

Exposure Draft

Agriculture: Bearer Plants (Amendments to Ind AS 16)

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Issued by

Accounting Standards Board

The Institute of Chartered Accountants of India

Exposure Draft

Agriculture: Bearer Plants (Amendments to Ind AS 16)

Following is the Exposure Draft of Agriculture: Bearer Plants (Amendments to Ind AS 16) issued by the Accounting Standards Board of The Institute of Chartered Accountants of India, for comments. The Board invites comments on any specific aspect of the Exposure Draft. Comments are most helpful if they indicate the specific paragraph or group of paragraphs to which they relate, contain a clear rationale and, where applicable, provide a suggestion for alternative wording.

How to comment

Comments should be submitted using one of the following methods:

1. Electronically: Visit at the following link
<http://www.icai.org/comments/asb/>
2. Email: comments can be sent to: commentsasb@icai.in
3. Postal: Secretary, Accounting Standards Board,
The Institute of Chartered Accountants of India,
ICAI Bhawan, Post Box No. 7100,
Indraprastha Marg, New Delhi 110 002

Further clarifications on this standard amendment may be sought by e-mail to achin.poddar@icai.in

(The Exposure Draft of the Indian Accounting Standard includes paragraphs set in bold type and plain type, which have equal authority. Paragraphs in bold type indicate the main principles. This Exposure Draft of the amendments Indian Accounting Standard should be read in the context of its objective and the Preface to the Statements of Accounting Standards¹)

Amendments to Ind AS 16 Property, Plant and Equipment

Paragraphs 3, 6 and 37 are amended and paragraphs 22A is added. New text is underlined and deleted text is struck through

¹ Attention is specifically drawn to paragraph 4.3 of the Preface, according to which accounting standards are intended to apply only to items which are material

Scope

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- 3 This Standard does not apply to:
- (a) property, plant and equipment classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations*;
 - (b) biological assets related to agricultural activity other than bearer plants (see Ind AS 41 *Agriculture*²). This Standard applies to bearer plants but it does not apply to the produce on bearer plants.
 - (c) the recognition and measurement of exploration and evaluation assets (see Ind AS 106 *Exploration for and Evaluation of Mineral Resources*);
 - (d) ...

Definitions

- 6 The following terms are used in this Standard with the meanings specified:

A bearer plant is a living plant that:

- (a) **is used in the production or supply of agricultural produce;**
- (b) **is expected to bear produce for more than one period; and**
- (c) **has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.**

Carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.

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Elements of cost

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- 22A Bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment before they are in the location and condition necessary to be capable of operating in the manner intended by management.
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Consequently, references to ‘construction’ in this Standard should be read as covering activities that are necessary to cultivate the bearer plants before they are in the location and condition necessary to be capable of operating in the manner intended by management.

...

Revaluation model

...

37 A class of property, plant and equipment is a grouping of assets of a similar nature and use in an entity’s operations. The following are examples of separate classes:

- (a) ...
- (g) furniture and fixtures; ~~and~~
- (h) office equipment; and
- (i) bearer plants.

...

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