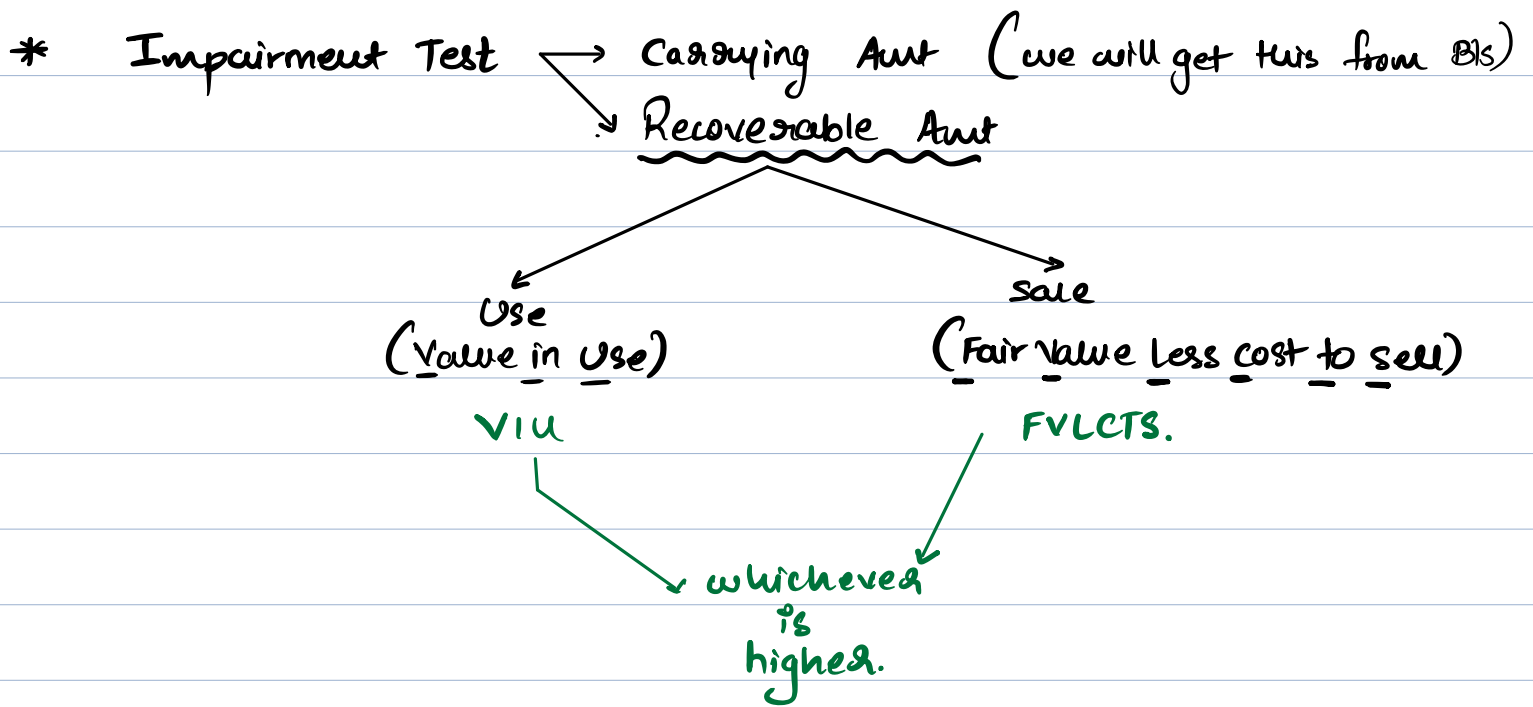


IND AS 36 - Impairment of Assets





Eg: Basics

AK Ltd
(Biscuits Manufacturing)



machine to manufacture Biscuits

Sale Machine → 01.04.22 40L
↳ sell costs (2L)
FVLCTS 38L

(life 5 yrs Remaining)

01.04.22

Use Estimated C-F from sell Biscuits manufactured from machine

Future 4 yrs D.F @ 10% PV

| | |
|---|----------------------------|
| 1 | 10L |
| 2 | 15L |
| 3 | 10L |
| 4 | 15L |
| 5 | 12L + Scrap Value (if any) |

46.7L approx. → value in use of 01.04.22.

Present value of future expected cashflows from using the asset.

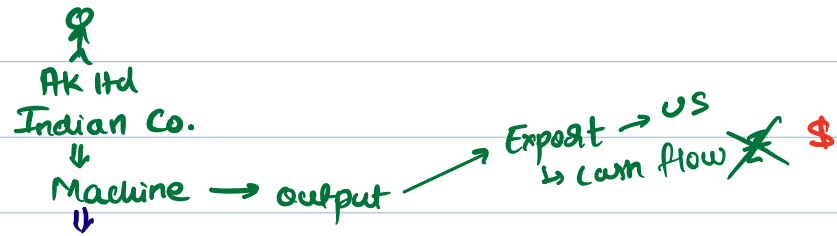
Recoverable Amt on 01.04.22

- ① VIL - 46 FL
 - ② FVLCTS - 38 L
- ↑ whichever is higher.

