

# The Whole Gamut of Year End Finalization

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Presented By CA Nitin Bhuta Mumbai



24.03.2023

Dear Fellow Professionals and Friends,

I am grateful to have your valuable attention, your eyes and ears when presenting my piece on “The whole gamut of year-end finalization” this evening. It is the appreciation of my work from accomplished persons like you that makes this journey of sharing so worthwhile. I am indebted to all of you for both the opportunity and the time you have spared for me. I am delighted to share my PPT on the subject for your reference and consumption.

Cordially yours

**CA Nitin Bhuta Mumbai.**

# Disclaimer

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All views stated are my personal views, they are not binding on ICAI/CGPI. My personal views may be correct/incorrect as they are expressed based on my understanding of the subject. This presentation is meant only for Educational Purposes only.

All members/listeners are requested to go through tax law provisions on their own and advise their clients accordingly as each situation is peculiar in itself.

All Illustrations provided are imaginary and any resemblance to any situation/s is purely co-incidental and without any intentions to disclose private and confidential information.

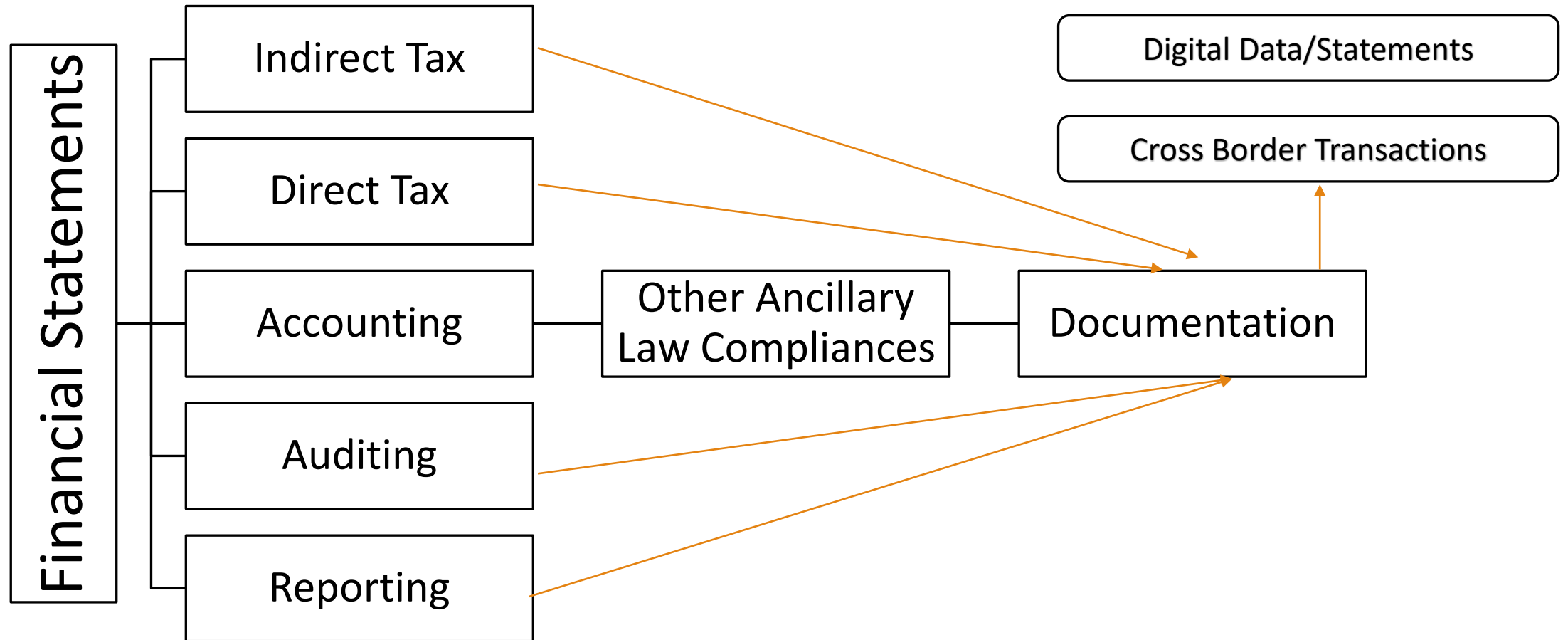
# The Whole Gamut of Year End Finalization

