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I. CHART OF FORTHCOMING DUE DATES: -

a) GST

Month	GSTR -1 Monthly	GSTR -1 Quarterly (Q1)	GSTR -3B
July 2019	11 th	31 st	20 th

b) Others

Month	TDS Payment	ESIC Payment	P.F. Payment	FEMA (FLA)*	Form BEN-2 [#]	Form NFRA-1 ^{&}	TDS Return (Q1)
July 2019	7 th	15 th	15 th	15 th	31 st	31 st	31 st

* RBI Annual Return-to be filed by all resident companies and LLPs receiving FDI and / or made ODI in previous years / current year for previous financial year

[#] Applicable for every company which has received declaration from Significant Beneficial Owner

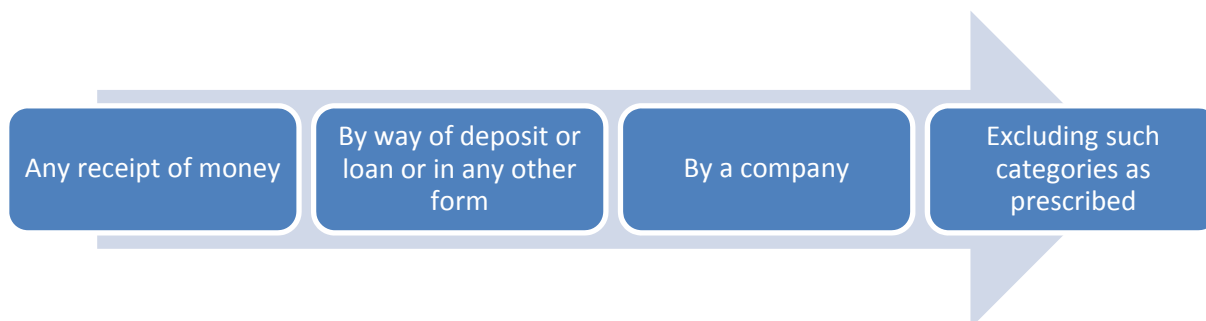
[&]Every Company other than companies governed by the NFRA rules shall file form NFRA-1

II. OVERVIEW:

o ACCEPTANCE OF DEPOSITS FROM MEMBERS – AN OVERVIEW

❖ WHAT IS DEPOSIT ?

As defined under Section 2(31) of the Companies Act, 2013, deposit includes:



❖ CAN DEPOSIT BE ACCEPTED FROM MEMBERS?

Section 73(2) states that, a company may, subject to passing of a resolution in general meeting and subject to such rules as may be prescribed, accept deposits from its members on such terms and conditions, including the provision of security, if any, for repayment of such deposits with interest

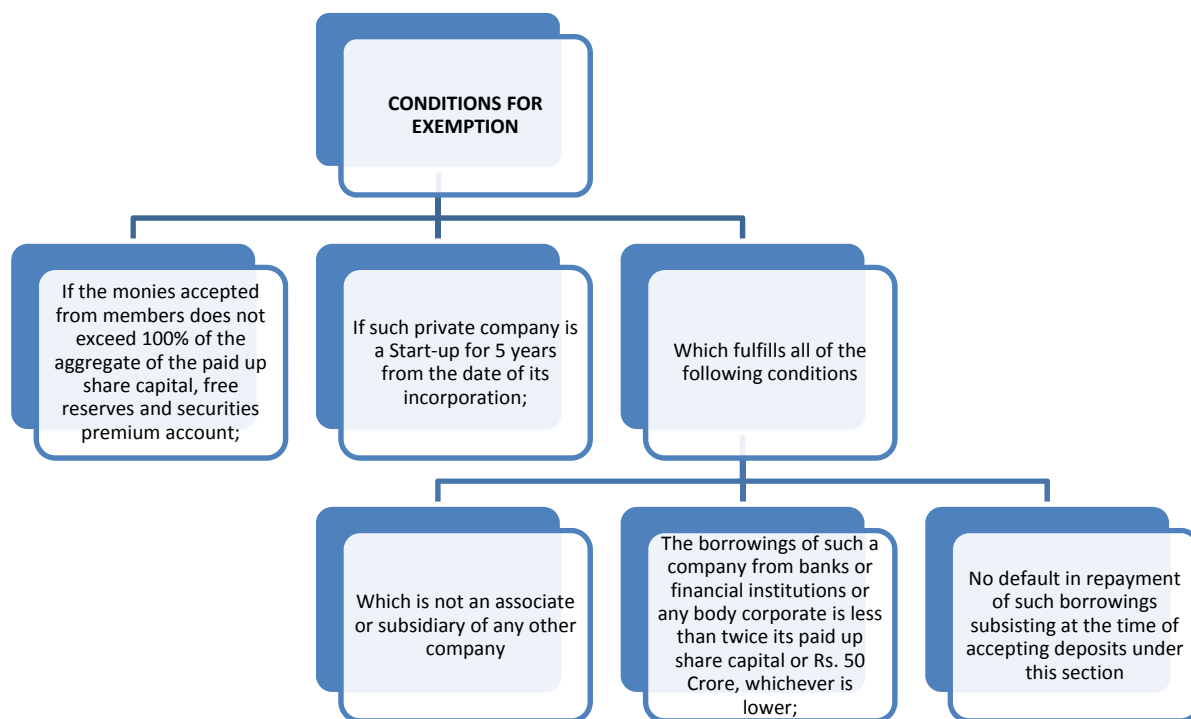
Conditions for accepting deposits from members:

- ✓ Obtain Credit Rating
- ✓ Issue Circular to members
- ✓ File copy of the circular with the ROC.
- ✓ Deposit in a scheduled bank in separate bank account called “deposit repayment reserve account” minimum 15% of the amount of its deposits maturing during the current and the following Financial year
- ✓ Provide Deposit insurance
- ✓ Certify that the company has not committed any default in repayment of deposits accepted.
- ✓ Provide security if any, for the due repayment.

Every deposit accepted by a company shall be repaid with interest in accordance with terms and conditions of the agreement

❖ EXEMPTIONS TO PRIVATE COMPANIES

As per the notification issued by the MCA dated 13th June, 2017, Private Companies which fulfill prescribed conditions were exempted from complying with the conditions for accepting deposits.



❖ RETURN OF DEPOSITS

Every Company to whom the Companies (Acceptance of Deposits) Rules apply shall file Return of Deposits with the ROC on or before 30th June every year.

Even exempted Private companies if accepting deposits from members are required to file the Return of Deposits within the said due date.

❖ PUNISHMENT FOR CONTRAVENTION

According to Rule 21 of the Companies (Acceptance of Deposit) Rules, if any company accepting deposits contravenes any provision of these rules and for which no punishment is provided in the Act:

- The company and every officer of the company in default shall be punishable with fine upto Rs. 5000
- Further fine of Rs. 500 for every day after the 1st day from which the contravention continues

III. LABOUR LAW

o REDUCTION IN ESIC RATES FOR 2019-2020

Employees State Insurance (ESI) is a self-financing scheme that caters to the social security, health and insurance needs of the employees. It is regulated by the ESI Act and administered by the Employees State Insurance Corporation (ESIC). The Contribution payable to the Corporation in respect of an employee shall comprise of employer's contribution and employee's contribution at a specified rate.

The Government vide notification dated 13th June, 2019 has amended the ESIC rules and has reduced the rates of ESI Contribution applicable for employers from 4.75% to 3.25% and for Employees from 1.75% to 0.75%.

ESIC Contribution	Existing Rate (%)	Revised Rate* (%)
Employer's Share	4.75	3.25
Employee Share	1.75	0.75
TOTAL ESI Contribution	6.50	4.00

* The revised rates shall be applicable w.e.f. 1st July, 2019

❖ IMPACT OF REDUCTION IN RATES:

Relief to workers
Facilitate further enrollment of workers under the scheme
Reduction of financial liability of the establishments leading to improved viability
Improved compliance of law and enhanced ease of doing business.

