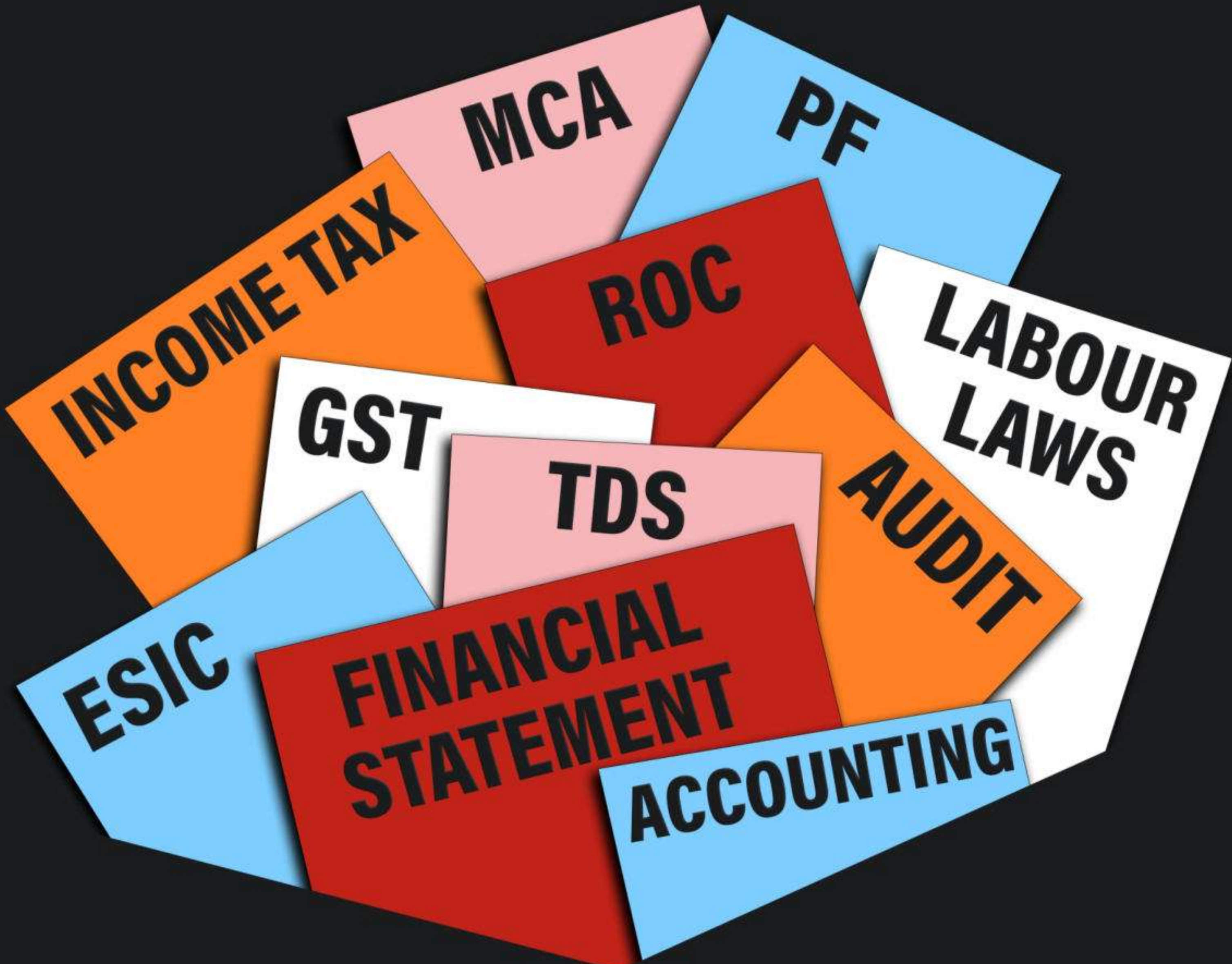
IMPLEMENTATION OF COMPLIANCE CALENDER FOR STARTUP



WE HELP STARTUPS TO START

Hello friends, This booklet is designed to provide you with information about the various compliances that apply to a startup, in simple Hindi. In today's time, when you are starting your own business, it is very important to know which legal and financial compliances apply to you. These compliances will help you run your business smoothly and avoid any kind of legal hurdles in the future.

