

## Amendment in CSR Rules and Clarification in certification of AOC-4 after implementation of Schedule III

### Amendment in Companies (Corporate Social Responsibility Policy) Rules

- MCA vide its notification dated September 20, 2022, has notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022. Through this amendment, proviso of rule 3(1) has been inserted stating that, if a company is having unspent Corporate Social Responsibility Account as per section 135(6) shall constitute a CSR Committee and comply with the provisions contained in sub-sections (2) to (6) of the said section.
- MCA has also omitted the Rule 3(2) the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022.
- A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure, instead of five percent, for that financial year or fifty lakh rupees, whichever is higher and the format for the annual report on CSR activities to be included in the board's report for financial year commencing on or after the 1st day of April, 2020 has been substituted.

**Source: MCA Update dated September 20,2022**

### Clarification By MCA with respect to Certification of E-Form AOC-4

Amendment to Schedule III to the Companies Act, 2013 vide MCA Notification GSR. 207(E) dated 24th March 2021 mandates companies to round off the figures appearing in the Financial Statements depending upon their total income. However, if the companies provide absolute figures in e-forms i.e. AOC-4, the same shall not be treated as incorrect certification by the Professionals.

**Source: MCA portal dated September 27,2022**



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