

**Company Law, Accountancy and
Audit**

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Rules and Amendment Rules

Companies (Ind AS) Amendment Rules, 2025

Notification dated 7th May 2025

The MCA has notified the aforesaid rules primarily amending Ind AS 21 *The Effects of Changes in Foreign Exchange Rates* in the Companies (Ind AS) Rules, 2015. Key amendments include the following:

- **Insertion of Definition of Exchangeable**

A currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

- **Elaboration on the definition**

An entity must assess whether a currency is exchangeable into another currency:

- (a) at a measurement date; and
- (b) for a specified purpose.

If an entity is able to obtain only an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

- **Estimating the spot exchange rate when a currency is not exchangeable and disclosure**

An entity should estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency at that date.

In such a case, it should disclose the following information:

- (a) the nature and financial effects of the currency not being exchangeable into the other currency;
- (b) the spot exchange rate(s) used;
- (c) the estimation process; and

- (d) the risks to which the entity is exposed because of the currency not being exchangeable into the other currency

These amendments are applicable for annual reporting periods beginning on or after 1st April 2025. However, entities are not permitted to restate comparative information. Consequential amendments have also been made to Ind AS 101 *First-time Adoption of Indian Accounting Standards*.

Companies (Accounts) 2nd Amendment Rules, 2025

Notification dated 30th May 2025

The MCA has amended the Companies (Accounts) Rules, 2014. *Inter alia*, the amendments include the following:

- **Rule 8 *Matters to be Included in Board's Report***

- ▲ Along with the statement that the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, following details should also be provided: (a) number of complaints of sexual harassment received in the year; (b) number of complaints disposed off during the year; and (c) number of cases pending for more than 90 days.
- ▲ A new clause has been inserted whereby a statement by the company with respect to the compliance of the provisions relating to the Maternity Benefit Act 1961 should be provided.

- **Rule 12 *Filing of Financial Statements and Fees to be Paid Thereon***

A new sub-Rule (1C) has been inserted which requires that every company, along with the relevant e-Form No. AOC-4, AOC-4 CFS, AOC-4 XBRL, AOC-4 NBFC (Ind AS) or AOC-4 CFS NBFC (Ind AS) should also file e-Form Extract of Board Report, Extract of Auditor's Report (Standalone) and Extract of Auditor's Report (Consolidated).

The amendment will come into force from 14th July 2025.

Companies (Audit and Auditors) Amendment Rules, 2025

[Notification dated 30th May 2025](#)

Rule 13 *Reporting of Frauds by Auditor and Other Matters* of the Companies (Audit and Auditors) Rules, 2014 has been amended through the aforementioned notification. *Inter alia*, key amendments include the following:

- Reporting fraud by the auditor should be filed electronically in Form ADT-4 which was earlier filed physically;
- Requirement of reporting fraud on the letterhead of the auditor has been removed;
- Forms ADT-1 *Notice to the Registrar by company for appointment of auditor*, ADT-2 *Application for removal of auditor(s) from his/ their office before expiry of term*, ADT-3 *Notice of resignation by the auditor* and ADT-4 *Report to the Central Government* have been revised.

The amendment will come into force from 14th July 2025.

Circulars

Relaxation of additional fees for filing of 13 e-forms during the period of transition from MCA21 V2 to V3

[General Circular No. 01/2025 dated 16th June 2025](#)

To facilitate smooth filing experience, the MCA has decided that, in cases where the due date (i.e., the last date for filing without additional fees) or resubmission date falls between 18th June 2025 and 31st July 2025 (both dates inclusive), filing of the prescribed e-Forms (including Forms AOC-4, MGT-7/MGT'- Annual Return 7A, ADT-1, ADT-3, CRA-4 etc.) will be allowed without levying any additional fees up to 15th August 2025.

