

**Company Law, Accountancy and
Audit**

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Rules and Amendment Rules

Companies (Indian Accounting Standards) (Ind AS) 2nd Amendment Rules, 2025

[Notification dated 13th August 2025](#)

Companies (Ind AS) Rules, 2015 have been amended through the aforesaid notification. *Inter alia*, the key amendments include the following:

- **Ind AS 1 *Presentation of Financial Statements* - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants**

Inter alia, as per the amendment, the entity should classify a liability as current when it does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The amendment specifies that the entity's right to defer settlement is subject to the entity complying with covenants within 12 months after the reporting period. The entity should disclose information in the notes that enables users of financial statements to understand the risk that the liabilities could become repayable within 12 months after the reporting period. This amendment applies retrospectively for annual reporting periods beginning on or after 1st April 2025.

The amendment also states that when an entity breaches a covenant of a long-term loan arrangement on or before the end of the reporting period resulting in the liability being payable on demand, such liability will be classified as current. If the breach is rectified after the reporting date, it will be treated as a non-adjusting event. This requirement will be applicable from annual reporting periods beginning on or after 1st April 2026.

- **Ind AS 107 *Financial Instruments Disclosures* and Ind AS 7 *Statement of Cash Flows* - Supplier finance arrangements**

The amendments require an entity to disclose information about its supplier finance arrangements that will enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk.

An entity should apply these amendments for annual reporting periods beginning on or after 1st April 2025.

- **Ind AS 12 *Income Taxes* - International tax reform—Pillar Two model rules**

The amendment has introduced an exception whereby an entity should neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

The amendment also requires an entity to disclose that it has applied the deferred tax exception and it should separately disclose its current tax expense (income) related to Pillar Two income taxes.

An entity should apply above amendments for annual reporting periods beginning on or after 1st April 2025.

Amendments have also been made in the below mentioned Ind AS:

Ind AS	Particulars
101	<i>First-time Adoption of Indian Accounting Standards</i>
108	<i>Operating Segments</i>
109	<i>Financial Instruments</i>
115	<i>Revenue from Contracts with Customers</i>
10	<i>Events after the reporting period</i>
28	<i>Investments in Associates and Joint Ventures</i>
32	<i>Financial Instruments Presentation</i>

Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025

[Notification dated 4th September 2025](#)

The Ministry of Corporate Affairs (MCA) has amended Rule 25 *Merger or Amalgamation of certain companies* of the Compromises, Arrangements and Amalgamations) Rules, 2016. *Inter alia*, the amendment has expanded the scope of fast-track mergers under Section 233 of the Companies Act, 2013 which will now include the following:

- Merger between one or more unlisted company (other than section 8 companies) where the aggregate outstanding loans, debentures or deposits do not exceed Rs.200 crores and there is no default in their repayment provided an auditor's certificate in Form No. CAA-10A has been filed.
- Merger between a holding company (listed or unlisted) and a subsidiary company (listed or unlisted) except where the transferor company or companies are listed.
- Merger between one or more subsidiary company of a holding company with one or more other subsidiary company of the same holding company where the transferor company or companies are not listed.
- Merger of the transferor foreign company incorporated outside India being a holding company with the transferee Indian company being its wholly owned subsidiary company incorporated in India.

Also refer [CNK Newsflash on Expanded Coverage of Fast Track Merger Provisions](#)

[Circulars](#)

Clarification on holding of Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) through Video Conference (VC) or Other Audio Visual Means (OAVM) and passing of Ordinary and Special resolutions by the companies
[General Circular No. 03/2025 dated 22nd September June 2025](#)

The MCA has decided, through the aforesaid circular to allow companies to hold AGM and EGM through VC or OAVM until further orders.

However, it has been clarified that this circular does not give any extension of statutory time for holding AGMs beyond the statutory deadlines set by the Companies Act, 2013.

Securities and Exchange Board of India (SEBI)

SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2025

[Notification dated 1st September 2025](#)

SEBI has introduced Special Provisions for Delisting of Public Sector Undertaking other than Banks, Non-Banking Financial Companies and Insurance Companies through the notification of the aforementioned Regulations.

They will come into force on the date of their publication in the Official Gazette provided that the provisions of these Regulations will be applicable to the delisting offers where initial public announcement for the delisting has not been made.

SEBI (Listing Obligations and Disclosure Requirements) (LODR) (3rd Amendment) Regulations, 2025

[Notification dated 8th September 2025](#)

SEBI LODR, 2015 has been amended with the notification of the aforementioned regulations. Key amendments include the following:

- **Regulation 39 *Issuance of Certificates or Receipts/Letters/Advice for securities and dealing with unclaimed securities***

The listed entity should issue securities pursuant to any Scheme of Arrangement or any subdivision, split or consolidation of securities only in the dematerialised form.

