



N. A. SHAH ASSOCIATES LLP  
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# BULLETIN

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ACCOUNTING, AUDITING AND COMPANY LAW –  
MARCH 2026

## ACCOUNTING AND AUDITING UPDATES

### ○ EAC Opinion on accounting treatment of timing of capitalisation of partly completed gas pipeline

The issue relates to whether a partly completed section of a gas pipeline can be capitalised as PPE when the remaining portion (approximately 50% of the project) is incomplete and commercial operations have not commenced.

The EAC has opined that the partially completed section cannot be considered ready for its intended use unless the entire pipeline is completed, particularly where the section is not capable of independent operation based on the Company's technical assessment. Accordingly, despite physical completion, the asset does not meet the recognition criteria under Ind AS 16 – Property, plant and equipment and related costs should continue to be recognised as Capital Work-in-Progress (CWIP).

Further, as per paragraphs 24 and 25 of Ind AS 23 – Borrowing cost, capitalisation of borrowing costs should cease only when the asset (or a separable part thereof) is capable of being used independently. As this condition is not met, borrowing costs should continue to be capitalised.

For more information, [Click here](#).

## RBI UPDATES

### ○ Amendment in elements of Owned Fund

RBI has amended the definition of Owned Fund thereby including quarterly profits (after adjusting the dividend as per the prescribed method) and subject to limited review / audit by statutory auditors. Current year losses must be fully deducted while computing Owned Fund. Revaluation reserves and intangible assets continue to be excluded.

For more information, [Click here](#).

### ○ Export Credit Relief Extended

RBI has extended export credit relief measures till 30<sup>th</sup> June 2026. Export credit period has been extended up to 450 days, and it has been clarified that the existing realization period for export proceeds of 15 months will continue to remain in force. This is aimed at supporting exporters facing global disruptions.

For more information, [Click here](#).

## NFRA UPDATES

### ○ NFRA Inspection

NFRA has conducted inspections of 10 CA firms and has issued the inspection reports in March 2026.

For more information, [Click here](#).

## MCA UPDATE

### ○ Amendment in AS 22- Accounting for Taxes on Income

The MCA has amended the Companies (AS) Rules, 2021, by updating AS 22 to define “Pillar Two Income Taxes” and prescribed related disclosures, vide its notification dated 10<sup>th</sup> March 2026, effective immediately.

For more information, [Click here](#).

## SEBI UPDATE

### ○ AIF Reporting Framework Revamp

SEBI has introduced a revised reporting framework for AIF which includes submission of an AAR. Further, it has simplified quarterly reporting requirements.

For more information, [Click here](#).

## OTHER UPDATE

### ○ Introduction of Corporate Law Amendment Bill

The Corporate Laws (Amendment) Bill (Bill No-85), 2026, introduces various amendments to the Companies Act, 2013, and the LLP Act, 2008. The same has been referred to JPC for detailed examination. The Bill also proposes to revise thresholds for small companies and designate Insolvency and Bankruptcy Board of India as the valuation authority under the Companies Act.

For more information, [Click here](#).

### ○ Notification of Income-tax Rules, 2026

The CBDT has notified the Income-tax Rules, 2026, effective from 1<sup>st</sup> April 2026, providing the procedural framework for implementation of the Income-tax Act, 2025 along with updated reporting and compliance requirements.

For more information, [Click here](#).

## Glossary:

AAR	Annual Activity Report
AIF	Alternative Investment Funds
AS	Accounting Standards
CBDT	Central Board of Direct Tax
EAC	Expert Advisory Committee
JPC	Joint Parliamentary Committee
LLP	Limited Liability Partnership
MCA	Ministry of Corporate Affairs
NBFC	Non-Banking Financial Companies
NFRA	National Financial Reporting Authority
RBI	Reserve Bank of India
SEBI	Security and Exchange Board of India

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