The first and most important compliance is Accounting. As a startup, you need to keep an accurate and precise record of all your financial transactions. This includes details of purchases, sales, income, expenses, and other financial activities. This not only helps you assess the correct status of your business but is also essential for GST and other compliances.

The second compliance is related to Auditing. You will need to have your financial records checked periodically. This process will help you ensure that your financial statements are accurate and that there are no mistakes or omissions.

Next, income tax compliance is equally important. You must file your income tax returns on time and ensure that your tax payments are accurate and timely.

Understanding TDS compliance is also necessary. You need to deduct tax at source on payments made to your employees and other professionals and deposit it with the government on time.

Following this, ROC Compliances, GST Compliances, PF and ESIC, and Professional Tax compliances are also extremely important for your business. All of these ensure the legitimacy of your business and adherence to regulations.

Finally, there are labour laws. You will need to comply with various labour laws related to the rights and welfare of your employees.

Through this booklet, we will provide you with detailed information about all these compliances so that you can run your startup without any worries. Let’s begin this journey together and take your business to new heights of success.

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Introduction

When we adhere to rules and regulations, customers, investors, and bankers perceive our business as trustworthy, and trust is the foundation of business

In today's era, where the trend of new businesses and startups is on the rise, it is equally important to understand and follow the significance of business compliance. When starting a new business, it's essential to prioritize legal and financial compliance. At the outset, it's important to consider what kind of regulations and norms apply to our business. It is essential to know the primary laws governing businesses in India, such as income tax laws, labour laws, and other financial regulations. Having knowledge of these laws helps us comply with them correctly. Additionally, understanding the Indian tax structure is also very important. Knowing about direct and indirect taxes is crucial for any businessperson. For instance, income tax and corporate tax fall under direct taxes, while taxes like GST fall under indirect taxes. A proper understanding of these helps in maintaining the financial health of the business.

Key compliances, such as company registration, tax payments, and financial reporting, must be completed on time and accurately to fulfill legal obligations and enhance the business's credibility. One major benefit of timely compliance is that it helps avoid any fines or penalties. Moreover, when a business adheres to all its compliances on time, it improves its relationships with investors and banks, paving the way for financial support and new opportunities for growth. For a startup, compliance is not just a challenge but also an opportunity through which it can establish its credibility and take its business to new heights.

01

How Government Regulates Businesses in India

The government in India uses various laws to regulate businesses. The Income Tax Act includes provisions like TDS (Tax Deducted at Source) to ensure proper tax collection on income. Labor laws protect the rights and welfare of workers. All registered companies must follow specific rules and regulations, such as regular audits and submitting financial reports. Provisions like PF (Provident Fund) and ESIC (Employees' State Insurance Corporation) help in securing the future and health of employees. Through these laws, the government maintains balanced and effective control over businesses.

02

Tax Structure of India

India's tax structure includes two types of taxes - direct and indirect taxes. Direct taxes include income tax, which is levied on individual income, and corporate tax, which is imposed on companies. Indirect taxes mainly include the Goods and Services Tax (GST), which is charged on the purchase of goods and services. The tax rates in India change from time to time and are determined by the government based on its policies. The main objective of the tax system is to bring economic equality and support the country's development.

03

Major Compliances in India

When starting a business in India, there are certain essential legal and financial compliances that need to be followed. First, the company needs to be registered, which includes obtaining a GST number, PAN, and TAN. After this, various taxes like income tax and GST need to be paid and reported regularly. Additionally, if your company has employees, you need to comply with labour laws such as PF and ESI. Moreover, annual returns and balance sheets must be properly audited and submitted.

