The Monthly Messenger

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India | Accounting News

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 - 19 September 2025

The Institute of Chartered Accountants of India (ICAI) has announced a relaxation in respect of two of its publications namely the '**Guidance Note on Financial Statements of Non-Corporate Entities'** and the **'Guidance Note on Financial Statements of Limited Liability Partnerships'**. These Guidance Notes, issued in August 2023, were originally set to be mandatorily applicable for financial statements covering periods beginning on or after 1 April 2024. However, after considering the prevailing circumstances, ICAI has clarified that their application shall be **voluntary for the annual reporting period 2024-25**.

It is also specifically clarified that this relaxation does not affect the applicability of existing Accounting Standards and the Framework for the Preparation and Presentation of Financial Statements, to these entities, which will continue to be complied with in accordance with other ICAI pronouncements.

For more information, **click here**

India | Regulatory News

Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025- 8 September 2025

The Ministry of Corporate Affairs (MCA) has notified the **Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025**, on **4 September 2025,** to amend the existing Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The amendments **expand the scope of fast-track mergers** by including new classes of companies while simultaneously ensuring stronger regulatory oversight. Key changes also include various procedural refinements and **revisions to statutory forms** (such as CAA-9, CAA-10, CAA-11 and CAA-12). Under the revised framework, **the notice of a proposed scheme** must also be served on the concerned **sectoral regulators** (RBI, SEBI, IRDAI, PFRDA, etc.), and in the case of **listed companies**, to the relevant stock exchange(s). These regulators and exchanges are empowered to furnish their objections or suggestions within the statutory period under Section 233(1)(a) of Companies Act 2013.

The objective of these amendments is to ease doing business, reduce the burden on National Company Law Tribunals, facilitate faster corporate restructuring, and broaden access to fast-track merger route.

The amendment shall come into force on the date of their publication in the Official Gazette.

For more information, **click here**

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 under the Companies Act, 2013 read with rules made thereunder - reg.- 22 September 2025

The Ministry of Corporate Affairs (MCA), vide **General Circular No. 03/2025 dated 22 September 2025**, has extended the facility for companies to conduct **Annual General Meetings (AGMs)** and **Extraordinary General Meetings (EGMs)** through **Video Conference (VC)** or **Other Audio Visual Means (OAVM)**. Companies may also transact items through **postal ballot** in line with the framework prescribed under earlier MCA circulars, **until further orders**.

The circular also provides an important clarification that this relaxation **does not extend the statutory timeline for holding AGMs** under the Companies Act, 2013. Companies must therefore continue to comply with the prescribed due dates for convening AGMs.

For more information, **click here**

Securities and Exchange Board of India (Investor Protection and Education Fund) (Amendment) Regulations, 2025 - 2 September 2025

The Securities and Exchange Board of India (SEBI) has issued the Investor Protection and Education Fund (Amendment) Regulations, 2025 to further amend the Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009.

The key amendment includes the insertion of a new clause (1a) to existing Regulation 4(1) which expands the sources of funds for the Investor Protection and Education Fund (IPEF). The amendment states that the IPEF will now include delisting related money transfers i.e. amount due to public shareholders who have not tendered their shares in the delisting process of public sector undertakings after a specified period of time.

The amended regulations shall come into force on the date of their publication in the Official Gazette.

For more information, **click here**

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 (RPT)"- 4 September 2025

The Securities and Exchange Board of India (SEBI), through its Circular dated **26 June 2025**, introduced **Industry Standards on Minimum Information** to be provided for the Audit Committee and shareholder approval of Related Party Transactions (RPTs). To support implementation, the **Bombay Stock Exchange (BSE)** has issued a notice on the set of **FAQs** providing clarity on the new framework.

The FAQs clarify the aspects related to the applicability of **disclosure requirements for RPT exceeding the threshold limit of ₹1 crore**, the **nature of information required to be shared with the Audit Committee**, and the **certifications to be provided by company executives etc.** The FAQs confirm that these new standards, shall be effective from 1 September 2025, and replace previous RPT disclosure formats specified in the Master Circular.

For more information, **click here**

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2025 - 8 September 2025

Securities and Exchange Board of India (SEBI) has issued the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2025 to amend the existing SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Key amendments:

- **Regulation 39(2A):** Mandates issuance of securities pursuant to a Scheme of Arrangement, sub-division, split or consolidation only in **dematerialised form**. Where investors do not have a Demat account, the listed entity is required to facilitate the opening of one.
- **Regulation 91(C)(1) (substituted):** Introduces **enhanced disclosures** for Not-for-Profit Organizations (NPOs) registered on Social Stock Exchanges, including separate non-financial disclosures.
- **Regulation 91(E) (amended):** Provide for **stricter impact reporting** for Social Enterprises / SSE Framework.