Securities and Exchange Board of India (SEBI)

FAQs on SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations 2015

[Dated 23rd April 2025](#)

SEBI has issued the aforesaid Frequently Asked Questions (**FAQs**) which includes FAQs on the following:

- Section – I -SEBI (LODR) (3rd Amendment) Regulations, 2024 dated 12th December 2024 and SEBI Circular dated 31st December 2024 on implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities.
- Section II - Minimum Public Shareholding
- Section – III- LODR Regulations
- Section – IV-Disclosure of Information Related to Forensic Audit of Listed Entities
- Section – V- Business Responsibility and Sustainability Report (BRSR) Core

Review of disclosure of financial information in offer document, and continuous disclosures and compliances by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

[Circular No.: SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/64](#) and [Circular No.: SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/63](#) dated 7th May 2025

SEBI has issued the aforesaid circulars which *inter alia*, revises Chapter 3 *Disclosure of Financial Information in the Offer Document/ placement memorandum*, and Chapter 4 *Continuous Disclosures and Compliances by REITs/ InvITs*.

Key amendments include the following:

- The offer document/ placement memorandum should contain audited financial statements (**FSs**) for a period of 3 financial years (**FYs**) and stub period (if applicable).

- In case of an initial offer, audited combined FSs should be disclosed in the offer document/ placement memorandum.
- The financial information should be prepared in accordance with Ind AS and/or any addendum thereto as defined in the Companies (Ind AS) Rules, 2015.
- The FSs should be prepared as per Division II of Schedule III of the Companies Act, 2013, with the specified exceptions and modifications.
- Earnings per Unit (EPU) should be disclosed in place of Earnings per share in the Statement of Profit or Loss.
- For the purpose of preparation of financial information, Unit Capital should be considered as Equity.
- FSs should disclose all 'material' items, i.e., the items if they can, individually or collectively, influence the economic decisions made on the basis of the FSs.
- In addition to the FSs, statements/disclosures including Project wise operating cash flows, contingent liabilities, related party transactions (**RPTs**), capitalisation statement, debt payment history, Statement of Net Assets at Fair Value, Statement of Total Returns at Fair Value should also be included as a part of the audited financial information and should also be subjected to audit.
- Financial information should be audited subject to conditions.
- The offer document should contain disclosures of the projections of income and operating cash flows including related assumptions, project-wise, for the next 3 FYs and for the current FY.
- Relevant disclosures of all RPTs in compliance with Ind AS 24 *Related Party Disclosures* and REITs/InvITs Regulations should be provided.

This circular will be applicable with immediate effect (i.e. 7th May 2025) except for the requirements specified under Chapter 4 which will be applicable for disclosure of financial information for the period beginning on or after 1st April 2025.

Limited relaxation from compliance with certain provisions of the SEBI LODR Regulations, 2015

[Circular No.: SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/83 dated 5th June 2025](#)

SEBI has vide, the aforesaid Circular decided to extend relaxations from compliance with Regulation 58(1)(b) *Documents and information to holders of non-convertible securities (NCS)* of SEBI LODR Regulations. These relaxations include the following:

- Entities which have listed NCS and who have complied with the conditions as specified in [MCA general circular No.09/2024 dated 19th September 2024](#) will not be subject to any penal action for not sending hard copies of FSs and related documents to those holders who have not registered their email address for the period 1st October 2024 to 5th June 2025.
- For the period 6th June 2025 to 30th September 2025, similar relaxation is granted for entities having listed NCS subject to the condition that the advertisement published in accordance with Regulation 52(8) *Financial Results* of the SEBI LODR Regulations should disclose the web-link to the statement containing the salient features of all the documents, as specified in Section 136 *Right of member to copies of Audited Financial Statement* of Companies Act, 2013 so that the holder of NCS will have access to the said the statement.

This Circular has come into force with immediate effect (i.e. 5th June 2025).

