

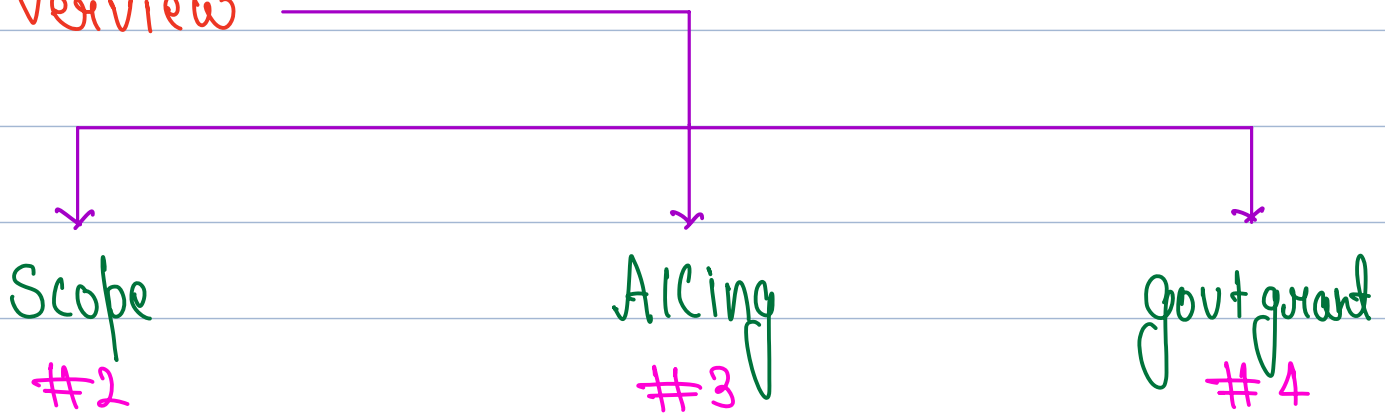


श्री अरुण शर्मा
श्री अरुण शर्मा:
श्री अरुण शर्मा



IND AS 41 Agriculture

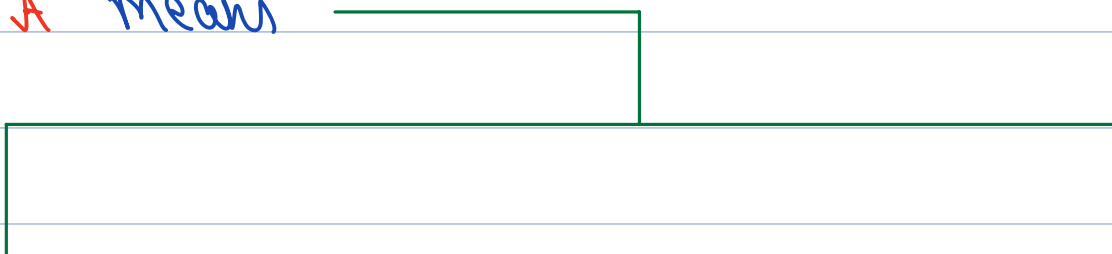
#1 Overview



#2 Scope

i) This standard prescribes accounting for an entity which has held **Biological assets (BIA)** in agriculture activity.

ii) BIA means



↓
living animals.
(livestock)

eg → Sheep, Hen,
Cattle, goat, Cow
etc.

↓
living plants.
(excluding Bearer plants)

plant is
sold



eg → Crops i.e. wheat
bajra Bamboos etc.

produce of
plant is
sold

plant life

< 12m



eg → Cotton
plant.

> 12m



Known as
Bearer plant
eg → Mangotree

Produce

Plant

Upto point of
Harvest

After Harvest
i.e.

PPE
(INDASIB)