04

Benefits of Timely Compliances from a Business Perspective

Firstly, following government rules helps keep our business free from legal hassles. Whether it's about taxes or labour laws, if everything is done correctly and on time, there are no interest charges or penalties. Furthermore, when we follow the rules, our reputation in the market also improves. Customers, investors, and bankers perceive our business as trustworthy. Additionally, timely compliance helps us secure loans from banks, which can further help our business grow and flourish. So, understand that timely compliance is the backbone of our business.

Accounting & Financial Statement

Applicable to Proprietorship, Partnership, LLP, OPC, Private Limited Company, Limited Company, Nidhi Company, Producer Company, Society, Trust, and Section-8 Company

Accounting can be understood in simple terms as the art of properly managing and understanding business transactions and financial activities. It forms the foundation of business, informing us about the financial health and operations of a company. Accounting acts as an Information System for Management, helping companies accurately assess their financial status, which in turn facilitates decision-making. When we talk about Financial Statements, they are the outcome of the accounting process, presenting the financial information of a business in a structured way. These statements are very useful for investors, banks, and the company's management. They include three main types of documents: the Balance Sheet, Profit & Loss Account, and Cash Flow Statement. The Balance Sheet shows what assets a company has, what liabilities it owes, and the capital it holds at a particular point in time. It helps us understand the financial strength of the company. The Profit & Loss Account, also known as the income statement, shows how much the company earned and spent during a specific period, giving us an idea of the company's financial performance. The Cash Flow Statement reveals where the company's cash is coming from and how it is being used, whether from business operations, investments, or financial transactions. Accounting and financial statements assist in making business decisions, and without accounting, it is nearly impossible to complete business-related compliances like GST and tax filing on time.

01

Balance Sheet

The Balance Sheet provides a snapshot of the business's health. It shows what the company owns, how much debt it has, and the amount of capital invested. This reveals the company's financial strength and condition. The Balance Sheet gives us an idea of the business's reputation, which is significant for investors and lenders. Therefore, it plays a crucial role in running the business and planning for the future.

Profit & Loss Account

The Profit & Loss Account or income statement shows how much the company is earning and how much it is spending in different areas. It records the company's income and expenses, helping to determine whether the company is making a profit or incurring a loss. This allows management and shareholders to understand how well the company is performing. This information is used for budgeting, business planning, and making finance-related decisions.

02

03

Cash Flow Statement

The Cash Flow Statement shows the movement of money within a company. It indicates where the money is coming from and where it is going, whether from daily operations, purchasing new assets, or from loans and investments. This information reveals the company's cash position, helping it understand how much money it has and its financial strength. This is very useful in making decisions about borrowing, investing, or improving the company's operations.

Audit of Financial Statements

Auditing financial statements means checking whether everything is correct and accurate. When an audit is conducted, it ensures that the company has maintained its accounts properly. This makes the information reliable for investors, banks, and others to understand how the company is performing. When a company regularly audits its Financial Statements, it can identify its weaknesses, make improvements, and build trust with all its stakeholders.

04

Audit

Applicable to OPC, Private Limited Company, Limited Company, Nidhi Company, Producer Company, Section-8 Company, LLP (if turnover is more than ₹25 Lakhs), and Tax Audit Applicable to Every Kind of Business If Turnover Exceeds ₹2 Crores, including Proprietorship, Partnership, Society, and Trust.

In business world, success requires more than just good ideas and hard work; financial management and compliance are equally important. For startups, especially those in their early stages, understanding and adhering to financial regulations and tax systems is crucial. Appointing the right auditor for every startup is as essential as having the right doctor for a newborn baby. Just as a doctor takes care of the baby's health, an auditor looks after the financial health of your startup. A good auditor understands the financial intricacies of your business and handles them appropriately. Ensuring that the company's financial statements are accurate and transparent is not only necessary for government compliance but also helps in gaining the trust of investors and the market. A good auditor helps in identifying financial errors, which can prevent major issues in the future. For instance, if there is a tax error, the auditor can assist in correcting it and avoiding penalties. Additionally, a good auditor's advice can aid in financial planning and budgeting for the business. Choosing a qualified and experienced auditor can be the key to long-term success for startups. A good auditor not only helps in the present but also lays a strong foundation for the future. Appointing the right auditor is not only necessary for startups but is also an important step in building their successful future.