Assume Carrying on 01.04.22 → 40L.

| | | |
|-----------|-----|------|
| | NIL | 50L |
| Imp. loss | | 3.3L |

Eg: Value in Use → In case of foreign currency cash flows



01.04.22
4r

| | C.F | DF. | PV | Exp conv Rate |
|------------------|-------|---------------|----|---------------|
| 31.3.23 (4r1end) | \$10L | India → 10% X | | |
| 31.3.24 (4r2end) | \$15L | US - 5% | | |
| 31.3.25 (4r3end) | \$20L | | | |

\$ 40.41 L
Convert using spot Rate
₹ 75/\$

Value in use (₹) ₹ 3030 L approx.

Conversion Rate

| | |
|---------|---|
| 31.3.23 | X |
| 24 | X |
| 25 | X |

Spot Rate (01.04.22) = ₹ 75/\$

Illustration 3

(a) Calculation of Carrying Amt (Before Impairment) on 31/03/14

| | |
|--|--------|
| Cost on 01-04-11 (life 8yrs) | 20,000 |
| Less: 3yrs Deprn | (7313) |
| $\left[\frac{(20000 - 1500) \times 3}{8} \right]$ | |
| C-A 31-03-14 | 12687 |

(b) Recoverable Amt on 31-03-14

i) Value in Use

| yr | C.F | DF@ 15% | PV |
|-------|---|---------|-------------|
| X4-X5 | 2000 | | |
| X5-X6 | 3000 | | |
| X6-X7 | 3000 | | |
| X7-X8 | 4000 | | |
| X8-X9 | 2000 + 500 | | |
| | ↙ Residual value Add in last yr cash flow | | 9510 approx |

ii) FVLCFS (Given) 10,000

∴ Rec. Amt = 10,000
(Higher of VLU & FVLCFS)

(c) Imp loss

CA ⊖ R.A
12687 ⊖ 10,000
= ₹ 2687.

OFY

J-E Imp loss (PIL) 2687
TO PPE AC 2687

(d) Revised Carrying Amt on 31.03.24 (After Impairment loss)
= £10,000 (Remaining life 5yrs)

(e) Revised Deprn \rightarrow Residual value.
 $\left(\frac{10000 - 500}{5\text{yrs}} \right) = \text{£}1900 \text{ p.a.}$

Eg: Imp loss Treatment (Asset Revaluation Model)

01.04.22 Cost PPE 10 L (10 yrs)

Deprn 22-23 (1L)

31.3.23 C.A 9L

F.Y 15L

Rev Gain 6L
(OCI/CNR)

Revised C.A. 31.3.23 15L (life 9 yrs)

Deprn (23-24) (1.67)

C.A 31.3.24 13.33 (Impairment Test)

~~R.A~~ 31.3.24 12L

I.L

1.33

→

I.L (OCI) A/c Dr. 1.33

As Asset @ Rev Model

TO PPE

1.33

∴ Treatment same like

Rev loss.

To the extent of Prev Gain

exists loss Adj from OCI

OFU

In above case only treatment of Imp loss is same like Rev loss

But Nature of Both losses is diff.

Rev loss → compare C.A & F.Y

Imp loss → compare C.A & R.A.

Revised C.A (after I.L) 31.3.24 = 12L (life 8 yrs)

Deprn 24-25 (1.5L)

calculated of Revised C.A i.e. 12L (12/8 yrs)

Eg: ① **CGU** → Group of Assets that generates cash flows together
 (eg: AK Bhai's Teaching set up)

| | Laptop | Camera | Ipad | Mic | Total |
|-------------|--------------------------------|--------------------------------|------|------|--|
| C.A | 200 | 300 | 100 | 50 | 650 |
| R.A [Given] | - | - | - | - | <u>520</u> |
| I.L | (40) | (60) | (20) | (10) | 130 |
| | $(130 \times \frac{200}{650})$ | $(130 \times \frac{300}{650})$ | | | ↓ Allocate b/w All 4 assets in the ratio of carrying Amt. |
| Revised C.A | 160 | 240 | 80 | 40 | 520 |

Eg 2: Glw → Individual Imp Test → Not possible
 → Allocated to CGU's

AK Hd → CGU 1 [CA Bwn] → Laptop, Camera, Ipad
 → CGU 2 [CA Bwn] → Mac, Mic, Projector } (+) Glw = 2L.

Case 1: Benefits only in CGU 1

Case 2: Benefits in Both CGU 1 & 2

25% CGU 1
75% CGU 2.

Case 3: Benefits in Both CGU's But cannot be allocated.