■ **Regulation 91C Disclosures by Not-for-Profit Organization (NPOs)**

A NPO registered or listed on the Social Stock Exchange(s) (SSE) should make annual disclosures to the SSE on –

- ▲ financial aspects by 31st October of each year or before the due date of filing of income tax return, whichever is later, or within such period as may be specified by SEBI; and
- ▲ non-financial aspects within 60 days from the end of the financial year (FY) or within such other period as may be specified by SEBI.

■ **Regulation 91E Disclosures by a Social Enterprise in respect of social impact**

- ▲ Annual impact reports will be assessed by Social Impact Assessors for listed projects and should be self-certified for non-listed projects.
- ▲ A Social Enterprise which is only registered on SSE without raising funds should submit a self-certified annual impact report:
- ▲ A NPO that is registered on SSE will not be permitted to raise funds through it for a maximum period of 2 years from the date of registration or such duration as may be specified by SEBI. Upon expiry of the period of 2 years from the date of registration, the NPO should have at least 1 listed project failing which it will cease to be registered.

SEBI Board Meeting

[PR No. 62/2025 dated 12th September 2025](#)

In its Board Meeting, SEBI has, *inter alia*, approved the following:

■ **Amendments to the SEBI LODR Regulations, 2015 and the circulars thereunder with the objective of facilitating Ease of Doing Business relating to Related Party Transactions (RPTs).**

The amendments include the following:

- ▲ Introduction of scale-based thresholds based on annual consolidated turnover of the listed entity, for determining material RPTs;
- ▲ Revised thresholds for approval by Audit Committee, for RPTs undertaken by subsidiaries;

- ▲ Simpler disclosure requirements for smaller RPTs;
- ▲ Provisions pertaining to validity periods of omnibus approval by shareholders as contained in the Master Circular on LODR, to be incorporating in the LODR;
- ▲ Clarification with regard to exemption pertaining to retail purchases undertaken by listed entity or its subsidiary with its Directors or Key Managerial Personnel or their relatives; and
- ▲ Clarification that the term “holding company” always referred to “listed holding company”.

■ **Measures for Ease of Doing Business for entities having listed non-convertible securities -Review of the SEBI (LODR) Regulations, 2015**

SEBI has approved the proposal to amend SEBI (LODR) Regulations, 2015 to permit entities having listed non-convertible securities (NCS) to send letters providing the web-link to access the annual report to the holders of NCS who have not registered their email id. The entity may at its discretion include a static Quick Response Code in the letter to access the annual report.

Framework on Social Stock Exchange

[Circular No.: SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/129 dated 19th September 2025](#)

SEBI has issued modifications to the framework on the SSE pursuant to recent amendments to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and LODR Regulations.

Inter alia, changes have been incorporated in minimum requirements for NPOs to register with the SSE, annual disclosure by NPOs on SSE which have raised funds through SSE or are registered with SSE.

The provisions of this circular came into force immediately i.e. w.e.f. 19th September 2025.

Others

Frequently Asked Questions (FAQs) on Applicability of the Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction”

[NSE/CML/2025/36 dated 4th September 2025](#)

SEBI had issued a [Circular dated 26th June 2025](#) with respect to the Industry Standards on Minimum information to be provided for review of the Audit Committee and shareholders for approval of a RPT.

To enable effective implementation of these standards the NSE has issued the aforesaid FAQs.

National Financial Reporting Authority (NFRA)

Auditor-Audit Committee Interaction Series 4 – Audit of Accounting Estimates and Judgements Impairment of Non-financial Assets- Ind AS 36 and SA 540

[Publication dated 30th September 2025](#)

This Auditor-Audit Committee Interactions Series 4 draws the attention of the auditors to the potential questions the Audit Committees/Board of Directors may ask them in respect of impairment of non-financial assets as required by Ind AS 36 *Impairment of Assets* and SA 540 *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*.

Accountancy and Audit

Frequently Asked Questions (FAQs)

FAQs on Guidance Note on Financial Statements of Non-corporate Entities

[Announcement dated 8th July 2025](#)

The Institute of Chartered Accountants of India (ICAI) had issued the [Guidance Note on Financial Statements on Non-corporate Entities](#) with an aim to provide standardised formats for financial statements of non-corporate entities to enhance the quality, understandability, relevance, reliability, comparability, consistency and comprehensiveness of financial statements prepared by entities to which the Guidance Note applies. This Guidance Note is applicable for accounting periods beginning on or after 1st April 2024.

The ICAI has now published the Frequently Asked Questions (FAQs) related to this Guidance Note.

