

AS 24: DISCONTINUING OPERATIONS.

* Reporting / disclosure information enhancing users ability to make projections of enterprises cash flows.

* As per PARA 3, components of an enterprise (meaning)

M =

| | | |
|-----------------------------------|--|---|
| ↓ pursuant to a single plan | ↓ Represents separate major line of business or geographical area of operations. | ↓ can be distinguished operationally & for financial reporting purpose. |
|-----------------------------------|--|---|

↓
① Disposing of
substantially
in entirety

↓
② Piecemeal
distribution

↓
③ Terminating
through Abandonment

distinguished operationally & for financial reporting purpose

- Operating assets & liabilities - directly attributed
- Revenue - directly attributed
- Majority of its operating exps - directly attributed

Example of activities that do not necessarily satisfy above

- Gradually or evolutionary phasing out of product line.
- Discontinuing, even if relatively abruptly, several products within an ongoing line of business.
- Shifting of some production or marketing activities
- Closing of a facility to achieve productivity.

Initial disclosure event **IDE**

Earlier of:

- Entered into binding sale agreement **(or)**
- BoD approved formal plan & announcement.

Presentation & disclosure

1. A description of the discontinuing operations
2. The business or geographical segment(s) as per AS17.
3. The date & nature of Initial disclosure event
4. Carrying amount of assets & liabilities in BIS.
5. Revenue & expenses which are attributable for current period
6. The amt of Pre-tax profit or loss & Income tax expense
[written off face of profit & loss statement)
7. The amount of Net cash flow attributable to operating investing & financing activities.