The Monthly Messenger

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India | Accounting News

Exposure Draft of Contracts Referencing Nature-dependent Electricity: Amendments to Ind AS 109 and Ind AS 107-17 April 2025

The International Accounting Standards Board (IASB) had made amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs) entered for electricity supply from sources such as wind and solar power. (Dated 18 December 2024)

In this regard, the Accounting Standards Board (ASB) of Institute of Chartered Accountants of India (ICAI) has now released an Exposure Draft of amendments to Ind AS 109 and Ind AS 107, corresponding to amendments in IFRS Accounting Standards 9 and 7 as mentioned above. The draft provides clarity on how such nature-dependent electricity contracts should be accounted for, allowing their inclusion in hedge accounting. It also introduces enhanced disclosure requirements covering cash flow impacts, financial risks, and assessment of losses. Companies may apply these changes retrospectively but aren't required to restate prior period unless feasible without hindsight. Exposure Draft is open for public comments until 18 May 2025. The amendments will be effective for annual reporting period beginning on or after 1 April 2026.

For more information, **click here**

India | Auditing News

Exposure Draft of Standards on Auditing for Audits of Limited Liability Partnerships- 10 April 2025

The Auditing and Assurance Standards Board (AASB) of the Institute of Chartered Accountants of India (ICAI) has issued Exposure Draft of Standards on Auditing (SAs) applicable for Limited Liability Partnerships (LLPs). The Ministry of Corporate Affairs (MCA) directed ICAI to create a separate set of SAs for LLPs. Accordingly, the said Exposure Draft has been developed by adopting corresponding SAs as applicable for companies after making relevant amendments as considered necessary from the perspective of LLPs.

For more information, click here

India | Regulatory News

MCA 21 Version 3- Company and LLP filing– Issues/Feedback - 3 April 2025

The Ministry of Corporate Affairs (MCA) has earlier introduced Version 3 of the MCA-21 portal, which includes an updated interface for filing statutory forms related to Companies and Limited Liability Partnerships (LLPs). Considering this transition, the Corporate Laws & Corporate Governance Committee (CL&CGC) of the Institute of Chartered Accountants of India (ICAI) has invited feedback and suggestions from stakeholders. The objective is to identify challenges and suggest improvements to make the filing process more efficient and user-friendly.

For more information, click here

Clarification on the position of Compliance Officer in terms of regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - 1 April 2025

The Securities and Exchange Board of India ("SEBI") has issued a circular clarifying the position of the "Compliance Officer" under Regulation 6(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and has provided guidance on the interpretation of the term 'level' in the organizational structure of listed entities in relation to the "Compliance Officer".

Presently, the proviso to Regulation 6(1) of the LODR Regulations requires the Compliance Officer of a listed entity to be in whole-time employment, not more than one level below the board of directors and be designated as a Key Managerial Personnel ("KMP"). SEBI has provided the following clarifications in relation to the term 'level' used in the said Regulation in response to the queries seeking clarification on the term:

- **Clarification on the term 'Level'**: 'one-level below the board of directors' refers to a position directly below the Managing Director ("MD") or Whole-Time Director(s) ("WTDs") of the listed entity. This interpretation is in line with Regulation 2(1)(o) of the LODR Regulations read with Section 2(51) of the Companies Act, 2013, which define KMP.
- **Entities without an MD or WTD**: In cases where a listed entity does not have an MD or a WTD, then the Compliance Officer shall not be more than one level below the Chief Executive Officer, Manager, or any other individual responsible for the day-to-day affairs of the listed entity.

For more information, click here

Extension towards Adoption and Implementation of Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)- 1 April 2025

The Securities and Exchange Board of India (SEBI) issued 'Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs)' vide circular dated 20 August 2024.

SEBI had received numerous requests to extend the compliance deadline for CSCRF to facilitate smoother adherence of the framework. In response, SEBI has issued a Circular dated 28 March 2025 to extend the compliance deadline by **three months i.e. till 30 June 2025** for all SEBI Regulated Entities, excluding Market Infrastructure Institutions (MIIs), KYC Registration Agencies (KRAs), and Qualified Registrars to an Issue and Share Transfer Agents (QRTAs).