Frequently Asked Questions (FAQs) on Management Representation Letter

[Announcement dated 14th August 2025](#)

This publication provides practical guidance on implementation of the principles laid down in SA 580 *Written Representations*. It includes responses to common queries on the subject, as well as illustrative templates such as a sample Representation Letter, Format for Updating Management Representation Letter, Format for Additional Considerations, and SA 580 Compliance Checklist.

Technical Guide on Accounting for Expenditure on Corporate Social Responsibility Activities (CSR) (Revised July 2025 Edition)

[Announcement dated July 2025](#)

The Corporate Laws & Corporate Governance Committee of the ICAI has issued the revised edition of the aforesaid Technical Guide (TG). This revised edition incorporates the latest amendments, circulars, and guidance issued by the MCA, providing updated

and practical guidance on key aspects of CSR accounting and compliance.

The objective of this TG is to provide guidance on recognition, measurement, presentation and disclosure of expenditure on activities relating to CSR.

This TG does not apply to other charitable activities of the company, which are not forming part of the mandatory CSR requirements under section 135 of the Companies Act, 2013.

Guidance Note on Tax Audit under Section 44AB of the Income-tax Act, 1961 (Revised 2025)

[Announcement dated 30th July 2025](#)

The Direct Taxes Committee of ICAI has published the aforesaid Guidance Note to provide an updated, in-depth, and practical guide to assist members in discharging their professional responsibilities with diligence and confidence.

This publication includes:

- Amendments made by the Finance (No. 2) Act 2024 and Finance Act 2025 in the Income-tax Act, 1961 and
- Additional reporting requirements in Form No.3CD brought in vide Notification No. 27/2024 dated 5th March 2024 and Notification No. 23/2025 dated 28th March 2025.

Limit on number of tax audits

[Announcement dated 30th July 2025](#)

The ICAI has notified [The Chartered Accountants \(Limit on Number of Tax Audits\) Guidelines, 2025](#) which will be effective from 1st April 2026 onwards.

This guideline prescribes a limit on number of tax audit assignments under Section 44AB of the Income-tax Act, 1961. As per the guidelines, the existing limit of 60 tax audit assignments per member has been retained, but the same will be in respect of tax audit assignments in a particular FY and it would be the aggregate limit in respect of all tax audits accepted and signed by a member, both in his individual capacity and as a partner of a firm(s). In other words, an

individual member cannot sign more than 60 tax audit reports in a FY.

The limit of 60 will not apply to tax audit assignments arising out of the requirements under clause (c), clause (d) and clause (e) of section 44AB, in relation to persons covered under section 44AE, 44ADA and 44AD, respectively.

Widening the scope of mandatory applicability of Audit Quality Maturity Model (AQMM) version 2.0

[Announcement dated 11th August 2025](#)

The ICAI has widened the scope of mandatory applicability of AQMM version 2.0 and accordingly AQMM v. 2.0 has been made mandatory in a phased manner for the following categories of firms:

Sr. No.	Category of Firms	Date of applicability (Peer Review conducted on or after)
1	Firms auditing the Holding/Subsidiary/ Associates/Joint Ventures of the following entities: ▪ A Listed Entity ▪ Banks other than Co-operative banks (Except multi- state Co-operative banks) ▪ Insurance Companies <u>Exception</u> Firms conducting only branch audits are not to be covered.	1 st April 2026
2	Firms which propose to undertake Statutory Audit of unlisted public companies having paid-up capital of at least Rs. 500 crores or having annual turnover of at least Rs. 1,000 crores or having, in	1 st April 2026

Sr. No.	Category of Firms	Date of applicability (Peer Review conducted on or after)
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aggregate, outstanding loans, debentures and deposits of at least Rs. 500 crores as on 31st March of immediately preceding FY.

3	Firms which propose to undertake the Statutory Audit of entities which have raised funds from public/banks/financial institutions of over Rs. 50 crores during the period under review or of any body corporate including trusts which are covered under public interest entities.	1 st April 2027
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Announcement providing relaxation in compliance with the ‘Guidance Note on Financial Statements of Non-Corporate entities’ and ‘Guidance Note on Financial Statements of Limited Liability Partnerships’ for annual reporting period 2024-25

[Announcement dated 19th September 2025](#)

The ICAI has provided relaxation in the compliance of the [‘Guidance Note on Financial Statements of Non-Corporate Entities’](#) and [‘Guidance Note on Financial Statements of Limited Liability Partnerships’](#) which were effective for financial statements for the periods beginning on or after 1st April 2024.

As per the relaxation, these Guidance Note(s) can be applied voluntarily for annual reporting period 2024-25.

Indian Accounting Standards (Ind AS)

For development in Ind AS refer [CNK Ind AS/ISSB/IFRS Update, October 2025](#).