i.e. mango
on tree

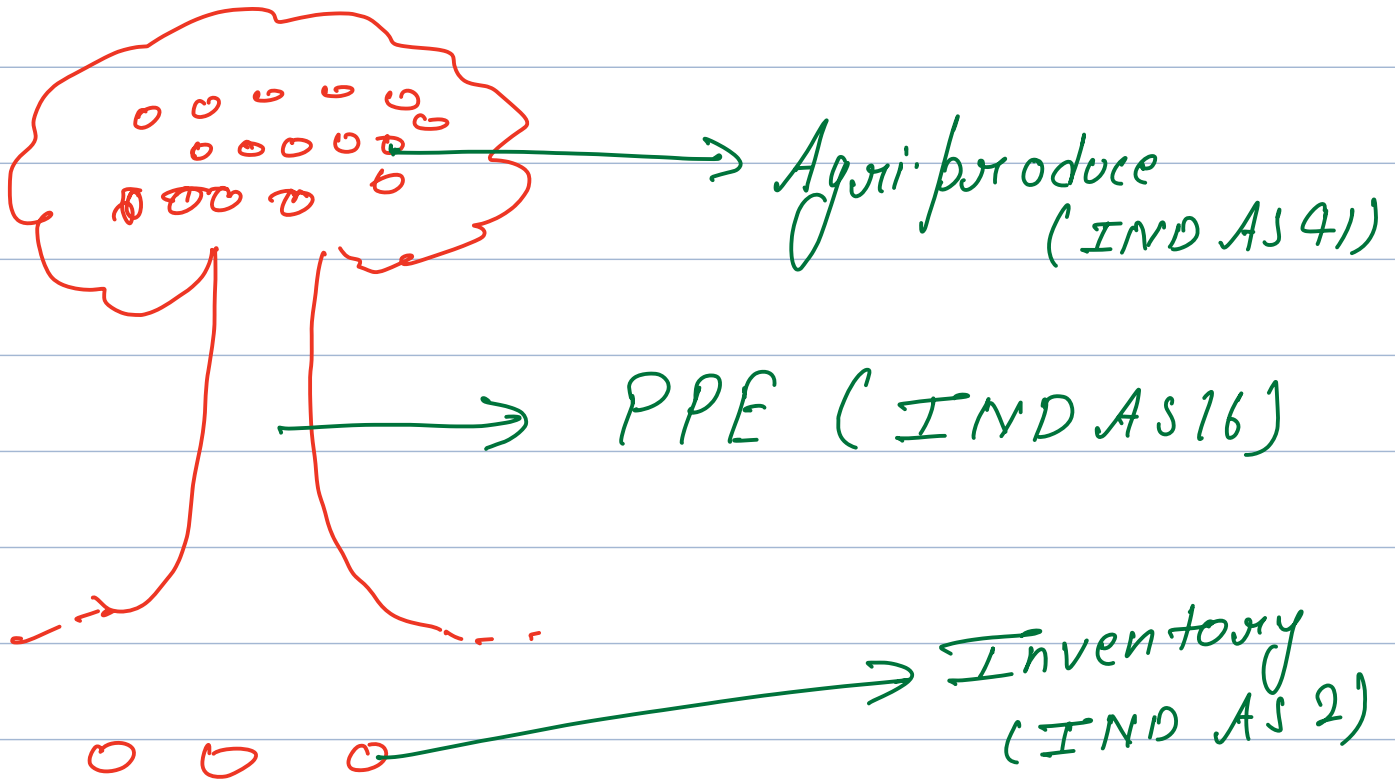


BIA (INDAS 41)

Mango on
ground.



Inventory
(INDAS 2)



iii) Agriculture Activity means → mgmt of an entity involved / engaged in managing Biological transformation & harvest of BIA for Agriculture produce or

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

↓
Biological transformation (BIT)

↓
means

life, process of growth → Calve → Cow

production → milking

procreation → Birth

Degeneration → Aging

that causes qualitative & quantitative changes

↓
BIA

↓ Harvest means
→ detachment of produce from BIA

→ cessation of life of BIA.

↓
already defined above in (ii)

↓
Agriculture produce

↓
means

harvested product from BIA (i.e. out of BIA)

→ milk from cow

→ Carcass from goat

→ wool from sheep

→ Cotton from Cotton plants, Crops, fruits.

↓
management means

which has "Capability to change"

BIA. by doing

↳ mgmt of change → enhancing the conditions for transformation.

↳ measurement of change → check Quality & Quantity of change.



For the purpose of

↳ Sale or

↳ for creating additional Assets.



HD View

Assets → BIA for Agri. Activity.



3 conditions fulfilled.