For more information, click here

SEBI launches “Document Number Verification System” - 3 April 2025

SEBI has launched the Document Number Verification System (SEBI-DNVS) in the public interest to enhance transparency in the functioning and ensure verifiability of documents issued by it. SEBI-DNVS will allow verification of physical communication such as letters, notices, and summons issued by it. In the terms of said system, each physical communication such as letters, show cause notices, summons etc issued by SEBI will carry a unique Outward Number, which can be verified by the recipient through an OTP-based authentication process. Users can confirm the document’s issuance by entering the credential such as the Outward Number, sender’s name, date of communication, and the recipient’s name. The verification process however does not include the verification of contents of the communication. A detailed Guidance on SEBI-DNVS has also been issued to ease the process of verification.

For more information, click here

Draft circular for public comments - Limited relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 -21 April 2025

The Securities Exchange Board of India (SEBI) has released a draft circular proposing limited relief from compliance requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). The draft states:

- SEBI through its circular dated 6 October 2023, had relaxed the requirement under Regulation 58(1)(b) of the SEBI (LODR) Regulations, 2015, till 30 September 2024. The said regulation requires listed entities to send hard copies of the statement containing the salient features of all the specified documents, to holders of non-convertible securities who have not registered their email addresses. This relaxation was given in line with the Ministry of Corporate Affairs (MCA) General Circular and was initially applicable till 30 September 2024. Following the MCA’s further extension through General Circular dated 19 September 2024, SEBI has proposed to extend this relief for the AGMs conducted till 30 September 2025.
- Entities having listed non-convertible securities and complying with the conditions specified by MCA General Circular, who have not sent hard copy of statement containing the salient features of all the specified documents to the holders of such securities who have not registered their email address, shall not be subject to any penal action for non-compliance with Regulation 58(1)(b) under the LODR Regulations for the period 1 October 2024 a future specified date in 2025.
- For the period from that future date until 30 September 2025, a similar relaxation will apply, provided that entities disclose a web link to the statement containing the salient features of all the specified documents, in advertisements issued under Regulation 52(8) of the LODR Regulations, allowing investors easy access to the relevant information.

For more information, click here

Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) – Extension of automated implementation of trading window closure to Immediate Relatives of Designated Persons, on account of declaration of financial results- 21 April 2025

The Securities Exchange Board of India (SEBI) has issued a Circular extending the trading window closure mechanism to cover immediate relatives of Designated Persons (DPs) in listed companies, further strengthening measures against insider trading during periods when unpublished price sensitive information (UPSI) is accessible, such as financial results. This builds upon the existing system that restricts trading by DPs themselves.

Stock exchanges and depositories are now required to implement systems to freeze the PANs of these immediate relatives at the security level during the trading window closure period.

The new notification will be implemented in two phases:

Phase I (effective from 1 July 2025) - Applies to top 500 listed companies by market capitalization on 31 March 2025

Phase II (effective from 1 October 2025)- Will cover all remaining all listed companies, including those that list after this circular.

Listed companies will be responsible for providing the details of their designated persons' immediate relatives to the designated depository, which will then share this information with the stock exchanges and other depositories. Additionally, depositories will also be required to submit quarterly reports to SEBI on the implementation.

Process for implementation of the above system is also mentioned in Annexure A of this Circular.

For more information, click here

Frequently Asked Questions (FAQs) on SEBI (LODR) Regulations 2015- 23 April 2025

The Securities Exchange Board of India (SEBI) has released comprehensive Frequently Asked Questions (FAQs) updated as on 23 April 2025, to clarify the key changes introduced in SEBI (LODR) (Third Amendment) Regulations, 2024 dated 12 December 2024, and the SEBI circular dated 31 December 2024 on implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities.

The FAQs cover clarifications on secretarial audit norms, mandatory disclosures (including forensic audits and BRSR Core), and minimum public shareholding norms. It also addresses the applicability of related party definitions, financial result formats, ESG assurance scope, and shareholding pattern requirements.

For more information, click here

The list of Services that can or cannot be rendered by a Secretarial Auditor- 24 April 2025

The Securities Exchange Board of India (SEBI) had released Frequently Asked Questions (FAQs) on SEBI (LODR) Regulations, 2015 dated 23 April 2025 which clarify the permissible services which can be rendered by Secretarial Auditors. The guidance, outline specific engagements, Secretarial Auditors are permitted or restricted from undertaking to ensure independence and avoid conflict of interest.