- **Schedule VII clause B:** Certain provisos have been **omitted**, thereby reducing exemptions or carve-outs, and simplifying disclosure obligations.

The amendment shall come into force on the date of their publication in the Official Gazette.

For more information, **click here**

Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) (Amendment) Regulations, 2025 - 8 September 2025

Securities and Exchange Board of India (SEBI) has issued the SEBI (Share Based Employee Benefits and Sweat Equity) (Amendment) Regulations, 2025 to amend the existing SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The amendment introduces a new Regulation 9A which provides that the employees who are subsequently identified as **promoters or part of the promoter group as per IPO filing and** were granted options / SARs / other benefits under any scheme at least one year prior to the date of filing the draft offer document, will be allowed to continue to hold or exercise such benefits as per the terms of scheme and compliance of these regulations and other applicable laws.

The amendment shall come into force from the date of their publication in the Official Gazette.

For more information, **click here**

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2025 - 8 September 2025

Securities and Exchange Board of India (SEBI) has issued the SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2025 to amend the existing SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Key amendments:

- Introduction of "accredited investors" (as defined under SEBI AIF Regulations, 2012) for limited purpose of investing in Angel Funds.
- **Specified securities** held by certain categories (promoters, key managerial personnel, directors, employees etc.) must be held in **dematerialised form** *before* filing the draft offer document.
- Equity shares or compulsorily convertible securities acquired under a Court/Tribunal/ Central Government approved scheme (under Companies Act, 2013, sections 230–234) can be offered for sale if these have been in existence for more than **1 year before scheme approval**.
- Add alternative investment funds, foreign venture capital investors, scheduled commercial banks, public financial institutions, insurance companies, or non-individual public shareholders (holding ≥5% post-issue) or entities in promoter group (other than promoter) to certain provisos regarding eligibility / promoter contribution.
- Substantive changes to the disclosure framework under Schedule VII: simplifying and streamlining disclosures.

For more information, **click here**

Framework on Social Stock Exchange (“SSE”) - 19 September 2025

The Securities Exchange Board of India’s (SEBI) existing framework for the Social Stock Exchange (notified via Circulars in 2022 and 2023) is being revisited and amended based on recommendations of the Social Stock Exchange Advisory Committee (SSEAC) and feedback received through public consultation.

To align with those amendments, SEBI has also amended relevant provisions in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) via Gazette notifications dated 8–9 September 2025.

The provisions of this circular shall come into effect immediately.

For more information, **click here**

RBI issues the Reserve Bank of India (Regulation of Payment Aggregators) Directions, 2025- 15 September 2025

The Reserve Bank of India (RBI) has issued Master Directions on **Regulation of Payment Aggregators, 2025** to consolidate, update, and supersede earlier guidelines (‘Guidelines on Regulation of Payment Aggregators and Payment Gateways’ and ‘Regulation of Payment Aggregator – Cross Border (PA - Cross Border)’. Master Directions 2025 consolidate earlier circulars and guidelines, rationalizing the regulation of entities aggregating payments on behalf of merchants through various payment channels.

These Directions shall come into effect immediately, unless indicated otherwise therein.

For more information, **click here**

Extension of timelines for filling of various reports of audit for Financial Year 2024-25 (relevant to Assessment Year 2025-26) by auditable assessees - reg. - 25 September 2025

The Central Board of Direct Taxes (CBDT) has extended the due date for furnishing **audit reports** (under various provisions of the Income-tax Act) for the Assessment Year 2025–26 (Previous Year 2024–25) in respect of **specified assessees** under clause (a) of Explanation 2 to sub-section (1) of Section 139 of Income Tax Act, 1961. The timeline has been extended **from 30 September 2025** to **31 October 2025**. These assessees are typically required to file their tax audit reports one month prior to the due date for furnishing their income tax return. The extension provides additional time to complete and submit the required audit reports.

For more information, **click here**

International | Accounting News

Financial Accounting Standards Board (FASB) Issues Standard That Makes Targeted Improvements to Internal-Use Software Guidance- 18 September 2025

FASB has published an Accounting Standards Update (ASU) that updates the guidance on accounting for internal-use software costs to make it more operable and adaptable to current and future software development methods. This update introduces focused enhancements to the guidance on capitalizing costs related to internal-use software.

The new guidance eliminates references to specific project stages, such as the application development stage. Instead, companies are required to capitalize costs when management has authorized and committed to funding the project, and when the project is deemed probable of completion.

The amendments in the ASU shall be effective for all entities for annual reporting periods beginning after 15 December 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period.

For more information, **click here**