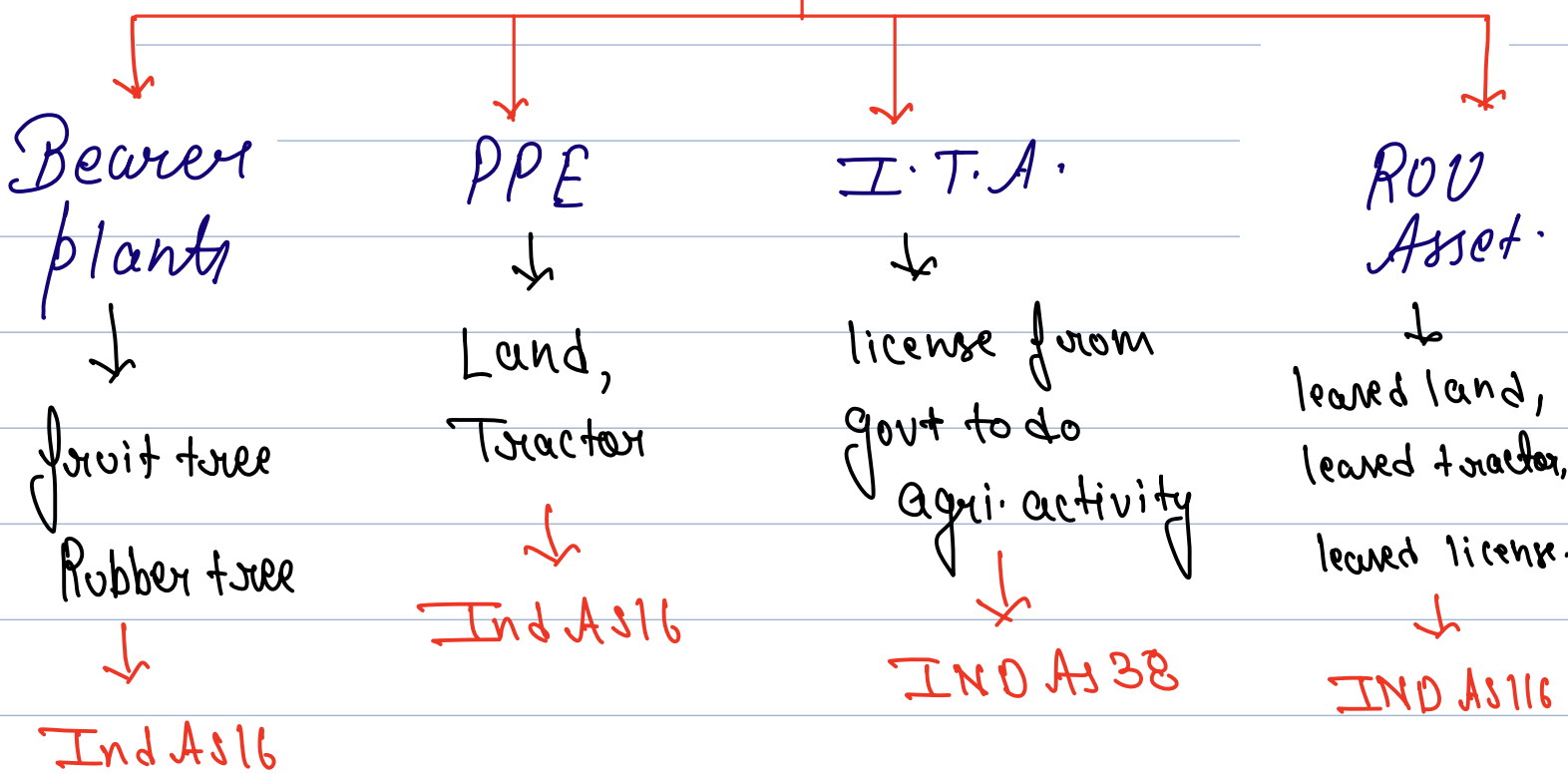


① Asset should be held for B/T

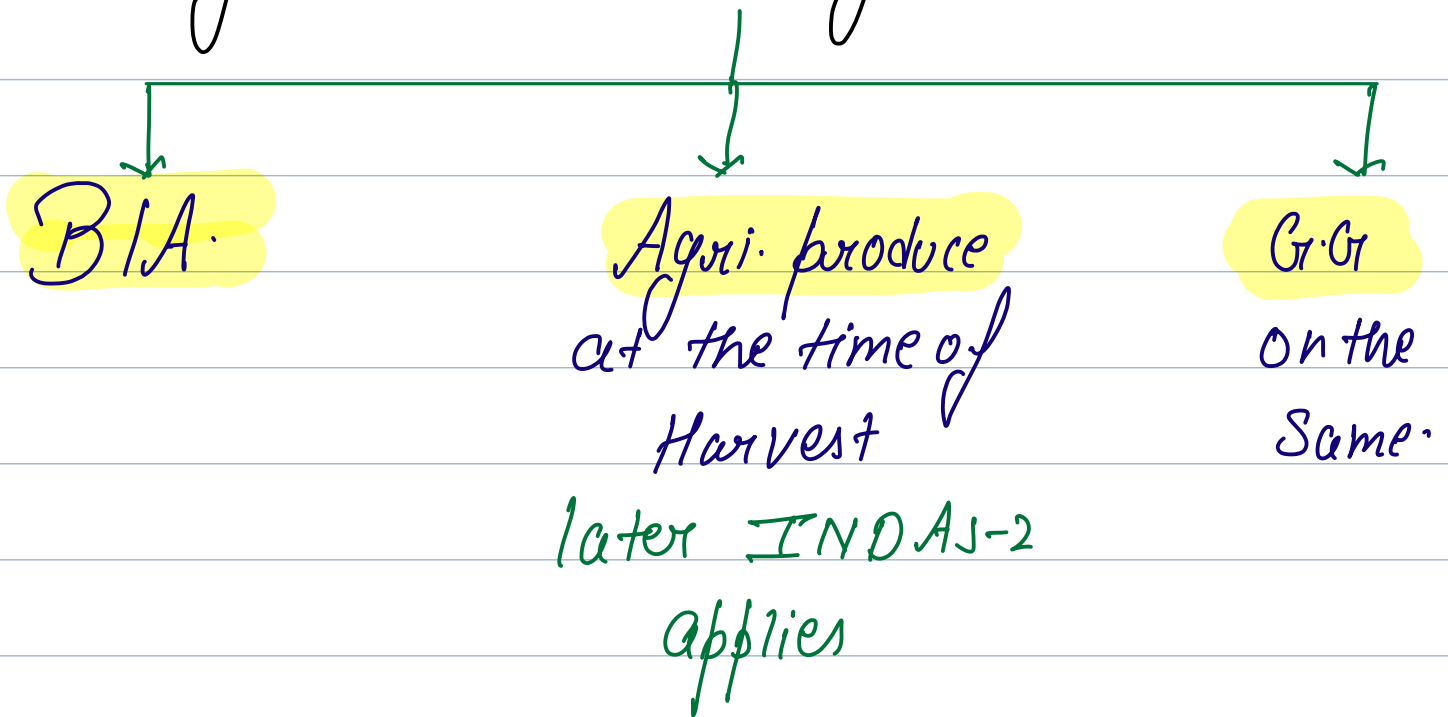
② for generating sales of its produce.

③ for creating addⁿ BIA.

iv) This Standard does not apply to following asset even if entity is involved in agricultural activity

