



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

BULLETIN

ACCOUNTING, AUDITING AND COMPANY LAW –
OCTOBER 2025

♦ **EAC Opinion on Accounting treatment of expenditure towards Special Development Plan (SDP) by the Company, under the Ind AS framework**

The Company, a wholly owned undertaking of the Government of Karnataka (Gok), received financial assistance by budgetary support from Gok to execute Special Development Plan (SDP) works. Such grants received are treated as “advances against equity” and consequently shares are issued to Gok. SDP works involves construction of public assets such as barrages, roads and bridges. These assets are handed over to the GoK and are neither owned nor controlled by the Company, nor do they provide any future economic benefits. The Company has been expensing the SDP expenditure in the Statement of Profit & Loss, while the statutory auditor suggested capitalisation. The key question was whether such expenditure meets the definition of an asset under Ind AS or should be treated as revenue expenditure, and whether the Company acts merely as an executing agency.

The EAC concluded that since the Company has no right, control or future economic benefits from the resources created, the SDP expenditure does not meet the asset definition under the Conceptual Framework or Ind AS 16 and therefore, the expenditure should be charged to the Statement of Profit & Loss as incurred, and the nature or source of funds (including advances against equity) does not impact the accounting treatment.

For more information, [Click here](#)

♦ **Exposure draft of Code of Ethics (13th edition)**

ICAI has proposed revisions to the 12th edition of the Code of Ethics (effective from July 1, 2020) to align with recent developments. There are significant changes in each of the three Volumes including amendments to website guidelines to align them with present times and making the same applicable to recognised domestic networks also.

For more information, [Click here](#)

♦ **Handbook on Certificates by Chartered Accountants: Comprehensive Checklists & Formats**

The publication released by ICAI provides comprehensive guidance on audit procedures, essential elements of certificates, relevant standards and ethical considerations, a checklist of certificates, FAQs on certificates by UDIN Directorate and illustrative certificate formats.

For more information, [Click here](#)

- ◆ **Technical Guide on Disclosure and Reporting of Key Performance Indicators ('KPIs') in Offer Documents (Revised 2025)**

ICAI has released the revised “Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents”, considering the recent amendments introduced through the Industry Standards Forum ('ISF') KPI Standards, effective from 1 April 2025. The revised Guide aims to assist members in disclosing and reporting KPIs in alignment with SEBI's ICDR Regulations and the ISF KPI Standards, to enhance transparency and uniformity in IPO-related disclosures.

For more information, [Click here](#)

SEBI UPDATES

- ◆ **Relaxation in minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions**

The listed entity shall place before the Audit Committee and seek shareholders' approval for any RPT which, individually or together with previous transactions during a financial year (including those approved by ratification), exceeds 1% of the annual consolidated turnover of the listed entity as per the last audited financial statements or ₹10 crore, whichever is lower. The entity shall provide the information in the prescribed format.

Further, such Industry Standard Disclosures are exempt for RPTs not exceeding ₹1 crore in a financial year.

For more information, [Click here](#)

- ◆ **Relaxation in timeline for disclosure of allocation methodology by Angel Funds**

Existing Angel Funds shall disclose a defined methodology in their PPMs for allocating investments among angel investors who approve such investments. The timeline has been extended to January 31, 2026.

For more information, [Click here](#)

- ◆ **Master Circular on Regulation related to listed debt securities**

SEBI has issued a Master Circular which consolidates and updates all previous guidelines on the issue and listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities, and Commercial Paper for streamlining compliance and providing a single reference document for all stakeholders.

For more information, [Click here](#)

COMPANY LAW UPDATES

♦ **The IEPFA (Accounting, Audit, Transfer and Refund) Amendment Rules, 2025**

The Central Government, exercising its powers under the Companies Act, 2013, has notified the IEPFA (Accounting, Audit, Transfer and Refund) Amendment Rules, 2025. These amendments update the IEPFA Rules, 2016, primarily by replacing the existing Form IEPF-5 with a revised form to streamline the process for claiming refunds and transfers related to the IEPF.

For more information, [Click here](#)

♦ **Relaxation of additional fees in filing of Form CRA-4 (Cost Audit Report)**

The Ministry has extended the due date for filing Form CRA-4 for FY 2024-25 to 31st December 2025, considering the deployment of the new form on the MCA V3 Portal. Filings after this date will attract applicable additional fees under the Companies (Registration Offices and Fees) Rules, 2014.

For more information, [Click here](#)

♦ **Relaxation of additional fees and extension of time for filing of Financial Statements and Annual Returns under the Companies Act, 2013**

The Ministry has revised various annual filing e-forms timeline - including MGT-7, MGT-7A, AOC-4 series, and AOC-4 (XBRL) for FY 2024-25 up to 31st December 2025 without additional fees. This relaxation does not extend the AGM timeline, and filings after 31st December 2025 will attract normal and additional fees as per the Companies (Registration Offices and Fees) Rules, 2014.

For more information, [Click here](#)

♦ **Launch of EPFO's Employees' Enrolment Scheme – 2025**

Ministry of Labour and Employment has introduced Employees' Provident Funds (Amendment) Scheme, 2025, coined as "Employees' Enrolment Campaign, 2025", which shall come into force on 1 November 2025 and cease on 30 April 2026.

For more information, [Click here](#)

Glossary:

ICAI	Institute of Chartered Accountants of India
EAC	Expert Advisory Committee
Ind AS	Indian Accounting Standards
FAQ	Frequently Asked Question
UDIN	Unique Document Identification Number
SEBI	Securities and Exchange Board of India
ICDR	Issue of Capital and Disclosure Requirements
IEPFA	Investor Education and Protection Fund Authority
MCA	Ministry of Corporate Affairs
RBI	Reserve Bank of India
RPT	Related Party Transaction
PPM	Private Placement Memorandum
EPFO	Employees' Provident Fund Organisation



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