Case 1:

| CGU 1 | Lap | Camera | Ipad | <u>Glw</u> | Total |
|-------------|-------------------------------|--------|------|------------|------------|
| C.A (Given) | 10L | 5L | 5L | 2L | 22L |
| R.A (Given) | - | - | - | - | <u>16L</u> |
| I.L | (2L) | (1L) | (1L) | (2L) | 6L |
| | $(4L \times \frac{10L}{20L})$ | | | | |

Revised C.A: 8L, 4L, 4L, -

1st Glw 2L
Bal 4L ↓ Allocate in other assets in ratio of C.A.

| <u>CGU 2</u> | MacBook | Mic | Projector | <u>Glu</u> | Total |
|--------------|---------|-----|-----------|------------|------------|
| C-A (Given) | 8L | 4L | 4L | - | 16L |
| R-A | | | | | <u>18L</u> |
| I-L | | | | | - |

Case 2: Benefits Both CGU 1 & 2

| <u>CGU 1</u> | Lap | Camera | Ipad | (25%) <u>Glu</u> | Total |
|--------------------|-------------------------|--------|-------|---------------------|---------------|
| C-A (Given) | 10L | 5L | 5L | 50,000 | 2050000 |
| R-A (Given) | | | | | <u>18L</u> |
| I-L | (1L) (21 x 10 / 20L) | (50K) | (50K) | (50K) | <u>250000</u> |
| <u>Revised C-A</u> | 9L | 4.5L | 4.5L | - | 50000 Glu |

200000 in other Asset

| <u>CGU 2</u> | MacBook | Mic | Proj | (75%) <u>Glu</u> | Total |
|--------------|---------|-----|------|---------------------|------------|
| C-A (Given) | 8L | 4L | 4L | 150000 | 1750000 |
| R-A (Given) | | | | | <u>20L</u> |
| I-L | | | | | - |

Case 3:

Imp Test → in 2 Stages

Stage 1: Test Individual CGU (without Glu)

| <u>CGU 1</u> | <u>Cap</u> | <u>Camera</u> | <u>Ipad</u> | Good | <u>Total</u> |
|--------------|------------|---------------|-------------|-----------------|--------------|
| C.A. | 10L | 5L | 5L | - | 20L |
| R.A (Given) | | | | | 18L |
| I.L | (1L) | (50k) | (50k) | | 2L |
| Revised C.A | 9L | 4.5L | 4.5L | | 18L |

No Glw
∴ allocate in other assets

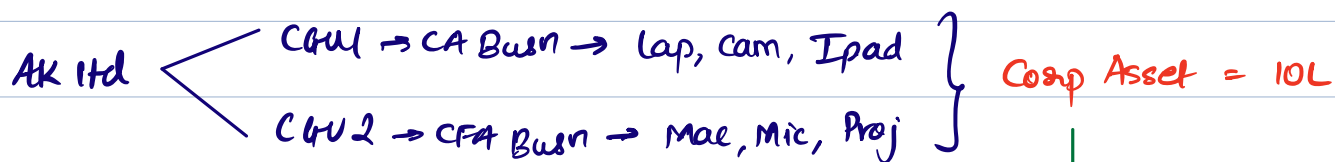
| <u>CGU 2</u> | <u>Mac</u> | <u>Mic</u> | <u>Proj</u> | Good | <u>Total</u> |
|--------------|------------|------------|-------------|-----------------|--------------|
| C.A | 8L | 4L | 4L | - | 16L |
| R.A (Given) | | | | | 17L |
| I.L | | | | | - |

Stage 2: Combine CGU 1 (+) CGU 2 (+) Glw

| | <u>CGU 1</u> | <u>CGU 2</u> | <u>Glw</u> | <u>Total</u> |
|---------------|--|---|---|--|
| | $\begin{matrix} \swarrow \\ 9 & 4.5 & 4.5L \\ \searrow \end{matrix}$ | $\begin{matrix} \swarrow \\ & & \\ \searrow \end{matrix}$ | $\begin{matrix} \downarrow \\ & & \end{matrix}$ | |
| C.A (Revised) | 18L | 16L | 2L | 36L |
| R.A (Given) | | | | 34.5L |
| I.L | | | (1.5L) | 1.5L |
| Revised C.A | 18L | 16L | 0.5L | 1.5L $\begin{matrix} \swarrow & \searrow \\ \text{1st Glw} & \text{Bal } \boxed{0} \\ \text{1.5L} & \end{matrix}$ |

Conceptual Note: In stage 2, Imp loss cannot be more than 2L as
 In stage 2 we came to test for Glw as CGU 1 & 2 are
 already tested for Impairment.

Eg 3 Corporate Assets (eg. Admission Office)
 Individual Cash Flow x ∴ No VIU ∴ No Individual Imp. Test.
 → Allocate to CGU's



Case 1: Benefits only in CGU 1

Case 2: Benefits in Both CGU 1 & 2
 CGU 1 30%
 CGU 2 70%

Case 3: Benefits in Both CGU But NOT allocable

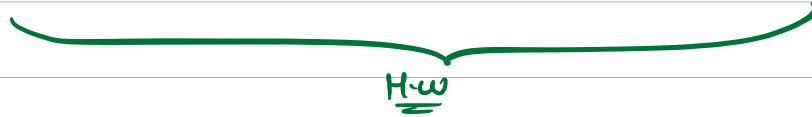
Case 1:

| CGU 1 | Lap | Cam | Ipad | Corp Asset | Total |
|--------------|------|------|------|------------|-------|
| C.A (Given) | 10L | 5L | 5L | 10L | 30L |
| R.A | | | | | 24L |
| I.L | (2L) | (1L) | (1L) | (2L) | 6L |
| Revised C.A. | 8L | 4L | 4L | 8L | |

~~Mistake: Allocate full in Corp Asset.~~
 All assets (incl: Corp Asset) in the ratio of C.A.