01 Statutory Audit under the Companies Act

Every company must have its accounts audited by a Statutory auditor. The purpose of this is to ensure that the company's financial statements are accurate and transparent. This is necessary not only for the company owners but also for investors, shareholders, banks, and the government. During a statutory audit, the auditor examines the company's accounts, balance sheet, profit and loss statements, and prepares an audit report. If there are any discrepancies, the auditor brings them to light, promoting transparency and improvement within the company.

02 Tax Audit under the Income Tax Act

A tax audit ensures that the information provided by you is accurate and that you have paid the correct tax. For business taxpayers, if their income exceeds ₹2 crores (₹50 lakhs for professionals), a tax audit is mandatory. This threshold changes from time to time, so it is advisable to check the Income Tax Department's website for the latest information. The primary objective of a tax audit is to prevent tax evasion and ensure correct tax collection. Therefore, it is essential for every business to understand and properly follow this process.

03 GST Audit

Since the financial year 2020-21, GST audits have been removed. Businesses are now solely responsible for ensuring accurate and precise information. GSTR-9 and GSTR-9C forms are used for GST audit and reconciliation. GSTR-9 must be filed by December 31st for businesses with a turnover of more than ₹2 crores. Businesses with a turnover of more than ₹5 crores must file both GSTR-9 and GSTR-9C, along with audited financial statements. GSTR-9C reconciles differences between audited financial statements and GST returns.

04 Auditor Appointment

Selecting an auditor is very important for startups as they help monitor the financial health of your business. When starting a startup, the appointment of the first auditor is crucial and usually occurs within 30 days of company registration, carried out by the Board of Directors. Every year, the auditor's appointment is done at the Annual General Meeting (AGM). Here, the shareholders appoints the auditor on the recommendation of directors, and their appointment can range from one to five years. These auditors are called Statutory Auditors, and the Statutory Auditor and Tax Auditor can be different individuals. Tax Auditors are appointed under the Income Tax Act, with the main purpose of auditing the company's tax returns. Tax Auditors ensure that the company has accurately and completely disclosed its tax liabilities.

Income Tax Compliances

Applicable to: Proprietorship, Partnership, LLP, OPC, Private Limited Company, Limited Company, Nidhi Company, Producer Company, Society, Trust, and Section-8 Company
(Discussed only from a business perspective)

No matter the category of business, it is mandatory to file an Income Tax Return (ITR) every year. Tax rates and slabs change annually, so it is advisable to check the Income Tax Department's website for the latest information. For FY 2023-24, the income tax rate for partnership firms (including LLPs) is 30%. If the total income exceeds one crore rupees, a surcharge of 10% will apply, and a 4% health and education cess will be added to all income taxes and surcharges. The Alternative Minimum Tax (AMT) is levied at 18.5% if the tax calculated on the total income as per the normal provisions is less than 18.5%

For domestic companies, if the turnover is less than ▯400 crores, the applicable tax rate is 25%. For all other domestic companies, the tax rate is 30%. Additionally, a surcharge of 7% is levied if the income exceeds ▯1 crore, and 12% if the income exceeds ▯10 crores, along with a 4% health and education cess on all taxes. The Minimum Alternative Tax (MAT) is levied at 15%, but companies opting for special tax provisions under Sections 115BAA and 115BAB are exempt from MAT.

Special rates apply under Section 115BA (for domestic companies established before March 31, 2016, engaged in specific manufacturing, production, research, and development activities) at 25%, under Section 115BAA (for all types of domestic companies) at 22%, and under Section 115BAB (for domestic companies established after October 1, 2019, and commencing manufacturing before March 31, 2023) at 15%. Opting for these sections also imposes a 10% surcharge, and some deductions and exemptions are not available.

