

Dear Sir,

Please find below the comments on Exposure Draft on Business Combination- Disclosures, Goodwill and Impairment issued by the IASB for comments.

1. The IASB proposes to add new disclosure requirements that would result in an entity disclosing:

(a) information about the performance of business combinations—specifically, information about the entity’s acquisition-date key objectives and related targets for a strategic business combination and the extent to which those key objectives and related targets are met in subsequent periods; and

(b) quantitative information about the synergies expected to arise from a business combination.

2. Disclosure Requirements: It appears that the same is confidential and commercially sensitive information. . It may be placed as part of Notes to financial Statements only if the same is Auditable and a result of past events the same may be disclosed. Disclosure should in no way amount to future guidance nor should be a forward-looking statement .

3. Exemption from Disclosure: In the Initial phase of implementation since this is coming for the first time there should be an option provided to the company for disclosing such information, if they are taking the exemption from disclosure then they should state the reason for non- disclosure is because of confidentiality or reasons otherwise. The exemption reason should be vetted and commented by the auditor.

4. Comparison and Master Document: The auditor should compare the original plan at the time of acquisition vs the current performance against that plan. If any revised targets or plans are executed the same should be separately mentioned auditable. There should be a Original master document prepared at time of Business Acquisition and should be documented by the company, about the rationale for going for the business combination at the point of time when business acquisition was done, the same should be compared with the actual performance and the revised plan if any.

5. Valuation of Goodwill: It is hereby proposed that the goodwill if any is carried in the books should be valued and Certified by a valuer who shall calculate the goodwill best on the projections or the future benefits which are the expected to arise to the Entity. The auditor is expected to rely on the valuation report as provided by the valuer and accordingly form his opinion on the continuation or the impairment of the goodwill.

6. Valuation by Registered Valuer: External valuation report from registered valuer is preferred to be obtained for continuation and determination of the amount of goodwill. In Case it is not quantifiable or No valuation report has been obtained / internally computed than the statement of the fact of the same should be disclosed along with Rational for continuation of goodwill in books of accounts.

You are requested to please confirm the return receipt.

Thanking you,

Regards,

CA. Atishay Khasgiwala

Chairman

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