Case 2: CGU1

| | lap | Cam | Ipad | Corp Asset | Total |
|------|-----|-----|------|------------|------------|
| C.A. | 10L | 5L | 5L | 3L | 23L |
| R.A | | | | | <u>20L</u> |
| I.L | | | | | 3L |



↓
Allocate in All asset in ratio of C.A

CGU 2

| | Mae Book | Mic | Proj | Corp Asset (70%) | Total |
|-----|----------|-----|------|------------------|------------|
| CA | 8L | 4L | 4L | 7L | 23L |
| R.A | | | | | <u>25L</u> |
| I.L | | | | | <u>-</u> |

Case 3:

Stage 1: Test Individual CGU's (without Corp Asset)

| <u>CGU1</u> | lap | Cam | Ipad | Corp Assets | Total |
|-------------|------|-------|-------|------------------------|------------|
| C.A | 10L | 5L | 5L | | 20L |
| R.A | - | - | - | | <u>18L</u> |
| I.L | (1L) | (50K) | (50K) | | 2L |

| | | | | | |
|------------|----|------|------|--|-----|
| Revised CA | 9L | 4.5L | 4.5L | | 18L |
|------------|----|------|------|--|-----|

| <u>CGU 2</u> | Mae | Mic | Proj | Corp Asset | Total |
|--------------|-----|-----|------|-----------------------|------------|
| C.A. | 8L | 4L | 4L | - | 16L |
| R.A | | | | | <u>17L</u> |
| I.L | | | | | <u>-</u> |

Stage 2: Test Combined CGU (+) Corp Asset
(CGU 1 + 2)

| | CGU 1 | CGU 2 | Corp Asset | Total |
|---------------|-------|-------|------------|------------|
| C.A (Revised) | 18L | 16L | 10L | 44L |
| R.A. | | | | <u>41L</u> |
| I.L | — | — | (3L) | 3L |

↙ ↘
 Already Impairment test
 Done in stage 1 ∴ No Imp loss allocation
 in stage 2.

↓

~~Allocate in
CGU 1 + 2 + Corp
Asset
in ratio of C.A.~~

Note: In above case 3: CGU 1 & 2 are already tested individually for impairment ∴ In this case Impairment loss (if any) will only be allocated to Corp Asset (Only in this case)

Illustration 12

C.A → 27.3L → Asset @ Revalⁿ model.

R.A → 12L

I.L 15.3L ← 14 loss (Prev Gain) → OCI
 1.3L loss → P/L.

Treatment same like Revaluation loss

| | |
|-------------|------|
| <u>J-E.</u> | |
| IL (OCI) | 14 |
| IL (P/L) | 1.3 |
| TO PPE | 15.3 |

Revised C.A 12L (Remaining life = 3 yrs)

Deprn p.a = 4L p.a.

Illustration 20

| <u>CGU</u> | (life 10 yrs) Plant A | Goodwill | Total |
|--------------------------|--------------------------|----------|-------|
| Cost 01.04.X1 | 1000 | 200 | 1200 |
| Less: 1yr Deprn | (100) | - | |
| C.A 31.03.X2 | 900 | 200 | 1100 |
| R.A 31.03.X2 | | | 600 |
| I.L | (300) | (200) | 500 |
| Revised C.A. 31.03.X2 | 600 | - | 600 |

Illustration 21 ^{WDB}

→ [Just copied → will understand in Ind AS 103]

(i) Computation of Glw

| | |
|--|------------------|
| PC ($8L \times \frac{2}{5} \times \text{£}4$) (80%) | 1280000 |
| (+) NCI (20%) ($\frac{8L - 80\%}{?} = 20\%$) 2L shares $\times \text{£}1.4$ | 280000 |
| (-) INA (100%) | <u>(1300000)</u> |
| Glw | <u>260000</u> |



(ii) Computation of Imp loss

Glw 260000 $\left\{ \begin{array}{l} A \ 2 \rightarrow 104000 \text{ (} 260000 \times \frac{2}{5} \text{)} \\ B \ 2 \rightarrow 104000 \\ C \ 1 \rightarrow 52000 \end{array} \right.$

(Fin '000s)

| <u>Co A</u> | <u>Other Assets</u> | <u>Glw</u> | <u>Total</u> |
|-------------|---------------------|------------|--------------|
| C.A | 600 | 104 | 704 |
| R.A | - | - | <u>704</u> |
| IL | | | <u>-</u> |
| <u>Co B</u> | <u>Other Assets</u> | <u>Glw</u> | <u>Total</u> |
| C.A | 550 | 104 | 654 |
| R.A | | | <u>650</u> |
| I.L | <u>-</u> | <u>(4)</u> | <u>4</u> |
| Revised C.A | 550 | 100 | <u>650</u> |