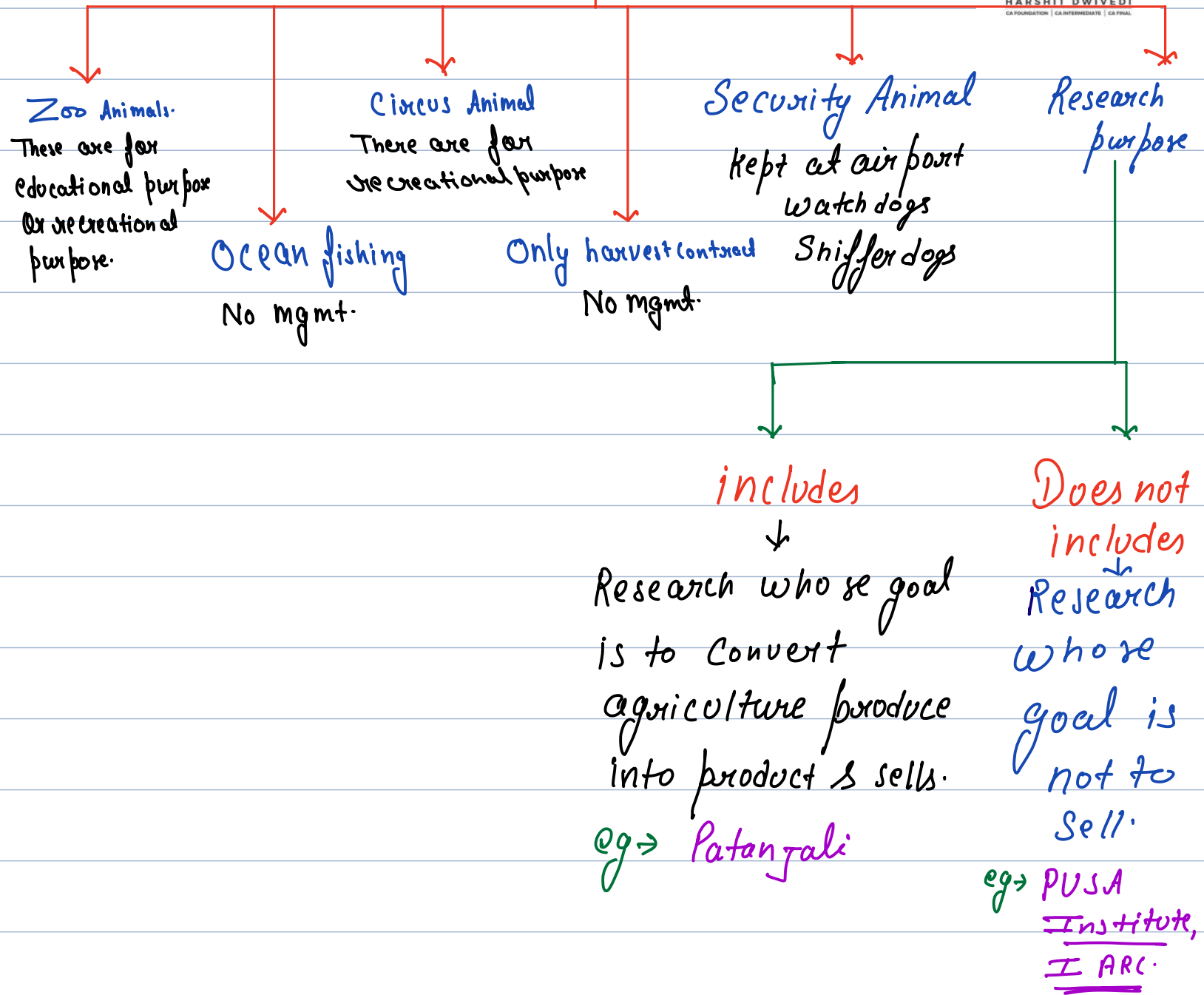


which means following are considered as agricultural activity under this INDAS



Note Activity

even if they are involved in managing BIA.



v) Recognition principle

a) BIA is in control of entity as a result of some past event.

b) Probable FEB will flow to the entity

c) Cost / F.V. Can be reliably measured.



Question# 1

State which Ind AS following are covered

| PARTICULARS | IND AS |
|---|--------|
| 1. Biological Asset | |
| a) Living animals – consumables | 41 |
| b) Living animals – bearer | 41 |
| c) Living plants – consumables | 41 |
| d) Living plants – bearer | 16 |
| 2. Government grant | |
| a) Related to 1(a), 1(b) and 1(c) above | 41 |
| b) (b) Related to 1(d) above | 20 |
| 3. Agriculture produce | |
| (a) At the point of harvest | 41 |
| (b) Harvested | 2 |
| 4. Land related to agricultural activity | 16 |
| 5. Intangibles related to agricultural activity | 38 |

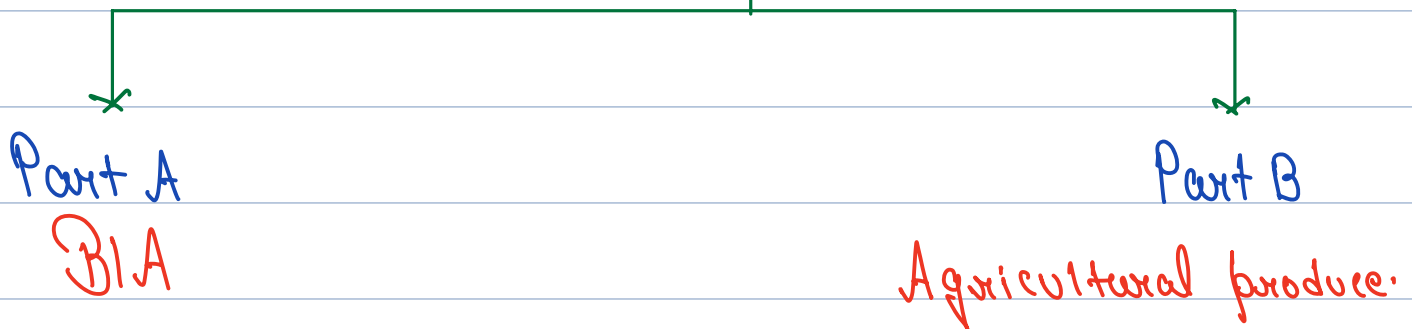
Question# 2

TYK Q. 5 SM ICAI , (RTP MAY 21)

State whether following are covered under Ind AS 41

| | |
|--|----------------------|
| 1) Managing animals for recreational activities | No |
| 2) Natural breeding in zoo or game parks | No |
| 3) Managed for breeding program | Yes |
| 4) Growing plants to be used in production of drugs | No |
| 5) Development of living organism i.e cells, bacteria for research | No |
| 6) Ocean farming / fish farming / poultry farming | Yes (sells the prod) |
| 7) Raising livestock | Yes |
| 8) Annual or perennial cropping | Yes |
| 9) Flowery culture | Yes |
| 10) Grooming of flowers | <u>Yes</u> |

#3 Aicing





Part A :- BIA. Should be carried at Fair Value less Cost to sell (FVLCTS)



i) Initial Recognition (I.R.)