For a proprietorship business, the tax rates depend on individual income. No tax is applicable up to ▯2,50,000; 5% tax is applicable for income between ▯2,50,001 and ▯5,00,000; 20% for income between ▯5,00,001 and ▯10,00,000; and 30% for income above ▯10,00,000. A surcharge of 10% to 37% is levied on income above ▯50 lakh, along with a 4% health and education cess on all taxes.

In the new tax regime for proprietorship businesses, the tax rates are: no tax up to ▯2,50,000; 5% on income between ▯2,50,001 and ▯5,00,000; 10% on income between ▯5,00,001 and ▯7,50,000; 15% on income between ▯7,50,001 and ▯10,00,000; 20% on income between ▯10,00,001 and ▯12,50,000; 25% on income between ▯12,50,001 and ▯15,00,000; and 30% on income above ▯15,00,000. However, some deductions and exemptions are not available in the new regime. The new system offers lower tax rates compared to the old regime, and taxpayers can choose between the old or new regime.

01

Company ITR

In India, companies file their Income Tax Return (ITR) using the ITR-6 form. ITR-6 is specifically for companies registered in India. Note that this form is not for companies claiming exemption under Section 11 (like charitable trusts). Filing ITR-6 is done online and requires a digital signature. In this form, companies must provide detailed information about their total income, deductions, and taxable income. It includes the company's financial statements, details of shareholders, and other related information.

02

Partnership Firm & LLP ITR

In India, partnership firms and Limited Liability Partnerships (LLPs) file their income tax returns using the ITR-5 form. This form requires the firm to provide details of its total income, expenses, and other financial information. It includes income from business, interest, rent, and other sources. The firm must also provide details of all partners, such as their share of income and any dividends or other payments made to them. The ITR-5 filing process is also online and requires a digital signature.

03

Partners & Directors ITR

For partners and directors, the choice of ITR form depends on their sources of income and financial activities. They can file either ITR-2 or ITR-3. Partners must report their share of income from the partnership firm in their personal income tax return. This income includes salary, bonuses, or interest received as benefits. Directors, on the other hand, must report all their income, including salary, dividends, and other benefits, in their ITR. Both these categories can claim all applicable deductions and exemptions on their income.

04

Presumptive Taxation

This is a simplified taxation scheme for small traders and professionals. They do not need to maintain detailed accounts of actual income or expenses. Under Section 44AD, if a business's annual turnover is less than ₹2 crores, 6% (for digital transactions) or 8% (for cash transactions) of the turnover is considered as income. Under Section 44ADA, for professionals, if the Gross Receipt is up to ₹50 lakhs, 50% of the receipts are considered as income. If you wish to show profits at a lower percentage, you must maintain detailed accounts of actual income or expenses and also undergo a Tax Audit.

TDS Compliances

Applicable to: Partnership, LLP, OPC, Private Limited Company, Limited Company, Nidhi Company, Producer Company, Society, Trust, Section-8 Company, and Proprietorship (If Last Year Covered in Tax Audit)

For every entrepreneur or business organization operating in India, TDS (Tax Deducted at Source) is an important subject. TDS is the method by which the government deducts a certain percentage of tax from the income earned by individuals or entities providing goods or services through businesses. Whether it's salary, interest, or any other type of income, TDS compliance is essential for every business. Complying with TDS ensures that the government receives its tax on time, though the rules and processes associated with TDS can often be complex. Therefore, it becomes crucial for a business to have a proper understanding of these rules and to ensure timely payment of their TDS. This not only helps in maintaining financial discipline but also in avoiding potential penalties and additional interest. Various types of payments, such as employee salaries, interest, dividends, payments to contractors, etc., are subject to TDS at different rates. These rates change from time to time, and it is the responsibility of the business to stay updated with the correct information. After depositing the TDS, the details are provided to the government through various forms like 24Q and 26Q. Additionally, the process of filing TDS returns should be carried out periodically. Finally, documents like Form 16 and 16A provide detailed information on TDS deductions and tax liabilities to employees and vendors. These forms are useful for employees and vendors when filing their income tax returns.

