

AS-25: SUMMARY CHART



Applicability :- Companies having Networth < 250 crores

AS-25 doesnot mandate preparation of Interim Fin. Reports (IFR)
 AS-25 doesnot mention the timeliness of preparation of IFR.
 AS-25 doesnot discuss the aspects of review/audit of IFR.

AS-25 simply mentions the presentation, disclosure, recognition & measurement aspects of IFR. If any company chooses to prepare IFR, then they should comply with the guidelines of AS-25-

Listed Companies preparing Interim Financial Results as per clause 41 of Listing Agreement with SEBI, that donot fulfil the definition of IFR as per AS-25, will need to follow the recognition and measurement principles of AS-25.

Interim Period :- A period shorter than full financial year. However if the 1st financial year is lesser than 12 months it will not be considered an interim period.

Interim financial Statements :-



1. Complete Set of financial Statements

2. Condensed Set of financial Statements

Prepared just like Annual financial statements.

All accounting policies followed will be disclosed in the f.s.

All Accounting Standards have to be complied with.

- Complete B/s
- Complete P/L
- Complete Cashflow
- Significant Accounting Policies
- Notes to Accounts



Should involve all headings & subheadings that are mentioned in Annual financial Statements.

Only selected explanatory notes need to be disclosed.

Any additional points should be disclosed if omission of the same will make the f.s. misleading.

- Condensed B/s
- Condensed P/L
- Condensed Cashflow
- Selected explanatory notes.

Explanatory Notes :-

1. Accounting Policies
2. Accounting Estimates
3. Seasonality of Business
4. Composition of business
5. Capital Restructuring
6. Dividend
7. Segment Reporting
8. Contingent liabilities
9. Unusual Items



PERIODS FOR WHICH INTERIM FIN STAT WILL BE PRESENTED

	Current Year	Comparative
1. Balance Sheet	End of Current Interim Period. (Year to Date Info.)	End of Preceding FY.
2. P/L	1. Current I.P. 2. Cumulative YTD	2. Pre year same I.P. 2. Pre year cum. YTD of same period.
3. Cash flow	1. cumulative YTD	1. Pre year cum. YTD of same period



Transitional Provision :- If a company is preparing IFR for the 1st time, it need not present the comparatives of preceding period for P/L and Cash flow.

RECOGNITION PRINCIPLES

Same recognition principles as followed for Annual fs.

Income: Recognise when accrued } Accrual Basis
 Expenses: Recognise when incurred.

* Anticipation or Deferrment should not be done unless the same is appropriate from Annual fs pov.

Eg:- Income Received in advance, o/s Income received.
 Expense paid in advance, o/s expenses paid.

Assets :- when FEB will be derived.

Liability :- when obligation to pay arises.

* When cost is incurred in an interim period but the asset recognition recog is not satisfied at the end of interim period then such cost should be recognised as an expense immediately and should not be deferred.

Unusual items :- Recognised in the period in which it is earned or incurred.

Seasonal incomes :- Recognise as and when earned. Donot defer.



Extraordinary Items :- Recognised in the period in which it is earned or incurred.

Heavy Advt. Expense :- Recognise in the period in which it is incurred.

Income Tax Expense :- Recognise by calculating Weighted Average Annual Effective Tax Rate (WAAETR)

WAAETR = $\frac{\text{Total tax for FY.}}{\text{Total estimated inc. for FY.}}$

Changes in Accounting Policies during interim period



Disclose :- Nature of Change Effect on fs.

Such change will have a **retrospective effect** on fs.

Changes in Accounting Estimates during interim period

Disclose :- Nature of Change Effect on fs

Such change will have a **prospective effect** on fs.