The Institute of Company Secretaries of India (ICSI) has also released the detailed list of Services that can or cannot be rendered by a Secretarial Auditor to the listed entity or its holding entity or subsidiary entity as per above mentioned FAQs.

For more information, click here

Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2025- 1 April 2025

The Reserve Bank of India (RBI) has issued a comprehensive Master Direction "Reserve Bank of India (Interest Rate on Deposits) Directions, 2025" which consolidates all the instructions related to interest rates on deposits applicable to banks in one place.
With the issuance of these comprehensive Master Directions, the previous Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016 dated 3 March 2016 and Master Direction - Reserve Bank of India (Co-operative Banks - Interest Rate on Deposits) Directions, 2016 dated 12 May 2016 shall stand repealed.

The Master Direction shall come into force with immediate effect i.e. 1 April 2025.

For more information, click here

Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances- 1 April 2025

The Reserve Bank of India (RBI) has issued an updated Master Circular dated 1 April 2025, concerning prudential norms for income recognition, asset classification, and provisioning pertaining to bank's advances. This circular, applicable to all commercial banks excluding Regional Rural Banks (RRBs), consolidates all existing instructions and guidelines issued up to 31 March 2025 on the stated matter.

It supersedes the previous Master Circular dated 2 April 2024 and incorporates all subsequent directives. The Circular's purpose is to provide a comprehensive reference for banks, ensuring they adhere to the RBI's established prudential norms. The RBI has also clarified that this Master Circular does not contain any new instructions or guidelines. Instead, it acts as a compilation of previously released directives, providing a single, accessible document for banks.

For more information, click here

Master Circular – Housing Finance- 1 April 2025

The Reserve Bank of India (RBI) has issued an updated Master Circular dated 1 April 2025 on Housing Finance for the financial year 2025-26. The circular is applicable to all Scheduled Commercial Banks, excluding Regional Rural Banks (RRBs).

It supersedes the previous Master Circular dated 2 April 2024 issued on this subject. The RBI has clarified that this Master Circular does not introduce any new instructions or guidelines but merely consolidates the existing rules/regulations/instructions/clarifications issued up to 31 March 2025 on the Housing Finance for easier reference.

For more information, click here

Master Circular - Bank Finance to Non-Banking Financial Companies (NBFCs)- 1 April 2025

The Reserve Bank of India (RBI) has issued an updated Master Circular dated 1 April 2025 concerning bank finance to Non-Banking Financial Companies (NBFCs). The circular, applicable to all Scheduled Commercial Banks excluding Regional Rural Banks (RRBs), consolidates all existing instructions and guidelines related to bank's lending to NBFCs, issued up to 31 March 2025. It supersedes the previous Master Circular issued on 24 April 2024, ensuring that banks have a comprehensive and up-to-date reference for their lending practices to NBFCs.

The RBI has clarified that this Master Circular does not contain any new instructions or guidelines but merely consolidates the existing instructions on the above matter.

For more information, click here

RBI issues draft Directions on the regulatory measures announced in SDRP- 9 April 2025

Pursuant to the announcement made in the Statement on Developmental and Regulatory Policies, the Reserve Bank has issued draft Directions on the following matters:

- Reserve Bank of India (Securitisation of Stressed Assets) Directions, 2025
- Reserve Bank of India (Co-Lending Arrangements) Directions, 2025
- Reserve Bank of India (Lending Against Gold Collateral) Directions, 2025
- Reserve Bank of India (Non-Fund Based Credit Facilities) Directions, 2025

Comments and suggestions from the public and relevant stakeholders are invited on these draft Directions by 12 May 2025.

For more information, click here

Master Direction - Risk Management and Inter-Bank Dealings- 16 April 2025

The Reserve Bank of India (RBI) has released an updated Master Direction on Risk Management and Inter-Bank Dealings dated 16 April 2025. These updated versions are effective immediately and supersede previous versions wherever applicable. The Market participants are advised to review the full circular and make necessary adjustments to their internal policies and systems to ensure continued compliance.