01

Types of Business Expenses Covered in TDS

In TDS compliance, businesses must deduct and deposit TDS on various types of expenses, mainly including employee salaries, where TDS is deducted based on their income. A 10% TDS is deducted on interest provided by banks and dividends given by companies. Payments to contractors and subcontractors are subject to a 1% or 2% TDS deduction. Professional fees and rent are also subject to a 10% TDS deduction, while the TDS rate on commission or brokerage is up to 5%. These rates may change, so you should check the latest rules on the Income Tax Department's website.

02

Form 24Q & 26Q

Form 24Q is used to report the TDS deducted from salaries. This means that when a company deducts tax from its employees' salaries, it reports this to the government using this form. On the other hand, Form 26Q is used to report the TDS deducted on non-salary payments, such as professional fees, interest, contracts, etc.

03

TDS Return

Filing Before filing TDS returns, it is mandatory to deposit the TDS by the 7th of every month. For example, if you are depositing TDS for the month of October, you must do so by November 7th. If TDS is not deposited on time, an interest of 1.5% per month is charged. TDS returns are filed quarterly, and the last date for filing is the 31st of the month following the end of the quarter. For instance, for the April to June quarter (Q1), the last date is July 31st, and for the July to September quarter (Q2), the last date is October 31st. If the return is filed late, a late fee of ₹200 per day is charged.

04

Form 16 & 16A

Form 16 is issued to salaried individuals by their employers. This form indicates the amount of TDS deducted from the salary and provides information on annual income and deductions. It is used when filing income tax returns. On the other hand, Form 16A is for non-salaried individuals, such as freelancers or contractors. This form also provides TDS-related information but applies to income from sources other than salary, such as interest, commission, etc.

ROC Recurring Compliances

Applicable to LLP, OPC, Private Limited Company, Limited Company, Nidhi Company, Producer Company, and Section-8 Company

Running a company in India isn't just limited to conducting business or providing services. It also involves adhering to various legal and financial compliances set by the government. These compliances are not only essential for the transparent and smooth operation of the company but also reflect its credibility and financial stability. Among these, the most important is filing the ADT-1 form related to the appointment of the auditor. This form informs the government about the auditor appointed by the company. Additionally, the DPT-3 form provides information about the loans and deposits taken by the company, which must be submitted annually. Directors are also required to submit the DIR-3 KYC form, which includes their personal and contact information. This is crucial for ensuring the transparency of the company and preventing incorrect information or fraud. Furthermore, companies must file their annual returns and financial statements through forms AOC-4 and MGT-7. These forms provide the government with details about the company's financial status and shareholders. For Nidhi companies, additional compliances such as NDH-1, NDH-2, NDH-3, and NDH-4 forms are also mandatory. These forms record the financial structure and member details of Nidhi companies. Moreover, it is important to keep all statutory registers of the company updated. These registers contain detailed information about the company's members, directors, shareholders, loans, etc., and their regular updates ensure the accuracy of the company's accounts.

01 Filing of ADT-1 & DPT-3

The ADT-1 form, related to the appointment of an auditor, must be filed within 15 days of the auditor's appointment in the company's general meeting. The first auditor should be appointed within 30 days of the company's incorporation, ensuring that the government is aware of who has been assigned the company's audit responsibility. Similarly, the DPT-3 form, which is associated with the company's outstanding loans and deposits, must be filed annually by June 30th. It provides details about the amount borrowed by the company and its sources.

02 Filing of KYC

In India, it is mandatory for company directors and partners of Limited Liability Partnership (LLP) firms to file their KYC annually by September 30th. The DIR-3 KYC form is used for this purpose, requiring directors to fill in personal details like name, PAN number, email ID, and mobile number. This process helps the government ensure that the information of key people in the company is accurate and up-to-date. A penalty of ₹5,000 is imposed if this form is not submitted within the stipulated time. This KYC rule is crucial for enhancing the transparency of the company and preventing the use of incorrect information or fraud.

