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Comments on Exposure Draft of AS-105 Non Current Assets held for Sale & Discontinued Operations

Dear Sir/Madam,

We have the following comments from the Sonepat Branch Member:

After reading the contents of the exposure draft, AS relating to NCA are included in this revised AS-105 and AS-24 Discontinued operations has also been merged with this.

This is very good because earlier there was no such AS relating to NCA held for sale.

1 The concept of other comprehensive Income should be included in the Revised Statement and accordingly any profit & loss related to NCA & Discontinued Operated should be routed through OCI.

2 Revised AS-105 gives flexibility to entities if there is Change in Plan of Management regarding NCA which are held for Sale and can Classify Assets under different AS accordingly if the management thinks fit but at the time of such change "original amount that would have been there without applying AS-105" or "Recoverable Amount "whichever is lower should be classified.

3 Abandonment of assets means which are retired from its active use but not held for sale then revised AS-105 specifically exclude these assets from this statement. Earlier it was considered as discontinuing operation. In other words, It clearly defines that simply abandonment of assets does not include in this statement unless it is held for sale. Abandonment of assets which is not held for sale should be dealt under AS-10, PPE.

The above comments are not biased in any way and not favoring any particular society, organization, entity etc. Except for the changes, rest everything seems to be fine.

CA Sarash Jain
Chairman