## Overview



- Foundation
- GST Compliances
- Accounting Compliances
- Income Tax Compliances
- International Tax Compliances
- Independent Auditors' Report Compliances
- ROC Compliances ( excluding SEBI and Ind AS)
- PF & ESIC compliances
- Other Compliances

# Foundation



# GST Compliances

# Contours – GST Compliances

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- Registrations
- Method of Accounting
- RCM
- Peculiar Accounting Scenarios
- Reconciliations – Outward and Input Tax Credits
- Inventories
- GSTR 9- 9C Reporting Issues.
- Interest u/s 50
- Documentation
- Invoicing
- Disclosures
- Applications and Other Compliances

# Registrations

- ❖ Gold, Silver and Diamond Jewellers (including Imitations Jewelleries)
  - ❖ Milk Suppliers ( including supplies of Soft drinks, Ice Creams & Water Supplies + Delivery Charges)
  - ❖ Vegetable Vendors and Suppliers
  - ❖ Organisations – providing only Exempt Supplies
  - ❖ Firm of Advocates & Solicitors
  - ❖ Architects and Interior Decorators Services
- ✓ Aggregate Turnover [Section 2(67) ]
  - ✓ Can such suppliers register?
  - ✓ What happens if they are liable to pay GST under RCM services ?
  - ✓ When to claim credit for RCM in GSTR 3B ?



# Registrations

## ❖ Place of Business Issues

- Main Place
- Additional Place of Business Registered/Unregistered
- Job worker Place of Business Registered/Unregistered
- Branches/Divisions - Registered/Unregistered

- ✓ Address Reported in ITR /MCA/Shops & Establishment/ Labour Laws or any other Laws
- ✓ Branches details reported in TAR- IT
- ✓ If unregistered, can ITC claim is permissible ?
- ✓ If Registered later on, can ITC be claimed ?

## ❖ Renting of Property – Mumbai (Maharashtra)/Chennai(Tamilnadu)/Delhi – whether Registration required in every state if RTP is registered in Mumbai?

Section 9 (C) Levy & Collection - Section 5 (I) Levy & Collection -Section 7 (I)- Inter State Supply- Section 12 (I)-POS where both the parties are in India - Section 22( C)- Persons Liable for registration -Section 2(71) ( C)/ Section 2(15)(I) –location of supplier of services- Section 2(85) – Place of Business

## ❖ Registrations – Cancelled/ Revoked/ Suspended /Legal Heir – Deceased Taxpayers

- ✓ ITC claim – eligible or ineligible/Transfer of Input Tax Credit through ITC-02
- ✓ Return due dates to be counted 30 days from the date of revocation as per Rule 23.

# Method of Accounting

- ❖ **Mercantile vis-à-vis Cash system of accounting**
- ❖ **Inclusive or Exclusive method of accounting**
- ❖ **Related Party Transactions**
  - **AS 18 -MCA /40A(2)(b) –IT /Related Party Transactions -GST**
  - **Transactions done following ALP principles**
  - **Transactions done without following ALP principles**
  - **Domestic Transfer Pricing**
  - **International Transfer Pricing**
  - **Customs Valuations**
- ❖ **Valuation of Inventory**
  - ❖ **Section 15-CGST/Section 145A – IT/ICDS-2/AS-2**

Which method to be followed ?

Ramifications on ITC claims u/s 16

# RCM

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## ❖ Banking & Financial Industry

- ✓ Legal services procured directly debited to the Borrowers clients' accounts by the Banks & Borrower has debited such charges in Bank charges account ? Who is liable to RCM?

## ❖ SEZ /IFSC Supplies

- ✓ SEZ Supplies receiving Manpower Services whether subject to RCM or are they treated as Zero Rated Supply ?

## ❖ Valuation issues arising due to imports, IGST paid through DRC 06?

- ✓ Can RTP claim ITC on account of IGST paid through DRC 06 if paid u/s 73?

# RCM

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❖ Company A located in United Kingdom has awarded contract worth 50 crores to Company B located in India for providing the services. Company B subcontracted such contract to Company C located in Singapore to the extent of 20% & Company D located in Australia to extent of 10%. (All are unrelated parties)

- ✓ Company A pays 70% to Company B in CFY.
- ✓ Company A also pays 20% to Company C in Singapore in CFY
- ✓ Company A also pays 10% to Company D in Australia in CFY

## Question:

- Company B has filed its GSTR 1 for Rs.50 Crores? Is it correct ?
- Whether the conditions of CFY are satisfied as notified u/s 2(6)?
- Do company issue CN to the extent of 30% by issuing in the name of Company A
- Is there any exposure on Company B for payments made to Company C & Company D by Company A ?
- If payment was received in Indian Currency Rupee Vostro accounts in December 2022 , whether it would be termed as conditions of section 2(6) are satisfied ?