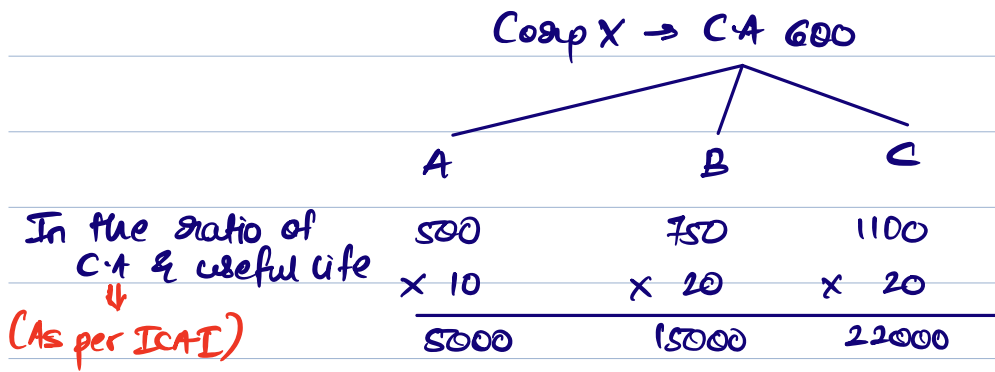
| <u>Co C</u> | <u>Other Assets</u> | <u>Glw</u> | <u>Total</u> |
|-------------|---------------------|-------------|--------------|
| C.A | 450 | 52 | 502 |
| R.A | | | <u>400</u> |
| I.L | <u>(50)</u> | <u>(52)</u> | <u>102</u> |
| Revised C.A | <u>400</u> | <u>-</u> | <u>400</u> |

| Total Imp loss | CGU A | CGU B | CGU C | Total |
|----------------|-------|-------|-------|-------|
| | - | 4 | 102 | 106 |

Ind AS
103

Non Controlling Int
(20%)
i.e. ₹ 21.2

Illust 23 (LDR)



Corp Y → C.A 200
↓
Cannot be allocated
to individual CRUs
↓
Imp Test
(2 Stages)

Allocation of X

| | | |
|-----------------------------------|------------------------------------|------------------------------------|
| 71 | 214 | 315 |
| $(600 \times \frac{5000}{42000})$ | $(600 \times \frac{15000}{42000})$ | $(600 \times \frac{22000}{42000})$ |

Stage 1: Individual CRU Imp Test (incl corp X) But excluding Corp Y.

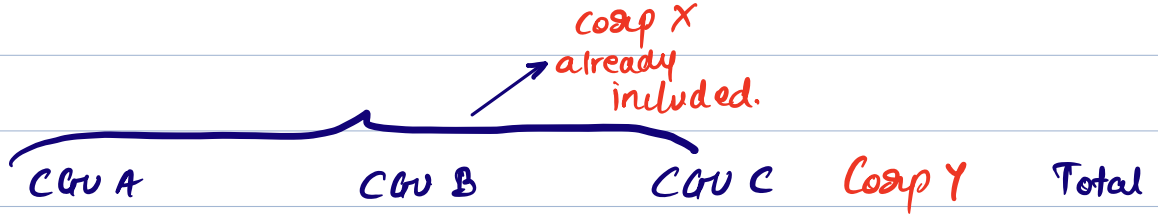
| CRU A | Other Assets | Corp X | Total |
|-------|--------------|--------|-------|
| C.A | 500 | 71 | 571 |
| R.A | | | 600 |
| I.L | | | - |

| CRU B | Other Assets | Corp X | Total |
|-------|--------------|--------|-------|
| C.A | 750 | 214 | 964 |
| R.A | | | 900 |
| I.L | (50) | (14) | 64 |

| | | | |
|-------------|-------------------------------|-------------------------------|-----|
| | $(64 \times \frac{750}{964})$ | $(64 \times \frac{214}{964})$ | |
| Revised C.A | 700 | 200 | 900 |

| CGUC | Other Assets | Coop X | Total |
|--------------------|---------------------------------|--------------------------------|-------------|
| C.A | 1100 | 315 | 1415 |
| R.A | | | 1400 |
| I.L | (12) | (3) | 15 |
| | $(15 \times \frac{1100}{1415})$ | $(15 \times \frac{315}{1415})$ | |
| <u>Revised C.A</u> | <u>1088</u> | <u>312</u> | <u>1400</u> |

Stage 2: Combined Impairment Test $(A+B+C)$ (+) Coop Y



| | CGU A | CGU B | CGU C | Coop Y | Total |
|---------------|-------|-------|-------|--------|-------|
| C.A (Revised) | 571 | 900 | 1400 | 200 | 3071 |
| R.A | | | | | 3200 |
| I.L | | | | | - |

OFU

| | CGU A | Other Asset | Coop X |
|------------------------|-------|-------------|--------|
| Summary Total Imp loss | CGU A | - | - |
| | CGU B | 50 | 14 |
| | CGU C | 12 | 3 |

