



N.A.SHAH ASSOCIATES LLP
Chartered Accountants

BULLETIN

ACCOUNTING, AUDITING AND COMPANY LAW –
FEBRUARY, 2025

ACCOUNTING AND AUDITING UPDATE

○ EAC's Opinion on Classification of 'Provision for doubtful debts no longer required written back' as 'Other Income' or 'Other Operating Revenue'

The Company had initially recognised writeback of provision for doubtful debts under 'other income' however CAG was of the view that appropriate classification is 'other operating revenue'.

In regard to opinion on above matter, the Committee has considered the guidance given under Ind AS and Schedule III – Division II of the Companies Act, 2013:

- Ind AS 115, 'Revenue from contracts with customer' requires to follow Ind AS 109 for impairment of receivables as per ECL model.
- Ind AS 1, 'Presentation of Financial Statements' require disclosure of impairment losses (including reversal of impairment losses or gains) as separate line item in the Statement of Profit and Loss.
- Schedule III Division II of the Companies Act, 2013 mandates the presentation of "Impairment Losses" as a distinct line item.

Based on above, the Committee concluded that the reversal of impairment loss should be presented under the line item "Impairment Losses" in the Statement of Profit and Loss. Therefore, it should not be presented as "other income" or "other operating revenue."

For more information, [click here](#)

SEBI UPDATE

○ Related party transactions

A. Launch of Portal – Related Party Transactions Analysis

On 14th February 2025, SEBI launched the Related Party Transactions Analysis Portal [[click here](#)] to enhance transparency and regulatory oversight of RPT disclosures by listed companies. The portal uses data analytics to detect risks and trends in RPT, improving investor protection and regulatory monitoring.

For more information, [click here](#)

B. Industry Standards on 'Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction'

SEBI ("LODR Regulation 23") requires RPT to be approved by the audit committee and the shareholders, if material. In order to facilitate uniform approach and assist listed entities in complying with the above mentioned requirements, the ISFs in consultation with SEBI has

formulated industry standards, for minimum information to be provided which can be accessed through link [[click here](#)]. This circular is effective from 1st April 2025.

For more information, [click here](#)

○ Industry Standards on 'Regulation 30' of SEBI

SEBI ("LODR Regulation 30") requires listed entities to disclose material events or information to the exchange. In order to facilitate uniform approach and assist listed entities in complying with this requirements, the ISFs in consultation with SEBI has formulated industry standards, for disclosing material events under SEBI's Regulation 30 which can be accessed through link [[click here](#)]. This circular is effective from 1st April 2025.

For more information, [click here](#)

○ Relaxation in timelines for holding AIF' investments in dematerialised form

SEBI has relaxed the timeline for AIF to hold investments in dematerialized form, as per amendments to AIF Regulations as follows.

- Investment made by an AIF on or after 1st July 2025 shall be held in dematerialised form only.
- Investment made by an AIF prior to 1st July 2025 are exempt from requirement of being held in dematerialised form except below.
 - i. Investee company of the AIF has been mandated under applicable law to facilitate dematerialisation of its securities.
 - ii. The AIF, on its own, or along with other SEBI registered intermediaries/entities which are mandated to hold their investments in dematerialised form, exercises control over the investee company.

In the above two cases, AIF shall hold the investment in dematerialised form on or before 31st October 2025.

For more information, [click here](#)

RBI UPDATES


○ Publication issued by the RBI - 'Handbook on regulations at glance'

The RBI has published handbook to provides a concise overview of key regulatory frameworks governing the banking and financial sector. It covers prudential norms, risk management guidelines, compliance requirements, and recent policy updates. It also highlights RBI's latest directives on capital adequacy, asset classification, and governance standards. It would be a valuable resource for banks, NBFCs, financial institutions, and regulatory professionals.

For more information, [Click here](#)

Glossary

RPT	Related Party Transactions
ICAI	Institute of Chartered Accountants of India
ISFs	Industry Standards Forums
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India
EAC	Expert Advisory Committee
Ind AS	Indian Accounting Standards
AIF	Alternative Investment Fund
LODR	Listing Obligations and Disclosure Requirements
CAG	Comptroller and Auditor General of India



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