Circular 78/52/2018 dated 31.12.2018 – Clarification.

✓ RBI Master Circular issued from November 22, 2022. Entry (vii) – International Trade Settlement in INR

# RCM

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## ❖ Real Estate Industry

- Interest on Monies borrowed - 80:20 conditions as provided under Notification No 07/2019 ???
- TDR valuation – Area Sharing/Corpus/Alternate accommodation arrangements/Shifting Allowances/ any other emoluments etc.
- Occupation certificate – Full/Part/Project wise
- Permission granted by Municipal Authorities
- Valuation of Free Area given to existing members in case of the Society Redevelopment ????

# Peculiar Accounting Scenarios

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## ❖ Issue of Debit and Credit Notes – Domestic/Import/Export

- Rate Difference
- Sales Returns
- Quantity difference
- Issued beyond time lines
- Deficiency in Service
- Others

## ❖ Trade Samples

## ❖ Free Samples- Exports/Imports

## ❖ Trade Discount and Cash Discounts

## ❖ Quantitative Discounts

# Peculiar Accounting Scenarios

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- ❖ Notice Pay Recoveries
- ❖ Trade Damages/Liquidated Damages
- ❖ Subsidy - Govt/Others – Revenue/Capital .....
- ❖ Exempt Supply – Domestic/Exports ....LUT ???
- ❖ Secondment of Employees - Reimbursement
- ❖ Reimbursement of Expenses vis-à-vis POS
- ❖ Pure Agent Reimbursements
- ❖ Renting of Immovable Property
  - ❖ Residential - Exempt
  - ❖ Commercial Property – Employee - FCM
  - ❖ Commercial Property – Director of the company -FCM



**Circular 178/10/2022- GST dt03.08.2022**

Branches/  
Division ???

Overseas –B/D  
/Subsidiary ?

# Reconciliations - Outwards

Turnover /Billings /Receipts  
(M/Q/H/Y)

- ❖ GSTR 1 Vs. BOAs
- ❖ GSTR 3B Vs. BOAs
- ❖ GSTR 1 Vs. GSTR 3B
- ❖ BOAs Vs. GSTR 9 or GSTR 4 or GSTR 9A
- ❖ BOAs Vs. GSTR 9C
- ❖ HSN/SAC Reporting in GSTR 1/9 – Table 17/**Table 18 ??? – E Way Bills**
- ❖ BOAs vs. TDS u/s 51 or TCS u/s 52
- ❖ BOAs vs. GSTR 1 Vs. GSTR 3B Vs. E Way Bills

Turnover /Billings /Receipts  
(M/Q/H/Y)

- ❖ BOAs Vs. ITR Vs. GSTR 1 /3B Vs. Form 26AS
- ❖ BOAs Vs. TAR Vs. GSTR 1/3B Vs. Form 26AS
- ❖ BOAs Vs. Form 3CEB Vs. GSTR 1 Vs. Form 26AS
- ❖ BOAs Vs. ROC Annual Returns Vs. GSTR 1/3B Vs. Form 26AS
- ❖ BOAs Vs. Results published by Listed companies
- ❖ BOAs Vs. Independent Auditors Reports
- ❖ BOAs Vs. Directors reports if applicable



Branches/  
Division ???

Overseas –B/D  
/Subsidiary ?

# Reconciliations - Inwards

## Input Tax Credits

- ❖ GSTR 3B Vs. BOAs
- ❖ GSTR 2B Vs. BOAs – **if invoices not reflected in 2B till 30.11.2023 ?????**
- ❖ GSTR 3B Vs. GSTR 2B
- ❖ GSTR 3B Vs. TAR – Clause 27(a)
- ❖ GSTR 3B/2B – Beyond Time Limits u/s 16(4)
- ❖ ITC claims without satisfying section 16 conditions /E invoices if applicable but Tax Invoices are issued u/s 31
- ❖ RCM/Supplies – Imports – Goods/Services – Customs Valuations- DRC 06-**Section 73/74 - whether it can be claimed ??? [ Section 17 (5)(i) -74,129 & 130 & Rule 36(3)]**
- ❖ GSTR 2B Vs. BOAs Vs. GSTR 2A Vs. E Way Bills
- ❖ RCM reported in GSTR 3B Vs. Table 6 – GSTR 9.
- ❖ Cash and Credit Ledger reconciliation with BOAs.