Framework for Environment, Social and Governance (ESG) Debt Securities (other than green debt securities)

[Circular No.: SEBI/HO/DDHS/DDHS-POD-1/P/CIR/2025/84 dated 5th June 2025](#)

In order to facilitate issuers to raise funds through issuance of ESG debt securities (other than green debt securities), the operational framework for ESG debt securities (other than green debt securities) i.e. social bonds, sustainability bonds and sustainability-linked bonds has been finalised by SEBI in consultation with Industry Standard Forum.

This circular containing the framework will be applicable to ESG debt securities which are listed or proposed to be listed on a recognized stock exchange.

The circular came into force for issuances of ESG debt securities with effect from 5th June 2025.

SEBI Board Meeting

[PR No.: 33/2025 dated 18th June 2025](#)

In its meeting, SEBI approved several key decisions.

Inter alia, they include the following:

- Amendments to SEBI (ICDR) Regulations, 2018 and SEBI (SBEB) Regulations, 2021 relaxing certain requirements related to public issue, with the objective of Ease of Doing Business
- Amendment to SEBI (ICDR) Regulations, 2018 to mandate dematerialization of existing securities of select shareholders prior to filing of DRHP in order to promote dematerialisation of securities in the listed domain.
- Measures to enhance Ease of Doing Business for the activities of REITs and InvITs.
- Amendments to the SEBI LODR Regulations, 2015 as a measure to encourage dematerialization of securities as well as to streamline certain processes in view of current regulatory landscape

Revised Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”

[Circular No.: SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated 26th June 2025](#)

SEBI LODR Regulations, 2015 require RPTs to be approved by the audit committee and by the shareholders, if material. SEBI [Master Circular dated 11th November 2024](#) specify the information to be placed before the audit committee and shareholders, respectively, for consideration of RPTs.

Industry Standards Forum (ISF) comprising of representatives from 3 industry associations, i.e., ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, in consultation with SEBI, formulated the aforesaid Industry Standards with an

objective is to provide a standard format for minimum information to be provided to the Audit Committee and Shareholders for approval of RPTs.

The ISF have revised the aforesaid [Industry Standards](#) which are effective from 1st September 2025. Earlier Circulars dated [14th February 2025](#) and [21st March 2025](#) have been superseded.

This circular will come into effect from 1st September 2025.

Others

Format of Annual Secretarial Compliance Report

[Publication dated May 2025](#)

The Institute of Company Secretaries of India (ICSI) has published an updated format for the Annual Secretarial Compliance Report. Listed entities are required to submit this report within 60 days from the end of each FY.

Foreign Contribution (Regulation) Amendment Rules, 2025

[Notification dated 26th May 2025](#)

The Ministry of Home Affairs has amended the Foreign Contribution (Regulation) Rules, 2011. As per the amendments, *inter alia*, the applicant seeking registration should enclose the following documents namely:

- FSs and Audit Reports of the last 3 FYs, including the statement of assets and liabilities, receipts and payments account, and income and expenditure account;
- if the Audit Reports and FSs do not contain activity-wise expenditure for the last 3 FYs, a chartered accountant's certificate in the prescribed format specifying the activity-wise amount spent by the association should be submitted. The certificate should reconcile with the income and expenditure account and the receipt and payment account.

Accounting Standards: Quick Referencer (As on 1st April 2025)

[Announcement dated April 2025](#)

The ICAI has published the aforesaid publication which has been designed to present key requirements of the Standards in a reader-friendly format, catering to both companies (excluding those following Ind AS) and non-company entities. This publication has been updated to reflect the following amendments:

- Revised Criteria for classification of non-company entities for applicability of Accounting Standards issued in November 2024. As per the revised announcement, non-company entities are now classified into 2 categories, i.e., Micro, Small and Medium Sized Entities (MSMEs) and large entities.
- Amendments to AS 22 *Accounting for Taxes on Income* related to International Tax Reform-Pillar Two Model Rules (for non-company entities) issued in July 2024.



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