

# WRITEUP ON COMPANIES ACT AUDIT TRIAL AND CSR2

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2022

## Executive Summary

In this update document, we are providing the details regarding deferment of requirement of Audit Trial and extension of time limit for filing form CSR2.

### Part A - Deferment of implement of Audit Trial

We have issued an update document No.19/2021-22 recently and in Part D of the document we have discussed something called Audit Trial. It is mandatory for every company which uses accounting software for maintaining its books of account to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled effective from FY commencing on or after 01st April, 2022.

However the Ministry of Corporate Affairs vide notification dated 31.03.2022 deferred the applicability of the audit trial from 01.04.2022 to 01.04.2023. Hence it is applicable from the FY commencing on or after 01.04.2023.

In order to have a detailed understanding about Audit Trial, please refer our update Document No.19/2021-22.

### Part B - Extension of Time Limit for filing Form CSR2

The MCA vide notification dated 11.02.2022 has notified Companies (Accounts) Amendment Rules, 2022 which shall come into force from 11.02.2022. In the Companies (Accounts) Rules, 2014, after Rule 12 (1A) the following shall be inserted:

“(1B) Every company covered under the provisions of sub-section (1) to section 135 shall furnish a report on Corporate Social Responsibility in Form CSR-2 to the Registrar for the preceding year (2020-2021) and onwards as an addendum to form AOC-4 or AOC-4 XBRL or AOC-4 NBFC (Ind AS), as the case may be: Provided that for the preceding year (2020-2021), Form CSR-2 shall be filed separately on or before 31st March, 2022, after filing form AOC-4 or AOC-4 XBRL or AOC-4 NBFC (Ind AS), as the case may be.”

The newly introduced form CSR-2 (report on Corporate Social Responsibility) is required to be filed by those entities which fall under the provisions of Section 135 of the Companies Act, 2013, i.e., the companies which are required to comply with the provisions of Corporate Social Responsibility (CSR).

#### Due date for filing Form CSR2:

Sno.	FY	Due Date
1.	2020-21	To be filed separately on or before 31st March, 2022. However MCA vide notification dated 31.03.2022 extended the due date to 31.05.2022.
2.	2021-22	To be filed as an addendum to form AOC-4. Due date is similar to due date of AOC-4