## Input Tax Credits

- ❖ GSTR 3B Vs. Table 6/7/8 – Bifurcation- GSTR 9
- ❖ GSTR 3B Vs. GSTR 9C – Table 12/14
- ❖ GSTR 3B Vs. Capital Goods ITC – Refunds claimed u/s 54
- ❖ GSTR 3B Vs. TAR – Clause 32- CG
- ❖ Bill of Entry Issues - Tax Invoice/BOEs – Rejected Imports supply
- ❖ ITC claims without E Way Bills or **Tax paid u/s 73, whether it can be claimed ????**
- ❖ **[ Section 17 (5)(i) -74,129 & 130 & Rule 36(3)]**
- ❖ Reversal under Rule 37 – Interest on MSME payments – ITC claim ???
- ❖ Reversal of ITC – Others – 4.B.(2) & Reclaim of ITC – Others –4.D.(1)
- ❖ Information reported in Clause 44 in Form 3CD- TAR-ITR

# Inventory

## ❖ Stock in Hand

- In Factory/Shop/Godown- RM/FG/WIP/Stores & Spares etc.
- Supply Sent on Approval
- Supply sent to Job worker ( ITC 04)
- Stock at Custom Bonded Warehouses
- Stock without Invoices
- Stocks supplied but not accepted by the customers
- Others

- ✓ Reporting in AFS – Notes to accounts
- ✓ Reporting in ITR
- ✓ Issues Reported in CARO vis-à-vis working capital facilities – Deviations and its treatment
- ✓ Inventory losses and its accounting treatment in GSTR 3B ???
- ✓ Loss By Fire – Insurance claims
- ✓ Stock – consumed by the owners/Partners
- ✓ **Stock valuation changes in AFS vis-à-vis GSTR 3B ????**
- ✓ **Presumptive scheme opted under Income Tax ????**

**Branches/  
Division ???**

**Overseas –B/D  
/Subsidiary ?**

# GSTR 9- 9C Reporting Issues

## GSTR 9

- ❖ Incorrect reporting of outward supplies in Table 4-5-10-11
- ❖ Incorrect reporting of ITC supplies in Table 6-7-8-12-13
- ❖ Incorrect reporting of Tax payable in Table 4-9-14
- ❖ Incorrect reporting of HSN in Table 17 – non maintenance of records or due to pragmatic issues

## GSTR 9C

- ❖ Incorrect reporting of Turnover in Table 5-7
- ❖ Incorrect reporting of ITC in Table -12-14
- ❖ Incorrect reporting of Tax payable in Table 9 -11 – Part V ( Including Tax, Interest and Penalty payable due to variations )

# Interest Payable u/s 50

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- ❖ **Short payment/ Incorrect of OTL**
- ❖ **Incorrect availment of ITC**
  - **availed but not utilised**
- ❖ **Incorrect availment of ITC**
  - **availed but utilised**

# Documentation

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- ❖ Agreement executed amongst 4 parties say Party A, Party B, Party C & Party D for providing services viz.
  - Part A – Ultimate Beneficiary/Recipient either located in India or Outside India.
  - Party B - Service Provider
  - Party C – Agent of Party B
  - Party D – Agent/Payment Conduit
- Supply is made either in India/Outside India ?
- ❖ Can Party C raise invoice on Party A/Party D ?
- ❖ If invoice is raised on Party A can't it be termed as export of services ?
- ❖ Can Party A/Party D claim ITC ?
- ❖ Can Party D deduct the TDS under IT Act if they are acting as Payment conduit?

# Invoicing

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- ❖ Tax Invoice /Normal Invoice/Bill of supply
- ❖ TOS – Rate of Tax
  - Before
  - After
  - Subsequently
  - Entry in the books of accounts of the Client/Receiver/Buyer
- ❖ Cross Charge/ISD ??? Valuation ????
- ❖ Supplies not crossing custom borders – goods-whether export/domestic supplies ?

