



# SONEPAT BRANCH OF NIRC

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## Comments on Exposure Draft of AS-36 Impairment of Assets

Dear Sir/Madam,

We have the following comments from the Sonepat Branch Member :

After reading the contents of the exposure draft, it is very much clear and there is no ambiguity to which asset, this AS apply or not. It clearly excludes the assets stated in para 2(f) & para 2(g) while the AS-28 does not specifically exclude them.

It also increases the scope by including financial assets specified in para 4.

Now it has defined the scope of its exclusion & inclusion in very clear terms.

Revised AS-36 does not include the annual testing of impairment for the assets which are having indefinite life or for assets which are not in use or for goodwill.

In our view it should be mandatory to test the impairment annually so that the entity should not inflate the value of assets on the date of balance sheet. Also, procedure for annual test for impairment should be same as in Ind AS-36.

Since revaluation model is not permitted in AS-38, the reference relating to revaluation of Intangible assets is also not included in Revised AS-36. In our view, revaluation model should be permitted in revised AS-38 & accordingly any reference relating to revaluation of intangible assets should also be included in revised AS-36.

The above mentioned proposed changes are just our opinion & suggestions. We do not want to convey any mislead information and except from the above changes, rest everything seems to be fine.

*Sarash Jain*

CA Sarash Jain  
Chairman