IV. GOODS & SERVICE TAX

o HIGHLIGHTS OF THE 35TH GST COUNCIL MEETING

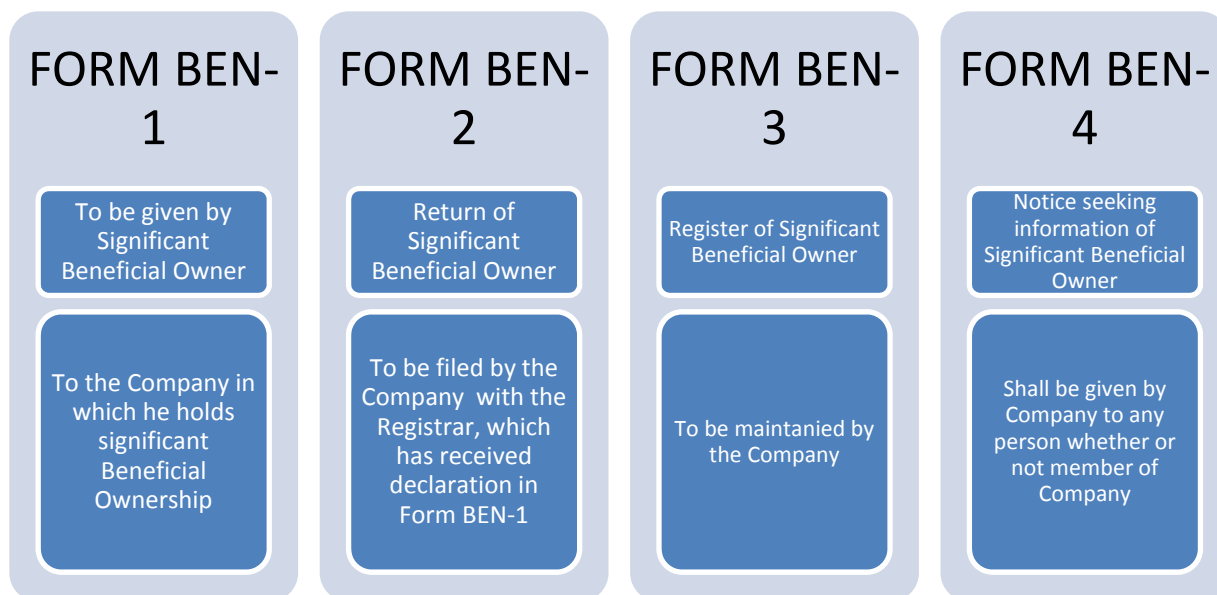
- E-way bills to be blocked for non-filing of GST returns
If GST returns in GSTR-3B / GSTR-4 not filed for 2 consecutive years, e-way bill generation for such taxpayers would be disabled which will brought into effect from 21st August, 2019.
- Extension of various due dates:
 - i. The due date for filing GSTR-9, GSTR-9A and GSTR-9C for the FY 2017-18 has been extended by two months, till 31st August, 2019
 - ii. The due date of Job Work return in ITC-04 (July 2017 to June 2019) has been extended till 31st August, 2019
 - iii. The due date for filing of CMP-02 for opting for composition scheme for service providers as per notification 2/2019-Central Tax (Rate) has been extended till 31st July, 2019
- Amendment in GST registration procedure
In order to ease the GST registration procedure, submission of Aadhar Card as proof for obtaining GST registration would be enabled.
- E-Invoicing
The taxpayers with the turnover of more than INR 50 crores are required to generate e-invoice on the GST portal for B2B sales. E-invoicing through GST portal will be implemented from 1st January 2020.

V. COMPANIES ACT

o DECLARATION OF SIGNIFICANT BENEFICIAL OWNERSHIP IN SHARES

As per the Companies (Significant Beneficial Owners) Rules, 2018, every Significant Beneficial Owner is required to file Declaration in Form BEN-1 to the Company in which he holds the significant beneficial ownership. And where any declaration is received by the Company, it shall file a return in Form BEN-2 with the Registrar in respect of such declaration.

❖ **VARIOUS FORMS INVOLVED:**



❖ **DUE DATE FOR RETURN OF SIGNIFICANT BENEFICIAL OWNER**

As per the General Circular 07/2018 dated 6th Sep, 2018 issued by the MCA, the Return of Significant Beneficial Owner in Form BEN-2 should be filed within 30 days from the date of deployment of the Form.