1) Purchased

BIA. Dr (FVLCTS)

To Bank (amt paid)

(any diff. is gain/loss on I.R. to P/L)

2) New born

B.A. Dr

To gain on I.R. (P/L)

→ also known as M.P.

3) FVLCTS

Sale price of BIA. xxx

less Transport cost to bring asset to market borne by seller

(xx)

F.V. of BIA. xxx

less Cost to sell (xx)

FVLCTS xxx

Includes

- Commission
- Brokerage.

does not include

- Finance cost
- Income tax



- Transaction cost → Transport Cost.
- auctioneer fees
- fees to Reg. authority
- Taxes & duties

A) amount paid

| | |
|---|------------|
| Purchase price of B.A. | xxx |
| Add Transportation cost to bring B.A. to its own farm borne by buyer. | xxx |
| Add Transaction cost borne by buyer | xxx |
| | <u>xxx</u> |

Note

Purchase price = Selling price of buyer for seller.

iii) Subsequent Recognition

- 1) BIA is measured at each BIS date @ new FVLCTS.
- 2) Δ in FVLCTS is known as G/L on FVA or G/L on Remeasurement.
- 3) change is attributed to both Price change &

iii) Derecognition :-



a) Sale

Bank Dr xx
To BIA. xx

(Diff = Cr/Lon sale \Rightarrow PIL)
of BIA.

b) Death

Lon on Death (PIL) Dr
To BIA.

(with proportionate C.A.)

c) Conversion of BIA to Agriculture produce (A.P.)

A.P. Dr \rightarrow FV LCTS

To B.A. \rightarrow *

To Bank. \rightarrow Conversion cost.

(Diff = Cr/L on I.R. of A.P. = PIL)

* \rightarrow proportionate C.A.

Live stock acc

| | |
|-------------------------------------|-----|
| To op. stock | xxx |
| To purchase | xxx |
| To Δ in FV price Δ | xxx |

physical Δ

xxx

By C.I. stock

xxx



Question# 3

ILL 3 ICAI SM, SIMILAR TO JAN 21 (4 MARKS)

XYZ Ltd, on 1 December 2003, purchased 100 sheep's from a market for ₹ 500,000 with a transaction cost of 2%. Sheep's fair value increased from ₹ 500,000 to ₹ 600,000 on 31 March 2004.

Determine the fair value on the date of purchase and pass necessary journal entries.

Solⁿ :- Purchase price of buyer = S.P. for seller = 5L.

i) Calculation of FVLCTS

| | 1-12-03 | 31-3-04. |
|------------------------------|---------------|---------------|
| S.P. of B.A. | 500000 | - |
| Transp Cost from farm to mkt | - | - |
| FV | 500000 | 600000 |
| - Transaction Cost (2%) | (10000) | (12000) |
| FVLCTS | 490000 | 588000 |

ii) Calⁿ of Amount paid

| | |
|---------------------------------|---------------|
| P. Price. | 500000 |
| + Transp. Cost from mkt to farm | - |
| Transaction Cost | - |
| | 500000 |

iii) Alling



1-12-03

BA DM 490000

LOTR DM 10000

To Bank 500000

31-3-04 BA DM 98000

To gain on Remeasurement 98000
(588 - 490)

Question# 4

ILL 12 ICAI SM

A farmer owned a dairy herd, of three years old cattle as at April 1, 20X1 with a fair value of ₹ 13,750 and the number of cattle in the herd was 50. The fair value of three year cattle as at March 31, 20 X2 was ₹ 350 per cattle.

The fair value of four year cattle as at March 31, 20X2 is ₹ 400 per cattle.

Calculate the measurement of group of cattle as at March 31, 20X2 stating price and physical change separately.

Solⁿ :- note 1)

F.V.

| | | 3 yr | 4 yr |
|---------|----------|------|------|
| 1-4-01 | 13750/50 | 275 | - |
| 31-3-02 | | 350 | 400 |

Calcⁿ of FV

F.V. as on 1-4-01 13750

+ price change 3750
(350 - 275) × 50

+ physical change 2500
(400 - 350) × 50

FV as on 31-3-02 20000

On 1 November, 20X1, C Agro Ltd. purchased 100 goats of special breed from a market for 10,00,000 with a transaction cost of 2%. Goats fair value decreased from 10,00,000 to ₹9,00,000 as on 31 March, 20X2

Determine the fair value on the date of purchase and as on financial year ended 31 March, 20X2 under both the cases viz-

- the transaction costs are borne by the seller and
- the transaction costs are incurred by the seller and purchaser both

Also pass journal entres under both the situations on both dates.