Eg: Reversal of I.L (Individual asset)

| | | |
|--------------------|-----------------|--|
| Asset Day ① | 01.04.22 | £200 (life 10 yrs) |
| | (-) 2 yrs Deprn | <u>(40)</u> → Deprn p.a. £20 |
| Indication of Imp. | C.A 31.3.24 | 160 |
| | R.A 31.3.24 | <u>120</u> |
| | I.L | 40 → J-E. I.L (PIL) A/c Dr 40 TO PPE 40 |

| | | |
|-------------------|---------|---|
| Revised C.A | 31.3.24 | 120 (life Remaining 8 yrs) |
| (-) Deprn (24-25) | | <u>(15)</u> → Deprn Exp £5 ↓ [cost of Impairment] |
| C.A | 31.3.25 | 105 |
| (-) Deprn (25-26) | | <u>(15)</u> → → £5 ↓ ["] |

| | | |
|-------------------------------|----------------------------------|---|
| Indication of Reversal of Imp | C.A 31.3.26 | 90 |
| | R.A 31.3.26 | <u>140</u> |
| | Reversal of IL | 30 → J-E. PPE A/c Dr 30 |
| | Revised C.A on 31.3.26 [90 + 30] | 120 (life 6 yrs) TO Rev of I.L (PIL) 30 |

Actual Reversal of I.L 50
 Max Reversal of I.L (woni) 30 ↓
 (31.3.26)

| | |
|---|-----------|
| <u>woni</u> Max Reversal of I.L on 31.3.26. | |
| i) C.A (if NO Imp) on 31.3.26. [200 - 4 yrs Deprn (80)] | 120 |
| ii) C.A (after Imp) on 31.3.26. | <u>90</u> |
| Max Reversal | <u>30</u> |

OFU [NOT read in exam].

Why Reversal of IL (Max) was 30 & NOT 40?
 coz we Booked loss of £40 But saved £5 + £5 Deprn ∴ our NET loss was only £30

eg: [CGU] → Max Reversal. → including Glw.

| Day ① | CGU | (Life 10yrs) Other Assets Lap Cam Ipad | (No life) Glu | Total |
|-------|-----------------|--|------------------|-------|
| | Cost 01.04.22 | 20L | 2L | 22L |
| | Loss: 1yr Deprn | (2L) | - | |
| | C.A 31.3.23 | 18L | 2L | 20L |
| | R.A 31.3.23 | - | - | 15L |
| | IL | (3L) | (2L) | 5L |

1st Glw 2L
Bal 3L → O.A.

Revised C.A 31.3.23 15L (life 9yrs) - 15L

Loss: 1yr Deprn (1.67)

Indication of Reversal of I.L

| | | | |
|-------------|-------|---|-------|
| C.A 31.3.24 | 13.33 | - | 13.33 |
| R.A 31.3.24 | | | 20L |

Actual Rev. 6.67

Max Rev of IL 2.67 (wNI)

WN ① Max Reversal of I.L

① C.A (if No jump) on 31.3.24 16L
↳ [excl. Glw] → NO Reversal on Glw.
[20L - 4yrs Deprn (4)]

② C.A (after jump) on 31.3.24 13.33
Max Reversal 2.67

| | Other Assets | Glu | Total |
|---------------------|-----------------|-----|-------|
| 31.3.24 Revised C.A | 16L (life 5yrs) | - | 16 |
| | [13.33 + 2.67] | | |

Illust 10

(life = 20 yrs)

| Cou | Other Assets | GLW | Total |
|--------------------------------------|--|---------|--------|
| 01-04-11 | 320000 | 80000 | 400000 |
| Less: 2 yrs Deprn | (32000) | - | |
| C.A. 31-3-13 | 288000 | 80000 | 368000 |
| R.A 31-3-13 | | | 212000 |
| IL | (76000) | (90000) | 156000 |
| Revised C.A 31-3-13 | 212000 | - | 212000 |
| Less: 2 yrs Deprn (212000 × 2/18) | (23556) | | |
| C.A 31-3-15 | 188444 | | 188444 |
| R.A 31-3-15 | (Higher of 304000 (nu) & 290000 (nuets)) | | 304000 |
| Revised C.A 31-3-15 | 256000 | | |
| (Remaining life 16 yrs) | | | |
| Deprn p.a. → | 16000 | | |
| (256000 / 16 yrs) | | | |

1st GLW 80k
 2nd O.A 76k
 J-E (PII)
 IL 156000
 TO GLW 80000
 TO O.A 76000

Actual Rev 115556
 Max Rev (WNI) 67556
 J-E O.A 67556
 TO Rev of IL 67556

WNI ① Max Rev of I.L.

| | |
|-----------------------------|--------|
| C.A (if No Imp) 31-3-15 | 256000 |
| excl-GLW (320000 (-) 64000) | |
| 4 yrs Dep | |
| C.A (after Imp) 31-3-15 | 188444 |
| Max Rev. | 67556 |

Illus 27

| | | | |
|-------------|-----------|-------------|-------------|
| C-A | 01.04. x0 | 100 | (life 4yrs) |
| less: Deprn | x0-x1 | <u>(25)</u> | |
| C-A | 31.3. x1 | 75 | |
| R-A | 31.3. x1 | <u>60</u> | |
| IL | | 15 | |