03 Filing of Annual Return

Companies are required to file AOC-4 and MGT-7 forms every year. The AOC-4 form includes the company's financial information and balance sheet, which must be submitted within 30 days of the Annual General Meeting (AGM). The MGT-7 form contains details about the company's shareholders and directors and must be filed within 60 days of the AGM. Additionally, LLPs are required to file Form-8 and Form-11 annually. Form-8, which includes details of financial transactions, has a submission deadline of October 30th. Form-11 involves filing the LLP's Annual Return, which must be submitted by May 30th. Failing to file these forms on time can result in a penalty of ₹100 per day, which can accumulate to a significant amount.

04 Additional Compliances for Nidhi Companies

Nidhi companies are required to file some additional returns, starting with the NDH-4 form is used by the company to declare itself as a Nidhi company and for obtaining a Nidhi company license. Then. NDH-1 form, where the company must provide details of its members and deposits within 90 days from the end of its initial financial year. The NDH-2 form is used when the company is unable to meet the required number of members or the net fund ratio, and it requests an extension of time. Finally, the NDH-3 form needs to be filed n every half year that contains information about the company's financial activities occurred between the 2 half years.

ROC Event Compliances (Part-1)

Applicable to LLP, OPC, Private Limited Company, Limited Company, Nidhi Company, Producer Company, and Section-8 Company

In today's time, starting and growing a successful business is an exciting and challenging task. Not only does it require a good business idea and commitment, but following proper legal processes and formalities is equally important. Understanding how to establish a business in compliance with government regulations and how to manage it is crucial for any entrepreneur. After a company is registered, it must complete certain formalities before beginning its initial activities. This includes obtaining a certificate to commence business, for which Form 20A must be filed. It is mandatory to have this form verified by a qualified professional. Additionally, managing the financial and operational aspects of the company, such as the appointment and change of auditors, is also important. For the growth and expansion of the company, there is often a need to increase the authorized capital and transfer shares. This requires following specific procedures and forms. Similarly, any changes in the company's Board of Directors, whether it is the appointment, resignation, or removal of a director, must also adhere strictly to the rules. Properly following all these procedures not only ensures the legal compliance of the company but also helps in avoiding any legal issues in the future. As an entrepreneur, it is essential to understand that knowledge of legal procedures and their proper compliance is as important as business strategy and customer service in successfully operating a business.

01 Commencement of Business

To obtain the 'Certificate of Commencement of Business' from the MCA, Form INC-20A needs to be filed. This form must be verified by a practicing Chartered Accountant (CA), Company Secretary (CS), or Cost Accountant. Every company must file Form 20A within 180 days of its incorporation. Along with this form, it is mandatory to attach proof of the paid-up share capital deposited by the shareholders and pictures of the company's registered office. The directors must also declare that the money promised by the investors has been deposited into the company's bank account.

02 ADT-3 & ADT-2

Form ADT-3 is used when an auditor of a company is unable to complete their tenure and has to resign. Through this form, the auditor notifies the company and the Registrar of Companies (ROC) about their resignation. This form must be filed by the auditor within 30 days of resignation. On the other hand, Form ADT-2 is used when a company needs to remove its existing auditor before the completion of their tenure. For this, the company must obtain approval from the MCA, and the process is completed through Form ADT-2.

03 Increase of Authorized Capital & Paid Up Capital

When a company seeks to expand its operations or raise additional funds, it may increase its Authorized Capital. This is the maximum amount of equity capital the company can issue. First, a Board Meeting is held, followed by a shareholders' meeting to decide on this matter. Notices for the Board Meeting, Board Resolution, General Meeting notice, EGM proposal, amended MOA and AOA, Form SH-7, minutes of the Board Meeting and General Meeting, Auditor's Report, and certified balance sheet are then submitted to the Registrar of Companies. Additionally, during a share transfer, shares are sold or transferred from one person or entity to another. For this, a Form SH-4 is filled out, along with stamp duty, and approval from the company's Board is required.