Solⁿ :- Case 1 Transaction Cost borne by the seller
i) FVLCTS ii) Amt paid

| | 1-11-11 | 31-3-12 | | |
|--------------------|---------|---------|-----------------|---------|
| S.P. | 1000000 | - | p-price | 1000000 |
| Transp. Cost | - | - | TIC | - |
| FV. | 1000000 | 900000 | Trans. Cost @2% | 100000 |
| - Trans. Cost (2%) | (20000) | (18000) | | |
| FVLCTS | 980000 | 882000 | | |

iii) J.E.

| 1-11-11 | BIA Dr | 980000 | 31-3-12 | |
|---------|---------|---------|---------|--------------------|
| | LOIR Dr | 20000 | | loss on Rem. 98000 |
| | To Bank | 1000000 | | To BIA. 98000 |
| | | | | (980 - 882) |

Case-2 Transaction Cost is borne by buyer

i) FVLCTS ii) Amt paid.

| | 1-11-11 | 31-3-12 | | |
|------|---------|---------|-------------|---------|
| S.P. | 1000000 | - | P-Price | 1000000 |
| | | | Trans. Cost | - |

S.P.

100000

110000



Transportation cost of goods
to entity form
F.V.

(1000)

(1000)



99000

109000

Cost to sell (2% of S.P.)

(2000)

(2000)

FVLCTS

97000

106800

ii) Amt paid

P. Price

100000

+ Transp Cost

1000

+ Trans. Cost (2% of 1 Lac)

2000

103000

iii) Journal

30-6-01

B/A

Dr

97000

LoIR

Dr

6000

To Bank.

103000

31-3-02

B/A

Dr

9800

To gain on Rem.

9800

(106800 - 97000)

Part B Agricultural produce.



I.R.

S.R.

A.P. (Inventory) Dr
To Grain on I.R.

@ B/s date, it is
remeasured as per
IND AS-2

#4 Government Grant

Unconditional

Recognise G.G.
immediately to
PIL as income.

Conditional

a) Bank Dr
To D.G.

b) D.G. Dr
To PIL

(When conditions are
met or over period
of time)

Company X purchased 100 goats at an auction for ₹ 1,00,000 on 30th September 20X1. Subsequent transportation costs were 1,000 that is similar to the cost X would have to incur to sell the goat at the auction. Additionally, there would be a 2% selling fee on the market price of the goat to be incurred by the seller.

On 31 March 20X2, the market value of the goat in the most relevant market increases to 1,10,000. Transportation costs of ₹ 1,000 would have to be incurred by the seller to get the goat to the relevant market. An auctioneer's fee of 2% on the market price of the goat would be payable by the seller.

On 1st June 20X2, X sold 18 goats for 20,000 and incurred transportation charges of 150. In addition, there was a 2% auctioneer's fee on the market price of the goat paid by the seller.

On 15 September 20X2, the fair value of the remaining goat was 82,820. 42 goats were slaughtered on that day, with a total slaughter cost of 4,200. The total market price of the carcasses on that day was 48,300, and the expected transportation cost to sell the carcasses is 420. No other costs are expected.

On 30th September 20X2, the market price of the remaining 40 goat was 44,800. The expected transportation cost is 400. Also, there would be a 2% auctioneer's fee on the market price of the goat payable by the seller

Pass Journal entries for the initial and subsequent measurement for all above transactions. Interim reporting periods are of 30th September and 31 March and the company determines the fair values on these dates for reporting

Soln:- i) FVLC TS

| | 100 goats. 30-9-01 | 100 goats 31-3-02 | 40 goats 30-9-02 |
|------------------------------|-----------------------|----------------------|---------------------|
| S.P. | 100000 | 110000 | 44800 |
| - Transport. Cost. | (1000) | (1000) | (400) |
| | 99000 | 109000 | 44400 |
| - Selling price (2% of S.P.) | (2000) | (2200) | (896) |
| FVLC TS | 97000 | 106800 | 43504 |

2) Amt paid on 30-9-01
P. Price 100000



+ Transportation $\frac{1000}{10000}$



3) Calⁿ of F.V. changes as on 31-3-02

| | |
|---------------------------------------|-------------|
| F.V. on 30-9-01 \rightarrow 100 Cr. | 97000 |
| F.V. on 31-3-02 \rightarrow 100 Cr. | 106800 |
| | <u>9800</u> |

gain

4) Calⁿ of F.V. changes as on 30-9-02

| | |
|----------------------------------|-------|
| F.V. of 40 goats on 31-3-02 | 42720 |
| $(\frac{106800}{100}) \times 40$ | |

| | |
|-----------------------------|------------|
| F.V. of 40 goats on 30-9-02 | 43504 |
| Gain | <u>784</u> |

V) Journal.

30-9-01 BIA Dr 97000
 LOIR Dr 4000
 To Bank 101000

31-3-02 BIA Dr 2800

To gain on Rem. 2800



1-6-02 Bank Dr (20000 - 2% - 150) 19450

To gain on sale of BIA 226

To BIA. $\left(\frac{106800}{100} \times 18\right)$ 19224

15-9-02 Inventory Dr (48300 - 420) 47880 (F.V. of carcam)

LOIR Dr

1176

To BIA. $\left(\frac{106800}{100} \times 42\right)$ 44856

To Bank 4200

30-9-02 BIA Dr 784

To gain on F.V. Δ 784.

Question# 5

ILL 15 SM, SIMILAR TO JULY 21

Moon Ltd prepares financial statements to 31 March each year. On 1 April 20 X1 the company carried out the following transactions:

- Purchased a land for ₹ 50 Lakhs.
- Purchased 200 dairy cows (average age at 1 April 20 X1 two years) for ₹ 10 Lakhs.
- Received a grant of ₹ 1 million towards the acquisition of the cows. This grant was non-refundable.