Revised C-A 31.3. x1 60 (life 3yrs)

less: Deprn x1-x2 (20)

C-A 31.3. x2 40

R-A 31.3. x2 40

} No Imp

} No Rev of IL

} CA = R-A.

less: Deprn x2-x3 (20)

C-A 31.3. x3 20

R-A 31.3. x3 28

Actual Rev of IL 8

Max Rev of IL 5

(wml)

Revised C-A 25

wml Max Rev of IL

C-A (if No Imp) → 25

C-A (after Imp) 20

5

(100 - 75) ^{3yrs Deprn}

Illustration 33 (LDR)

| Particulars | X3-X4 | X4-X5 | X5-X6 | X6-X7 | X7-X8 |
|-----------------------|-------|---------------------|---------------------|-----------------|-----------------|
| I] Selling price p.u. | 200 | 206 (200+3%) | 212 (206+3%) | 219 (212+3%) | 225 (219+3%) |
| II] No. of units | 10000 | 10500 (10000+5%) | 11025 (10500+5%) | 11576 | 12155 |

III] Total cash inflows
(Sales) → (A)

| | | | | | |
|---------------|-----|-----------------|-----------------|-----------------|-----------------|
| IV] Cost p.u. | 160 | 162 (160+1%) | 165 (162+2%) | 168 (165+2%) | 171 (168+2%) |
|---------------|-----|-----------------|-----------------|-----------------|-----------------|

V] Total cash outflows
[II x IV] → (B)

VI] Maint^e Cost → (C) (50000)

VII] Residual value → (D) 80000

Net Cash flows XX XX XX XX X
[A - B - C + D]

D.F @ 8%

PV



Total = PV

Illustration 34

31.3.16 C-A 660000

31.3.16 R.A 588230.

i) Value in Use

yr CF DF @ 9% PV

↳ [If there is any Residual value → Do not forget to add in last yr cash flow]

VLU.

588230

$$\begin{aligned} \text{ii) FVLCTS} &= 600000 - 96000 \\ &= 504000 \end{aligned}$$

Calc of Imp loss

$$660000 - 588230 = 71770$$

(Asset → Rev Model)

36000 (loss) → OCI
35770 (loss) → P/L

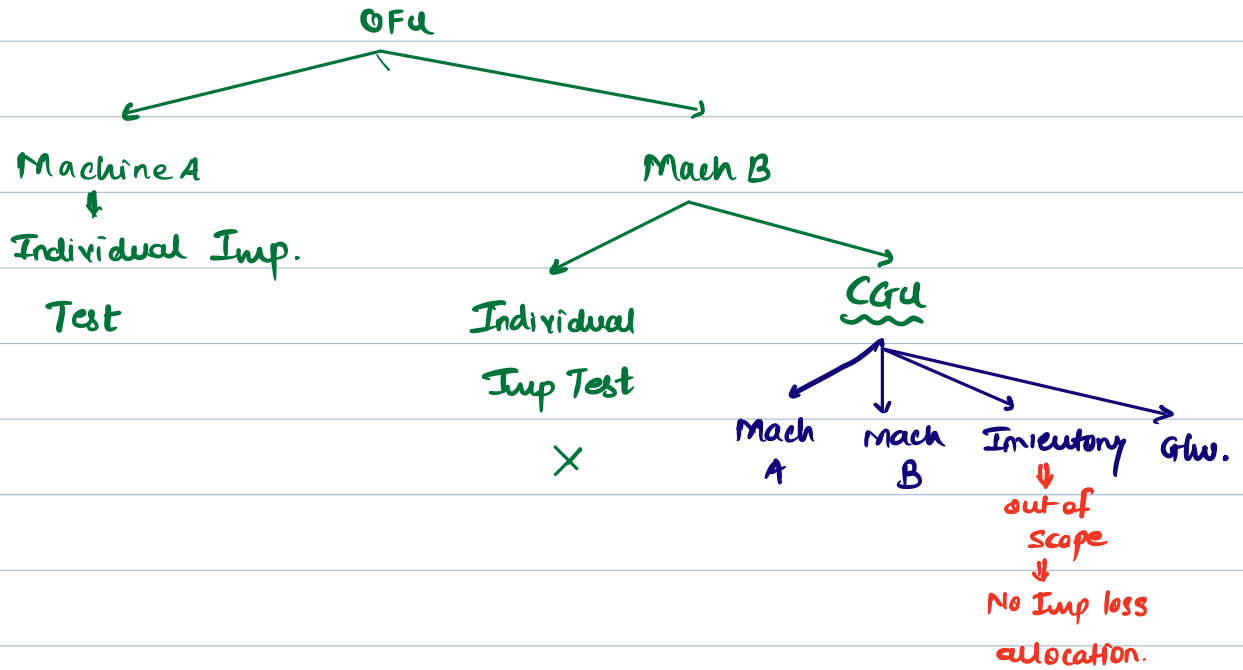
| | | |
|------------|-------|-------|
| <u>J.E</u> | | |
| IC (OCI) | 36000 | |
| IC (P/L) | 35770 | |
| TO P/E | | 71770 |

Revised C-A 31.3.16 588230
(life 4 yrs)

$$\begin{aligned} \text{Deprn p.a.} &= 147058 \text{ p.a.} \\ &= (588230 / 4 \text{ yrs}) \end{aligned}$$

Treatment of Govt Compensation:- Any govt compensation would be accounted when it becomes receivable. At this time, the govt has only stated that it may compensate the comp^t & ∴ credit should NOT be taken for any potential govt receipt.