The RBI issues directions to Authorized Persons (including Authorised Dealer Category-I banks) under Section 11 of the Foreign Exchange Management Act (FEMA), 1999 which lay down the modalities of conduct of foreign exchange business in India. Further, RBI also issues directions to agencies undertaking foreign exchange transactions under Section 45W of the Reserve Bank of India Act, 1934.

Instructions issued in respect of Foreign Exchange Derivative Contracts, Overseas Commodity & Freight Hedging, Rupee Accounts of Non-Resident Banks and Inter-Bank Foreign Exchange Dealings etc. have also been compiled in this Master Direction.

For more information, click here

Master Direction - Deposits and Accounts- 16 April 2025

The Reserve Bank of India (RBI) has released an updated Master Direction on maintenance of Deposits and Accounts i.e the opening, holding, and maintenance of foreign currency accounts by residents in India, under the framework of the Foreign Exchange Management Act (FEMA), 1999.

The revised guidelines consolidate existing regulations, which govern foreign currency accounts and cross-border deposit arrangements respectively. These updated versions are effective immediately and supersede previous versions wherever applicable.

A key highlight of this amendment is the integration of provisions related to **Vostro accounts of non-resident banks, previously detailed under the Master Direction on Risk Management and Inter-Bank Dealings**. The revised direction now has references to Special Rupee Vostro Accounts and the Vostro Accounts of Non-Resident Exchange Houses have also been added to the Master Direction and presented in a newly inserted Part III of this Master Direction.

The RBI will issue further updates through A.P. (DIR Series) Circulars in regard to any change in the Regulations.

For more information, click here

Order under section 119 of the Income-tax Act, 1961 for waiver on levy of interest under section 201(IA)(ii)/ 206C(7) of the Act, as the case maybe, in specific cases -regarding.- 28th March 2025

The Central Board of Direct Taxes (CBDT) has issued a circular with respect to the waiver of interest on late payments of tax deducted at source (TDS) or tax collected at source (TCS) where the concerned delays are on account of the technical glitches beyond the control of taxpayer.

If the payment was initiated and debited from the taxpayer's bank account on or before the due date but credited to the government after the due date due to the technical problems, notices have been received by such taxpayers for levy of interest under section 201(IA)(ii)/ 206C(7) of the Act, as the case maybe.

The said interest may be waived by the concerned authority i.e. Chief Commissioner of Income-tax (CCIT) or Director General of Income-tax (DGIT) or in case there is no CCIT and DGIT, then Principal Chief Commissioner of Income-tax (PrCCIT). Even previously paid interest in such cases may be refunded upon approval. CBDT has also clarified that no waiver application shall be entertained beyond one year from the end of the financial year for which the interest under section 201(IA)(ii)/ 206C(7) is charged.

For more information, click here

Banking Laws (Amendment) Act, 2025 – 16 April 2025

The Ministry of Law and Justice issued Banking Laws (Amendment) Act, 2025 which introduces significant updates to several key financial statutes including

• The Reserve Bank of India Act, 1934,
• The Banking Regulation Act, 1949,
• The State Bank of India Act, 1955,
• The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and
• The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980.

This amendment brings current and practical changes to the existing laws which aims to make operations more convenient.

This amendment shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

For more information, click here

Frequently Asked Questions (FAQs) on share capital e-form SH-7 & PAS -3 in MCA-21 V3 Portal- 21 April 2025

The Institute of Company Secretaries of India (ICSI) has released FAQs on share capital filings and related e-forms (SPICe+ Part B, PAS-3, SH-7, SH-11, and INC-28) under the MCA21 V3 portal. The document explains key concepts like the "Class Wise Master" for maintaining capital details, guides migrated companies on creating class-wise masters and clarifies when share capital fields in e-form SH-7 are editable. It also highlights the importance of the paid-up capital event date to ensure proper record updates when filing different forms.

Additionally, the FAQs address common issues and emphasise on important Do's and Don'ts for filing SH-7 and PAS-3.

For more information, click here

International | Accounting News

Marked-up version of the IFRS for SMEs- 16 April 2025

The IFRS Foundation has published a new educational material to support stakeholders in understanding the differences between the second and third editions of the IFRS for SMEs.
The material presents the full text of the Standard, **with all changes in the third edition** of the Standard marked up to help stakeholders assess the effects of the changes and prepare for implementation.

For more information, click here