APPLICABILITY OF ACCOUNTING STANDARDS

As the statue prevails over standard, the AS issued by ICAI are not applicable to companies. Only Notified Accounting Standards are applicable to Companies. Based on recommendations of NACAS, the central govt has notified AS 1 to 29 (except 8) in Dec 2006 in the form of Companies (Accounting Standards) Rules, 2006. The applicability of AS is as follows:

For Corporates - As per Companies (Accounting Standards) Rules, 2006
For this companies are classified into two.
1. SMC : Not a listed company or not in the process of
Not a bank or FI or Insurance Company
Turnover < 50 Cr
Borrowings < 10 Cr
Not a holding or subsidiary of a NON SMC
2. NON SMC : which is not a SMC

Other than Corporates - As per ICAI
For this entities are classified into three.
LEVEL I : same as SMC
LEVEL II : Turnover 40 lakhs to 50 Cr
Borrowings 1Cr to 10 Cr
LEVEL III : which is not Level I and II

Accounting Standard	Applicable with effect from	As Per ICAI	As Per Companies Act
AS 1 - Disclosure of Accounting Policies	01-04-1993	ALL	ALL
AS 2 - Valuation of Inventories (revised)	01-04-1999	ALL	ALL
AS 3 - Cash Flow Statement (revised)	01-04-2001	LEVEL-I	NON-SMC
AS 4 - Contingencies & Events Occuring After the B/S Date (revised)	01-04-1998	ALL	ALL
AS 5 - Net Profit or Loss for the Period, Prior period items & Changes in Accounting Policies (revised)	01-04-1996	ALL	ALL
AS 6 - Depreciation Accounting (revised)	01-04-1995	ALL	ALL
AS 7 - Construction Contracts (revised)	01-04-2002	ALL	ALL
AS 9 - Revenue Recognition	01-04-1993	ALL	ALL
AS 10 Accounting For Fixed Assets	01-04-1993	ALL	ALL
AS 11 - The Effects of Changes in Foreign Exchange Rates (revised-2003)	01-04-2004	ALL	ALL
AS 12 - Accounting for Government Grants	01-04-1994	ALL	ALL
AS 13 - Accounting for Investments	01-04-2005	ALL	ALL
AS 14 - Accounting for Amalgamations	01-04-2005	ALL	ALL
AS 15 - Employee Benefits (revised)	01-04-2006	ALL	Relaxation to SMC
AS 16 - borrowing costs	01-04-2000	ALL	ALL
AS 17 - Segment Reporting	01-04-2001	LEVEL-I	NON-SMC
AS 18 - Related Party Disclosures	01-04-2001	LEVEL-I	ALL
AS 19 - Leases	01-04-2001	ALL	Relaxation to SMC
AS 20 - Earning Per Share	01-04-2001	LEVEL-I	Relaxation to SMC
AS 21 - Consolidated Financial Statements	01-04-2001	SEE NOTE 1	NON-SMC
AS 22 - Accounting for Taxes on Income	01-04-2001	FOR LISTED	ALL
	01-04-2002	NON- LISTED	
	01-04-2006	ALL	
AS 23 - Accounting for Investment in Associates in Consolidated Financial Statements	01-04-2002	SEE NOTE 1	NON-SMC
AS 24 - Discontinuing Operations	01-04-2004	LEVEL-I	ALL
AS 25 - Interim Financial Reporting	01-04-2002	LEVEL-I NOTE 3	NON-SMC
AS 26 - Intangible Assets	01-04-2003	ALL	ALL
As 27 - Financial Reporting of Interests in Joint Ventures	01-04-2002	SEE NOTE 1	NON-SMC
AS 28 - Impairment of Assets	01-04-2004	LEVEL-I	ALL
	01-04-2006	LEVEL-II	
	01-04-2008	LEVEL-III	
AS 29 - Provisions, Contingemt Liabilities and Contingent Assets	01-04-2004	ALL	Relaxation to SMC
AS 30 - Financial Instruments – Recognition and Measurement	01-04-2011	LEVEL-I	NON-SMC
AS 31 - Financial Instruments – Presentation	01-04-2011	LEVEL-I	NON-SMC
AS 31 - Financial Instruments – Disclosures	01-04-2011	LEVEL-I	NON-SMC

NOTE 1: *AS-21, AS-23 AND AS-27 (RELATING TO CONSOLIDATED FINANCIAL STATEMENTS) ARE REQUIRED TO BE COMPLIED WITH BY AN ENTITY IF THE ENTITY, PURSUANT TO THE REQUIREMENTS OF A STATUTE/REGULATOR OR VOLUNTARILY, PREPARES AND PRESENTS CONSOLIDATED FINANCIAL STATEMENTS.*

NOTE 2: *APPLICABILITY OF ACCOUNTING STANDARDS TO COMPANIES WILL BE GOVERNED BY THE COMPANIES (ACCOUNTING STANDARDS) RULES NOT BY APPLICABILITY AS ANNOUNCED BY THE ICAI AS ABOVE.*

NOTE 3: *ACCOUNTING STANDARD IS NOT MANDATORY. HOWEVER IF ANY ENTITY IS REQUIRED OR ELECT TO PREPARE & PRESENT AN INTERIM FINANCIAL REPORT, IT SHOULD COMPLY WITH THIS STANDARD.*