Illustration 32 (LDR)



A] Machine A (Imp Test) on 31.3.18.

| | | | |
|----------|-----------------|--|--------------------------------|
| 01.04.13 | Cost | 10,00,000 | (life 10yrs, Res. value = 50K) |
| | Less: Sys Deprn | (475000) | |
| | | $\left[\frac{10L (-) 50K \times 5yrs}{10yrs} \right]$ | |
| 31.3.18 | C.A | 525000 | |
| 31.3.18 | R.A (WNI) | <u>489650</u> | |
| | IL | 35350 | → IL (PIL) 35350 |
| | | | TO Mach A 35350 |

Revised C.A. 31.3.18 489650 (Remaining Life 5yrs). (Res. value - 50000)

W.N. ① Recoverable Amt (Higher → 489650)

| ① Yr | C-F | D.F @ 10% PV |
|------|-------------------------|---------------|
| 1 | 1.5L | |
| 2 | 1L | |
| 3 | 1L | |
| 4 | 1.5L | |
| 5 | 1L (+) 50K (Res. value) | 489650 |

② FV LCTS

| | |
|---------|---------------|
| FV | 700000 |
| (-) CTS | (150000) |
| (-) | (25000) |
| | (75000) |
| FV LCTS | <u>450000</u> |

Note: valⁿ fees → Not a direct cost of selling.

C.A (Jump Test) on 31.3.18.

| | Mach A | Mach B | Inventory | Crw | Total |
|---------------|--------|---|-----------|--------|---------|
| C.A [31.3.18] | 489650 | 350000 | 200000 | 150000 | 1189650 |
| | | [SL(-) 3yrs Deprn ↓ 14.15 (1.50)] | | | |

Given.

R.A [31.3.18]

| | | | | | |
|----------|--|---------|---------------------------------|----------|-----------|
| | | | | | 10,00,000 |
| Imp loss | | (39650) | | (150000) | 189650 |
| | ↓ No jump loss allocated to machine A as jump test of A already done. | | ↓ out of scope of Ind AS 36. | | |

| | | | | | |
|-------------|----------------------------|---------------|----------|---|-----------|
| Revised C.A | 489650 | 310350 | 2,00,000 | - | 10,00,000 |
| 31.3.18 | (life = 5yrs R.V = 50K) | (life = 7yrs) | | | |

(B) Prospective Deprn for 18-19

| | Mach A | Mach B |
|-------------|---------------------------------|---------------|
| C.A 31.3.18 | 489650 | 310350 |
| | (life = 5yrs, R.V = 50K) | (life = 7yrs) |
| Deprn 18-19 | (87930) | (44336) |
| | $\frac{(489650 - 50000)}{5yrs}$ | |
| C.A 31.3.19 | 401720 | 266014 |

c] C.A of 31.3.19 [After Reversal of IL]

Machine A

| | | |
|---------------|--------|---|
| C.A 31.3.19 | 401720 | |
| R.A 31.3.19 | 450000 | |
| Actual Rev | 48280 | ↓ |
| Max Rev (WN2) | 28280 | |

WN2 Max Reversal

① CA (if No Jump) 31.3.19 430000
 [10L - 6yrs Deprn]
 $\left[\frac{10L - 50K}{10yrs} \times 6yrs \right]$

② CA (After Jump) 31.3.19 401720
 Max Reversal 28280

Revised CA 31.3.19 = 430000

ii) CGU (Reversal of IL on 31.3.19)

| CGU | Mach A | Mach B | Inv | GLW | Total. |
|---------------|-----------|--------|--------|-----|--------|
| C.A [31.3.19] | 430000 | 266014 | 200000 | - | 896014 |
| | (Revised) | | | | |

Rec. Amt

Comb A & B (+) Inv ~~11,00,000~~
 760000 2L 960000 (ICAI)

Actual Reversal

63986

~~Jump~~ Max Reversal (WN3) ↓ 33986
 ↓
 Already Reversal Done

↓
 out of scope
 ↓
 Not permitted

| | | | | | |
|--------------------|--------|--------|--------|---|--------|
| 31.3.19 Revised CA | 430000 | 300000 | 200000 | - | 930000 |
|--------------------|--------|--------|--------|---|--------|

~~Jump~~ WN3 Max Reversal

CA of CGU (if No Jump) 31.3.19

| | | |
|--------|----------|--|
| Mach A | 430000 | [5L - 4yrs Deprn] (5L × $\frac{4yrs}{10yrs}$) |
| Mach B | 3,00,000 | |
| Inv | 200000 | |
| GLW | - | |
| | 930000 | (Reversal Not Permitted) |

C.A (after Jump) on 31.3.19 896014
 Max Rev. 33986