# Disclosures/Documentation

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- ❖ **Unbilled Revenue**
- ❖ **Refund applications applied and rejected.**
- ❖ **Show Cause Notices with demands notified**
- ❖ **Recovery Notices u/s 79 in DRC 13.**
- ❖ **Appeals Pending adjudications**
- ❖ **Taxes outstanding to be paid as on 31<sup>st</sup> March 2023.**
- ❖ **Mergers & Acquisition, Demerger, Spin off, Slump Sale, Inheritance etc.**

# Applications/Other compliances

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- ❖ Option choice by GTA (last date was 15/03/2023)
- ❖ LUT Applications for FY 2324.
- ❖ FIRC reconciliations vis-à-vis GST Refunds reconciliations.
- ❖ E Invoice applicability from 01.04.23.
- ❖ New Invoicing Series from 01.04.23.
- ❖ GSTR 4 Annual Returns
- ❖ Opting QRMP filling frequency for FY 23-24
- ❖ Tran 1 & Tran 2 Credits claims filed in FY 2223 with approval orders.
- ❖ Reversals under Rule 37 ( Including Comparing unpaid creditors as on 31.03.23 )
- ❖ ITC reversals – Rule 42/43
- ❖ Other Reversals – ISD /Blocked Credits
- ❖ Job work supplies - ITC 04 filing where aggregate turnover is less than 5 crores yearly
- ❖ Job work supplies ITC 04 filing where aggregate turnover is more than 5 crores half yearly
- ❖ BOE Reconciliations to reconciled with GSTR 3B and Notes to accounts/Directors reports
- ❖ Addition of Authorised Signatory on Portal if applicable.
- ❖ Any other compliance not listed the above.



# Litigation Documentation

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- ❖ Trail of all kinds of Notices and replies filed with reasoning and judicial supports/opinions.
- ❖ Synopsis of Issues flagged
- ❖ Status of Litigation Proceedings
- ❖ Blocking of ITC under Rule 86A
- ❖ Recovery proceedings u/s 79.

# Accounting Compliances

# Accounting Compliances

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- ❖ Implementation of Digital Trail w.e.f 01.04.23 & Data Back Up.
- ❖ Year end Provisions & Prepaid expenses accounting
- ❖ Provision for Gratuity or actuarial valuation as per AS-15
- ❖ Provision for Taxation/MAT/AMT workings
- ❖ Unbilled Revenue accounting with documentation
- ❖ Verification of Capital Expenditure vis-à-vis Section 32 /Companies Act/GSTR 9 and GST Refund Applications.
- ❖ TDS provisions as on 31.03.2023
- ❖ PF/ESIC provisions as on 31.03.2023
- ❖ Related party transactions reporting under MCA/IT
- ❖ Provision of Audit Fees as on 31.03.23

# Accounting Compliances

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- ❖ Applicability of Tax Audits u/s 44AB/44AD/44ADA/44AE etc.
- ❖ Determination of Aggregate Turnover as per GST Act, 2017 for filing of Form GSTR 9C as applicable
- ❖ Cash Flow Statement
- ❖ Inventory verification and valuation as on 31.03.2023.
- ❖ Financial Statement disclosures
- ❖ Bank DP Statement as on 31.03.23 & its reconciliation with BOAs
- ❖ MSME disclosures reporting's
- ❖ Review of RCM levies remaining unpaid for FY 2223 under GST Laws
- ❖ Debtors and Creditors ageing analysis as on 31.03.2023 to make provision for Bad Debts and/or issue of Credit Notes etc.
- ❖ Directors' reports data reconciliations

# Income Tax Compliances

# Income Tax Compliances

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- ❖ **Prepaid Taxes reconciliation – Advance Tax/TDS/TCS/AIS/TIS**
- ❖ **Form 26AS/AIS/TIS reconciliation vis-à-vis Income/Turnover reported reconciliation (194Q/206(1H) etc.) as well as rectification.**
- ❖ **Determination of disallowances if applicable u/s 40(a)(i) and 40(a)(ia), 43B, Section 37 etc.**
- ❖ **Reporting of Disallowances u/s 40A(3)**
- ❖ **Reporting of related party transactions u/s 40A(2) (b), TAR Reporting vis-à-vis its justifications**
- ❖ **Verification of Deductions under Chapter VIA of the Income Tax Act 1961.**
- ❖ **Verification of Exemptions under Section 10 of the Income Tax Act 1961.**
- ❖ **Exposure to unexplained family of sections.**
- ❖ **Disallowances of Interest/Remuneration payable to Partners**
- ❖ **Checklist of ITR forms to be filed on or before due dates.**
- ❖ **Review of Intimations received u/s 143(1)**
- ❖ **Review of Assessment and Appeal Orders if any.**
- ❖ **Ratio analysis & compliances other than listed above.**

