



N.A.SHAH ASSOCIATES LLP
Chartered Accountants

BULLETIN

ACCOUNTING, AUDITING AND COMPANY LAW –
MAY, 2025

ACCOUNTING AND AUDITING UPDATE

♦ EAC opinion on capitalisation of salary paid to Company Secretary to the construction cost of PPE

As per paragraph 16(b) of Ind AS 16, 'Property, Plant and Equipment', cost of PPE includes directly attributable cost. Directly attributable costs are generally such costs which are necessary to enable the construction activity, i.e. these costs are directly related to the construction activity and without the incurrence of it, the asset cannot be brought to its present location and condition.

Directly attributable cost for construction of the Project/PPE includes costs of workers, engineers, architects, etc. and should be capitalised to Project/PPE.

In the extant case, the Company Secretary is working at corporate office along with one staff and is taking care of all secretarial work and is not involved in the construction activities and hence, it cannot be capitalised to the Project / PPE and should be charged to the Statement of Profit and Loss.

For more information, [Click here](#)

♦ Amendments to Ind AS 21

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates is amended to provide guidance on the following matters:

- how to estimate the spot rate when direct exchangeability is absent,
- use of exchange rates when multiple rates are available,
- restatement of comparative information.

Further, additional disclosures have been provided to ensure transparency in such cases. The amendments are applicable for financial year beginning on or after 1st April 2025.

For more information, [click here](#)

♦ The IFRS Foundation has published an education material on going concern to facilitate consistent application of IFRS Accounting Standards.

For more information, [click here](#)

MCA UPDATES

♦ Extension of timelines for Form CSR-2

MCA has extended the timeline of filing Form CSR-2 for financial year 2023-24 till 30th June 2025.

For more information, [Click here](#)

SEBI UPDATES


♦ Composition of Internal Audit team for CRAs

Cost Accountants (ACMA/FCMA) and professionals with DISSA certification from ICAI are now eligible to conduct internal audits of CRA w.e.f 14th May 2025.

For more information, [click here](#)

Glossary:

EAC	Expert Advisory Committee
Ind AS	Indian Accounting Standards
MCA	Ministry of Corporate Affairs
IFRS	International Financial Reporting Standards
SEBI	Securities and Exchange Board of India
CSR	Corporate Social Responsibility
PPE	Property, Plant & Equipment
CRAs	Credit Rating Agencies
ACMA	Associate Cost and Management Accountant
FCMA	Fellow Cost and Management Accountant
ICMAI	The Institute of Cost Accountants of India
DISSA	Diploma in Information Systems Security Audit



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