For the year ending 31 March 20 X2, the company has incurred following costs:

- ₹ 6 Lakh to maintain the condition of the animals (food and protection).
- ₹ 4 Lakh as breeding fee to a local farmer.

On 1 October 20X1, 100 calves were born. There were no other changes in the number of animals during the year ended 31 March 20 X2. As of 31 March 20X2, Moon Ltd had 3,000 litres of unsold milk in inventory. The milk was sold shortly after the year end at market prices. Information regarding fair values is as follows:

| Item | Fair Value less cost to sell ✓ | | |
|---------------------------------|--------------------------------|---------------------|-----------------|
| | 1 April 20X1 ₹ | 1 October 20X1 ₹ | 31 March 20X2 ₹ |
| Land | 50 lakh | 60 lakh | 70 lakh |
| New born calves (per calf) | 1000 | 1100 | 1200 |
| Six month old calves (per calf) | 1100 | 1200 | 1300 |
| Two year old cows (per cow) | 5000 | 5100 | 5200 |
| Three year old cows (per cow) | 5200 | 5300 | 5500 |
| Milk (per litre) | 20 | 22 | 24 |

Prepare extracts from the Balance Sheet and Statement of Profit & Loss that would be reflected in the financial statements of the entity for the year ended 31 March 20X2.

Solⁿ:-

i) Calcⁿ of FVLCTS on 1-4-01 & 31-3-02

| | Cow | Calf | Milk |
|---------------------------------|-------|-----------|------|
| 1-4-01 FVLCTS (10lac / 200) 2yr | 5000 | — | — |
| 31-3-02 FVLCTS 3yr | 5500 | (6m) 1300 | 24 |
| Δ in F.V. | ₹ 500 | ₹ 1300 | ₹ 24 |

SO P/L (Extracts)

P/L

Incomes:

Gr. Gr. 1000000

Change in F.V.

Cow (500 x 200) 100000

Calves (1300 x 100) 130000

Milk (24 x 3000) 72000 302000

Expense



Maintenance

600000

Breeding

400000



O.C.I

Δ in F.V. of Land

2000000

Balance Sheet (Extract)

Non C.A.

a) PPE

7000000

b) BIA.

Cow (200 X 5500)

1100000

Calves (100 X 1300)

130000

C.A.

a) Inventory (milk)

₹2000

Question# 6

TYK Q. 2 SM, SIMILAR TO MAY 23 (8 MARKS)

XY Ltd. is a farming entity where cows are milked on a daily basis. Milk is kept in cold storage immediately after milking and sold to retail distributors on a weekly basis.

On 1 April 20X1, XY Ltd. added a herd of 500 cows which were all three years old. During the year, some of the cows became sick and on 30 September 20X1, 20 cows died. On 1 October 20X1, XY Ltd. purchased 20 replacement cows at the market for ₹ 21,000 each. These 20 cows were all one year old when they were purchased.

On 31 March 20X2, XY Ltd. had 1,000 litres of milk in cold storage which had not been sold to retail distributors. The market price of milk at 31 March 20X2 was ₹ 20 per litre. When selling the milk to distributors, XY Ltd. incurs selling costs of ₹ 1 per litre. These amounts did not change during March 20X2 and are not expected to change during April 20X2.

Information relating to fair value and costs to sell is given below:

| Date | Fair value of a dairy cow (aged) | | | | Costs to sell |
|------------------|----------------------------------|----------|--------|--------|---------------|
| | 1 year | 1.5 year | 3 year | 4 year | a cow |
| 1st April 20X1 | 20000 | 22000 | 27000 | 25000 | 1000 |
| 1st October 20X1 | 21000 | 23000 | 28000 | 26000 | 1000 |
| 31st March 20X2 | 21500 | 23500 | 29000 | 26500 | 1100 |

You can assume that fair value of a 3.5 years old cow on 1st October 20X1 is ₹ 27,000. Pass necessary journal entries of above transactions with respect to cows in the financial statements of XY Ltd. for the year ended 31st March, 20X2? Also show the amount lying in inventory if any.

Solⁿ:- i) Calcⁿ of FVLCTS on 1-4-01 & 31-3-02

| Date | no. of cows (A) | Age | FV | CTS | FVLCTS (B) | B/A. (A×B) |
|---------|--------------------|---------|-------|------|---------------|--|
| 1-4-01 | 500 | 3 yrs | 27000 | 1000 | 26000 | 1300000 |
| 30-9-01 | (20) | | | | | $(\frac{1300000}{500} \times 20)$ (520000) |
| 30-9-01 | 480 | | | | | 1248000 |
| 1-10-01 | 20 | 1 yr | 21000 | 1000 | 20000 | 400000 |
| | <u>500</u> | | | | | <u>1288000</u> |
| 31-3-02 | 480 | 4 yrs | 26500 | 1100 | 25400 | 1219200 |
| | 20 | 1.5 yrs | 23500 | 1100 | 22400 | 448000 |
| | | | | | | <u>1264000</u> |

ii) change in F.V.

| | 1-10-01 (A) | 31-3-02 (B) | change. (B-A) |
|----------|----------------|----------------|------------------|
| Old Cows | 1248000 | 1219200 | (288000) |
| New Cows | 400000 | 448000 | 48000 |



iii) Journal

(240500)



1-4-01 BIA Dr 1300000 FVLCTS
LOIR Dr 500000
To Bank (500 x 27000) 1350000 (amt paid)

30-9-01 loss on Death Dr (20 x 26000) 52000
To BIA. 52000

1-10-01 BIA. Dr 405000
LOIR. Dr 20000
To Bank (20 x 21000) 420000

31-3-02 loss on Remeas. Dr 288000
To B.A. 288000

BIA. Dr 48000
To gain on Rem. 48000

Inventory Dr 12000
To gain on Rem. 12000

(1000 Ltr. @ (20-15))

Question# 16

(6 Marks) (NOV 22)

A herd of 15, 4 year old cows valued at Rs. 500 thousands per cow were held in 'M Dairy Farm' as at 1st April 2021. The following transactions took place on 1st October, 2021:

One cow aged 4.5 years was purchased for Rs. 520 thousands.