# Income Tax Compliances

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- ❖ Examination, Review and Reporting under Section 269, 269ST, 269SS, 269T etc. in Form 3CD of the Income Tax Act, 1961....Clause 31 of Form 3CD.
- ❖ Verification of timely payment of PF and ESIC dues within due dates....Clause 20(b) of Form 3CD.
- ❖ Verification of deductions u/s 43B of the Income Tax Act 1961.... Clause 26 of Form 3CD.
- ❖ Risk Analysis of Section 50C/43CA if applicable.
- ❖ Reporting of items taxable under section 41 ...Clause 25 of Form 3CD
- ❖ Verification of MAT/AMT Credits if any
- ❖ Verification of Carry forward and Brought forward of losses for reporting in ITR and TAR... Clause 32 of Form 3CD
- ❖ Determination of Provision for Taxation, MAT/AMT , Section 56(2)(vii), Section 56(2)(viib) , Section 56(2)(X) as well as Section 2(22)(e) etc.

# International Tax Compliances



# International Tax Compliances

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- ❖ Verification of Overseas remittances reported in Form 26AS/AIS/TIS reconciliation vis-à-vis Income and overseas remittances on which TCS is collected.
- ❖ Verification of Export/Imports documents under Customs Act, 1972.
- ❖ Verification of Transfer Price Compliance u/s 92E & its documentation & filing of Form 3CEB.
- ❖ Documentation of Foreign Exchange transaction where value exceeds Rs.500 crore or Rs.50 crores u/s 92D – Form 3CEAA/Form 3CEAB.
- ❖ CbCR Reporting u/s 285D in Form No. 49D of the Income Tax Act,1961.
- ❖ Dispute Resolution Panel Matters u/s 144C if applicable
- ❖ Exchange Rate Fluctuations Impacts on AFS or compliances of ICDS - 6 , Accounting Standard 11, Section 43AA etc.
- ❖ Examination of Double Taxation Avoidance Agreement u/s 90/90A of the Income Tax Act, 1961 if applicable.
- ❖ Filing of Form 67 compliances if applicable vis-à-vis withholding Tax certificate issued by the Overseas clients.
- ❖ Examination of Multi Lateral Instruments if applicable under the Income Tax Act, 1961 if applicable.
- ❖ GAAR compliances exposure ( Section 95 to 99)

# International Tax Compliances

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- ❖ Verification of TDS Returns filed in Form 27Q/27EQ etc. with data/information reported in BOAs and Draft ITR or to be reported in ITR or TDS to be deducted as on 31.03.2023.
- ❖ Verification of Form 15CA/15CB issued in FY 2223 and documentation – TRC , Form 10F etc.
- ❖ Exposure to disallowances u/s 40(a)(i) of the Income Tax Act 1961.
- ❖ Disclosure of Foreign Assets and Liabilities in Schedule FA of Income Tax Returns to mitigate the exposure of Black Money Act, 2015 levies as well as issue of reassessment notices u/s 148/148A of the Income Tax Act, 1961.
- ❖ Information reported in Directors Report, Related Party Transactions, Notes to accounts under Companies Act, 1961.
- ❖ Modified Returns compliances u/s 92CD – TP adjustments
- ❖ SOFTEX Filing if applicable
- ❖ If Branches or Divisions are established outside India, then consolidation of such operations while reporting under Indian GAAP & impacts of overseas taxes paid etc.
- ❖ SEP , PE, BC and POEM exposures & Brand usage or IPR usage exposure to be reviewed.
- ❖ Hedge Accounting – Forward Contracts exposure etc.
- ❖ RCM compliances on Export/Import transactions under GST law.
- ❖ ECB compliances under FEMA if applicable.
- ❖ APR/ FLA / FC-GPR/FC-TRS (FIRMS portal) compliances under FEMA if applicable.
- ❖ Other compliances other than listed above.

