

## AS 25 Interim Financial Reporting

Meaning of Interim Financial Report: Financial Report containing either a complete set of financial statements or set of condensed financial statements for an interim period.

**Interim Period**: Financial Reporting period shorter than full financial year.

Note: **First year of operations**: Annual period may be shorter than financial year, still it is not considered as interim period.

Scope: Prescribes minimum contents of an IFR & requires that an enterprise which elects to prepare & present an IFR should comply with this AS.

It is a kind of update on complete financial statements of last year. This helps in timely, better & reliable information for users.

Note: \* AS 25 does not mandate which enterprises should be required to present IFR.

\* Clause 33 & 41 of SEBI Listing Requirements has no relationship with IFR. These clauses with Interim Financial Results.

However, Recognition & Measurement principles laid down in AS 25 applied in clause 33 & 41 Reporting.

Contents of IFR: Balance sheet, statement of P&L, cash flow statement & Notes to Accounts

\* It can be complete / full, just like annual statements or condensed.

\* If such statements are complete consider Interim Period as complete period & prepare financial statements

\* If such statements are condensed, then Head & Subheads should be as in most recent annual financial statements

\* Selected Notes to Accounts in Condensed statements should be of significant events & transactions like

- Gain/Loss on sale of PPE
- Decline in value of Inventory
- Reversal of Provision
- Impairment loss
- Related Party Transaction
- Litigation Settlement

\* Statement of Policies, methods & estimates if changed

\* Disclosure of EPS, Segment Information

\* Disclosure of Business Combinations

\* Nature & Amount of items affecting Assets, Liab, Income, Exp. which is unusual.

### Period for which Interim Financial Statements to be presented

Statement	Current Period	Comparative Period
Balance Sheet	Last date of Interim Period (30/9/23)	Year End Previous Year (31/3/23)
Statement of Profit & Loss	For Interim Period For Year to Date Current Year (1/7/23 to 30/9/23) & (1/4/23 to 30/9/23)	For Previous Year Interim Period For Year to Date Previous Year (1/7/22 to 30/9/22) & (1/4/22 to 30/9/22)
Cash Flow Statement	Year to date current Year (1/4/23 to 30/9/23)	Year to Date Previous Year. (1/4/22 to 30/9/22)

Eg: FY 23-24 Interim Period 1/7/23 to 30/9/23.

## Recognition & Measurement

- 1) **Income/Revenue**: Which is seasonal, occasional etc. should not be deferred. Recognise revenue as usual (when they occur). Apply Accrual concept.
- 2) **Expenses**: All expenses or losses, which are seasonal or infrequent cannot be deferred, unless appropriate. Recognise when incurred.
- 3) **Change in Accounting Estimate**: If any change during Interim period, its financial effect should be fully considered in Interim period.
- 4) **Change in Accounting Policy**: If any change during Interim period, its financial effect related to Interim period should be considered in the period.

## Provision

- \* Entity should make best estimate for provision at the end of each Interim period.
- \* **Provision for Tax**: Calculate Weighted Average Tax Rate for full year & apply this rate for Interim Period.