One calf was born.

No cow was sold or disposed off during the year.

The per cow/calf fair value less cost to sell was as follows:

Rs. in thousands

| | |
|---------------------------------------|-------|
| 4 year old cow on 1st April 2021 | 500 ✓ |
| New born calf on 1st October 2021 | 400 ✓ |
| 4.5 year old cow on 1st October 2021 | 520 |
| New born calf on 31st March, 2022 | 410 |
| 0.5 year old calf on 31st March, 2022 | 440 ✓ |
| 4 year old cow on 31st March, 2022 | 516 |
| 4.5 year old cow on 31st March, 2022 | 540 |
| 5 year old cow on 31st March, 2022 | 560 ✓ |

You are required to

- i) Calculate change in fair value less costs to sell showing
 - a) The portion attributable to physical changes
 - b) The portion attributable to price changes.
- ii) Calculate the carrying cost of the herd as on 31 March, 2022.
- iii) Prepare an extract of the livestock account for the year ended 31 March, 2022.

Solⁿ:- i) Note.

| | 1-4-01 | 1-10-01 | 31-3-02 |
|---------|----------------|---------------|-------------------------------|
| Old Cow | 15, 4 yr @ 500 | | 15, 5 yr @ 560 4 yr @ 516 |
| New Cow | | 1, 4.5 @ 520 | 1, 5 yr @ 560 4.5 yr @ 540 |
| Calf | | 1, 0 yr @ 400 | 1, 0.5 yr @ 440 0 yr @ 410 |

i) Calⁿ of Δ in FV LCTS

FVLCTs of Heard on 1-4-01 $\Rightarrow 15 \times 500$ 7500
 purchase on 1-10-01 $\Rightarrow 1 \times 520$ 520

Change in FVLCTs \rightarrow price Δ

| | | | |
|-----------------------|-----------|-----|-----|
| Old cow \Rightarrow | 15 x ₹ 16 | 240 | |
| New cow \Rightarrow | 1 x ₹ 20 | 20 | |
| Calf \Rightarrow | 1 x ₹ 10 | 10 | 270 |

Change in FVLCTs \rightarrow physical Δ

| | | | |
|-----------------------|-----------------|-----|------|
| Old cow \Rightarrow | 15 x 44 | 660 | |
| New cow \Rightarrow | 1 x 20 | 20 | |
| Calf \Rightarrow | 1 x 430 (- New) | 430 | 1110 |

born is gain on I.R)

9400

ii) Calⁿ of C.A. of cost of heard on 31-3-02

| | |
|-----------------|--------|
| | FVLCTs |
| 16 cows @ ₹ 560 | 8960 |
| 1 cow @ ₹ 440 | 440 |
| | 9400 |

iii) Live stock

| | |
|----------------|------|
| To op. stock | 7500 |
| To purch. | 520 |
| To FV Δ | |
| Price Δ | 270 |



Question# 15

PQ Q.3 SM , RTP NOV 23

M. Chinnaswamy & Brothers Ltd. is a company that is engaged in growing and maintaining coconut palms and selling their output in various forms. The company has a farmland having 2,00,000 coconut palms in the coastal area of Karnataka near Mangalore.

The fair value of each coconut palm is derived based on the average realisable price of 30 per nut (fruit). Each coconut palm grows 80 nuts per annum on an average basis. Each coconut palm can generate revenue for as long as 80 years and the current palms are only 20-year-old. The management thinks that considering the risk factors in business, the valuation of each palm can be considered at 5 times its annual revenue.

During August, 20X5, the Ooty Hotels Association (OHA) chairman and his team visited the corporate office of the company at Mangalore. The deal was to supply tender coconuts to Ooty Hotels at an agreed price throughout the year. The agreement came into effect from 1 September, 20X5 whereby the company shall reserve 15,000 coconut palms (out of 2,00,000 coconut palms) for OHA and will charge a concessional rate of 15 only per nut supplied to OHA. OHA will in turn supply the tender coconuts to each Ooty Hotel at the same price. This contract price is applicable irrespective of the ownership of palm trees (it is not an entity-specific restriction) All tender coconuts of these 15,000 coconut palms were used by OHA irrespective of the agreement being effective from 1" September, 20X5.

What will be the valuation of 2,00,000 coconut palms in the company's farm for the quarter ended 30 September, 20X5 ?

Solⁿ :-

$$15000 \text{ palm} \times 80 \text{ nuts} \times ₹ 15 \times 5 \text{ times} = ₹ 900,00,000$$

$$+ 185000 \text{ palm} \times 80 \text{ nuts} \times ₹ 30 \times 5 \text{ times} = ₹ 22200,00,000$$

$$\underline{\underline{₹ 231,00,00,000}}$$

IND AS 41 states that entities enter into contract to sell their BIA or A.P. at future date. Contract prices are not necessarily relevant in measuring J.V. because F.V. reflects current market condition in which buyer & seller would enter into transaction. As a result the J.V. of



B/A / A.P. is not adjusted
bcuz of existence of contract.