# Independent Auditor's Reporting Compliances

# Independent Auditor's Reporting Compliances

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- ❖ Automated Audit Programme formulation
- ❖ Test checks to be performed using Paperless options
- ❖ Significant Transactions to be examined
- ❖ Significant matters to be reported to the stakeholders.
- ❖ Data points to be examined to be derived from BOAs vis-à-vis CARO reporting
- ❖ Ratio Analysis to be followed to derive variances in performance ratios.
- ❖ Verification of Disclosures as per Companies Act, 2013 if any.
- ❖ Materiality Test Sampling of Economic Transactions – Functions/Segment reporting etc.
- ❖ If Joint Auditors are appointed then examine their reports, remarks, reports and findings if any.
- ❖ If Branch/Division Auditors are appointed then examine their reports, remarks, reports and findings if any.( including Internal Audit reports if any)
- ❖ Management Risks/Quality Controls & Secure Authentications etc.
- ❖ Check Appointment Documents/Engagement Letters/MRL etc.
- ❖ Third Party confirmations and documents
- ❖ Verification of Investments, Deposits, Bank and Credit Balances.
- ❖ Review and Examination of previous audit reports & communication with previous auditors.
- ❖ Requirements of Internal Financial Control reporting if any

# TDS Compliances

# TDS Compliances

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- ❖ Verification of TDS Returns filed in Form 24Q/26Q/27Q/27EQ/16/16A/12BA etc. with data/information reported in BOAs and Draft ITR or to be reported in ITR or TDS to be deducted as on 31.03.2023.
- ❖ Verification of TDS challans paid in connection with Form 24Q/26Q/27Q/27EQ etc.
- ❖ Verification of Investments declared by the employees vis-à-vis TDS deducted u/s 192B of the Income Tax Act 1961.
- ❖ Verification of Interest paid/payable in connection with all TDS Returns as applicable & data to be reported in TAR.
- ❖ Verification of Late fees paid/payable in connection with all TDS Returns as applicable.
- ❖ Verification of TDS Compliance on Buy Back of Shares if any.



# TDS Compliances

- ❖ Verification of LDC certificates received in Form 13 from the suppliers as applicable.
- ❖ Verification of LDC certificates applied in Form 13 u/s 197 if any for FY 2223 & initiating application for FY 2324.
- ❖ Verification of TDS compliances if applicable u/s 194IA/194IB/194M as applicable
- ❖ Verification of 194R benefits if provided by the Taxpayers and TDS compliances if any
- ❖ Determination of TDS data to be reported in Clause 34 of Form 3CD of TAR & if any disallowances to be considered while determining total income u/s 194R of the Income Tax Act 1961 & implementing rectification thereof.
- ❖ Verification of Digital Virtual Assets transactions, TDS deduction u/s 194S and its exposure to PMLA and Black Money act if any.
- ❖ Verification of Aadhaar Linking of the supplies and 206AB compliances as applicable and TDS deduction verification etc.
- ❖ Other compliances – ITC claim on suppliers bills vis-à-vis TDS deducted.

# ROC Compliances



# ROC Compliances

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- ❖ If Company is newly incorporated then all incorporation documents to be verified.
- ❖ DIR 3 KYC WEB to be done on or after 01.04.23 up to 30.09.2023.
- ❖ DIR 12 to be filed if there are any changes in Directors details. (if DIR 8- Disqualification & MBP-1- Related party)
- ❖ New Directors profile to be created on MCA Portal Ver3 & Associate DSC to be registered
- ❖ Details of MSME -1 if applicable needs to be compiled and filed on or before 30.04.2023
- ❖ CFS and Standalone reporting of Financial Statements.
- ❖ Testing of Definition of Small Companies from 15.09.22.
- ❖ Details of DPT 03 if applicable needs to be compiled and filed on or before 30.06.2023
- ❖ Verification of documents pertaining to ROC documents pertaining to buy back/Forfeiture of shares if any
- ❖ Computation of Maximum Director Remuneration Payable
- ❖ Computation of CSR contribution payable ( novel concept compared to Globally) & Form CSR 1 if applicable
- ❖ Cash Flow and Fund Flow Analysis
- ❖ Directors Reports Reporting Data compilations.