The MCA on 01.07.2019 vide Notification issued the revised Form BEN-2 and the same has been made available for filing since 02.07.2019.

As per the above, the due date for filing the Return in Form BEN-2 is 31st July, 2019

o **DIR-3-KYC:**

As per the Companies (Appointment and Qualification of Directors) Fourth Amendment Rule, 2018 and the Amendment Rules, 2019:

Every Individual who has been allotted DIN as on 31st March of a financial year, shall submit e-form DIR-3 KYC to the Central Government on or before 30th June of the immediate next financial year.

However, as per General Circular no. 07/2019 dated 27.06.2019 issued by the MCA, every person who has already filed DIR-3-KYC will only be required to complete his/her KYC through simple web-based verification service.

E-FORM DIR-3-KYC

- To be filed only if not filed earlier; or
- For updation of Mobile no. / E-mail address

WEB BASED VERIFICATION

- Only for those who have already filed DIR-3-KYC earlier
- Based on the records in the registry, data will be pre-filled
- Simple and easy form of verification

E-FORM DIR-6

- May be filed in case of updation of any other (i.e. except mobile no. & e-mail) personal detail.

VI. RBI

o ANNUAL RETURN ON FOREIGN LIABILITIES AND ASSETS REPORTING BY INDIAN COMPANIES

❖ WHAT IS ANNUAL RETURN ON FOREIGN LIABILITIES AND RETURN?

FEMA Regulations, 1999 requires any Company who has either made Overseas Direct Investment ('ODI') or received Foreign Direct Investment ('FDI') to file the Foreign Liabilities and Assets Annual Return ('FLA') with the RBI.

❖ WHO IS REQUIRED TO FILE THE ANNUAL RETURN?

- All Indian companies which have:
 - ✓ Received FDI and / or
 - ✓ Made overseas investment abroad
- In the previous year(s) including the current year (i.e. who holds foreign Assets or Liabilities in their Balance Sheets)

❖ **EARLIER SYSTEM AND NEW SYSTEM OF REPORTING**

RBI vide Circular no. RBI/2018-19/226 A.P. (DIR Series) Circular no. 37 dated 28th June, 2019 notified changes in the process for filing the Annual Return through Foreign Liabilities and Assets Information Reporting (FLAIR) system.

FLA (existing system)		FLAIR (revised system)	
PROCEDURE	ACKNOWLEDGEMENT	PROCEDURE	ACKNOWLEDGEMENT
Offline i.e. Email based submission	No acknowledgement	web based online reporting system	system generated acknowledgement

❖ **MAIN FEATURES OF REVISED FLAIR SYSTEM OF REPORTING**

- Provision of web-portal interface to the reporting entities for submitting “User Registration Form”
- After successful registration Login Name and Password shall be generated using that FLA return can be filed
- The revised form will seek information on the first year of receipt of ODI/FDI and disinvestment also
- Reporting entities will get system-generated acknowledgment receipt upon successful submission of the form
- The data can be revised, if required, and view/download the information submitted
- Entities can submit FLA information for earlier year/s after receiving RBI confirmation on their request email
- The requirement shall come into force with immediate effect and would be applicable for reporting of information for the year 2018-19

❖ **DUE DATE**

The FLA return is required to be filed on an annual basis on or before
15th July of every year

RBI has clarified that the new form would be applicable for current year filing also, the last date of which is 15th July 2019

❖ **EXEMPTIONS**

- Where Indian company does not have any outstanding investment in respect of inward and outward FDI as on end-March of reporting year
- If a company has received only share application money and does not have any foreign direct investment or overseas direct investment outstanding as on end-March of the reporting year
- Companies which have issued the shares to non-resident only on Non-repatriable basis are not required to submit the FLA Return.

❖ **CONSEQUENCE OF NON-COMPLIANCE**

- Non-filing of the return before the due date will lead to violation of FEMA and penalty clause may be invoked for violation of FEMA.
- RBI has also clarified that entities not complying with the latest circular that is not filing the form on a new web based system will be treated a non-compliant with FEMA regulations

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Thanking you,

Yours faithfully,

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