# ROC Compliances

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- ❖ Disclosure of Information as per Schedule III of CA Act 2013
- ❖ Verification of documents pertaining to allotment of shares if any
- ❖ Verification of changes in directors if any
- ❖ Verification of Creation of Charges if any registered under MCA Act, 2013 to be verified with books of accounts if any
- ❖ Verification of AGM, Board of Directors Meetings and Audit Committee Meetings if any.
- ❖ Verification of Statutory Registers to be maintained under Companies Act, 2013- **Manual/Electronic????**
- ❖ Verification of Dividend Distribution compliances under Companies Act, 2013.
- ❖ Maintenance of Fixed Assets Register under Companies Act, 2013
- ❖ Verification of Depreciation reported in AFS considering SLM/WDV.
- ❖ Impairments of Assets – AS 28/Ind AS 36
- ❖ Verification of filing of Special Resolution if any
- ❖ Reporting requirements of Secretarial Audit Compliance in Form MR-3 if applicable
- ❖ Verification of annual returns filed for FY 2122 viz. Form 23ACA/MGT 7/AOC 4 etc.
- ❖ Verifying Draft compilation of annual returns forms to be filed for FY 2223 viz. Form 23ACA/MGT 7/AOC 4 etc. if possible.
- ❖ Other specific compliances as applicable other than listed above. (SEBI and Ind AS compliances not touched upon as they are topics by themselves)

# PF and ESIC Compliances

# PF and ESIC Compliances

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- ❖ PF and ESIC Returns to be verified
- ❖ PF ESIC challans to be verified
- ❖ Employees Register and Employees records to be verified with PF and ESIC returns.
- ❖ If Employees have opted for not availing PF benefits, then such declarations need to be verified.
- ❖ Check Gratuity valuation report vis-à-vis PF and ESIC register.
- ❖ Check Profession Tax Compliances vis-à-vis PF and ESIC Register.
- ❖ Check Number of Employees declared under Factories Act and Shops and Establishment Act
- ❖ Check Appointment documents of Employees
- ❖ Check PF UAN Numbers of new employees if any
- ❖ Whether PF and ESIC dues are deposited on or before due dates needs to be verified for determining disallowance u/s 36(1) (va) as applicable for determining Total Income u/s 28 of the Income Tax Act 1961.
- ❖ Other compliances other than listed above. ( For E.g. Staff Profession Tax Returns etc.)

# Other Compliances

# Other Compliances

- ❖ Aadhar Linking to be completed on or before 31.03.2023 if not linked till now – **if not linked whether it would impact my all other statutory registrations ????. Please note linking of Aadhar vis-à-vis Election Identity card is extend to 31<sup>st</sup> March 2024.....**
- ❖ Selection of Old Tax Regime vis-à-vis New Tax Regime.
- ❖ Application for Opting in/Opting out from Composition Scheme on or before 31.03.2023
- ❖ IEC Code revalidations if applicable.
- ❖ If FEMA compliances other than discussed earlier as applicable. ( Extension of time limits for late realisation of Exports receivable or if Exports receivable to be written off etc.)
- ❖ GST Returns filing Frequency based AATO by every RTP.
- ❖ ITR U to be filed for FY 1920 AY 2021 on or before 31.03.2023.
- ❖ Nomination Facility if not opted till now, it can be availed now.
- ❖ Advance Tax if applicable under Income Tax Act 1961 then it should be paid on or before 31.03.2023.
- ❖ **NOCLAR\* applicable w.e.f 1.10.22 ( Fraud, Corruption, Bribery, Money Laundering, Terrorist financing and proceedings of crimes etc.) to be correlated the Directors reports and Auditor's reports. ....???(Restrictive applicability )**

\*Non compliance of Laws and Regulations

# Other Compliances

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- ❖ Review of transactions with Stuck off companies u/s 560, Transactions with Promoters , CSR, FA & Intangibles, Digital Currency, Advances etc.
- ❖ Investments in Section 54EC Bonds if applicable and due to be applied on or before the time limit for saving LTCG.
- ❖ BIS reporting if applicable.
- ❖ BRSR (Business Responsibility and Sustainability Report) applicability if any ( listed 1000 companies only) & Stock Exchange Listing requirements etc.
- ❖ Related Party Transactions other than listed in previous slides. (Scope has been widened under Companies Act, 2013)
- ❖ Review of all the licenses applicable to business enterprises and its renewal if any.
- ❖ Other compliances other than listed above.

SURROUND YOURSELF WITH PEOPLE WHO TALK ABOUT VISION AND IDEAS NOT PEOPLE

# Appreciated all of You.



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