04 Change in Director

To become a director, a resolution must first be passed in the shareholders' meeting, and the candidate must give their consent in Form DIR-2. The company must submit Forms MGT-14, DIR-2, and DIR-12 to the Registrar of Companies within 30 days of the director's appointment. Certain individuals, such as those who are bankrupt or convicted of a crime, cannot become directors. To resign from the position of director, a written resignation must be submitted, and the company must inform the Registrar through Form DIR-12 within 30 days. The director must also file Form DIR-11 with the Registrar within 30 days of their resignation date. If a director needs to be removed, a special meeting of shareholders (EGM) is called, where a resolution is passed by a majority vote.

ROC Event Compliances (Part-2)

Applicable to LLP, OPC, Private Limited Company, Limited Company, Nidhi Company, Producer Company, and Section-8 Company

Companies, in their journey of growth and expansion, often face various changes. These changes may include a change of name, shift in objectives, or relocation of the office, among others. These changes not only impact the internal structure of the company but also refresh the company's identity and image in the market. While these processes may seem complex, they are equally important.For any company, changing its name is not a small matter. It begins with a board meeting where the proposal for the new name is approved. Following this, the new name is checked through the RUN application, and then the final approval is taken from the shareholders during the Extraordinary General Meeting (EGM). After this, the official process of changing the name is completed by filing the MGT-14 and Form INC-24.Similarly, changing the company's objectives is also a major step, for which changes are required in the Memorandum of Association (MOA). In this process as well, the directors discuss the changes in a board meeting, and after discussions with the shareholders in a special meeting, the change is approved by 75% of the shareholders.Changing the company's registered office address, whether within the same state or to another state, also involves several steps such as holding a board meeting, conducting an EGM, and filing various forms. During this process, it is essential to notify all relevant parties and obtain the necessary government approvals.While making these changes, it is crucial to follow legal procedures and ensure that all the required documents are properly prepared.

01

Change in Name

The first step in the process of changing a company's name is to hold a board meeting. Following that, the new name is checked through the RUN application. Then, an Extraordinary General Meeting (EGM) is held where the shareholders approve the change. Finally, the name is changed by filing forms MGT-14 and INC-24. Essential documents include the company's current Certificate of Incorporation (COI), Memorandum of Association (MOA) & Articles of Association (AOA), a list of directors and shareholders, the digital signature of the authorized director, and the Board & EGM Resolution, EGM Notice & Attendance Sheet, Altered MOA & AOA, and the Name Approval Letter. However, it is important to ensure that all ROC-related compliances are completed before changing the name. After the name change, it must be updated everywhere, such as bank accounts, PAN card, and all other government registrations. Additionally, the old name must be used alongside the new name for the next two years.

02

Change in Objective

For this, changes must be made to the company's Memorandum of Association (MoA), which defines the business and its scope. The process begins with a meeting of the company's directors, followed by a special meeting of the shareholders where the change is discussed. If 75% of the shareholders agree, the proposal for the change is passed. After this, form MGT-14 along with amended MOA is to be submitted to the Registrar of Companies. The process involves various documents, such as the minutes of the board meeting, minutes of the EGM, a copy of the Special Resolution, and the revised MoA.

03

Change in Address within State

Changing the address within the same state is a straightforward process that requires the company to take a few necessary steps. The first step is to convene a board meeting where the decision to hold an Extraordinary General Meeting (EGM) is made. In the EGM, the shareholders must vote on a special resolution to change the registered office address. Once the resolution is passed, the company must submit two forms—INC-22 and MGT-14—to the Registrar of Companies (ROC) within the next 30 days. It is important to ensure that all obligations are taken care of during the address change and that all relevant parties are properly informed.

04

Change in Address to Another State

First, the company must call a Special General Meeting (EGM) where a special resolution is passed for this change. Within 30 days of passing the special resolution to change the registered office address, the company must send two forms, INC-23 and MGT-14, to the old ROC. One month before filing these two forms, the company must publish a notice of the address change in the newspaper. Every depositor and creditor of the company must be informed in advance. The company must also obtain approval from the Central Government, and after that, form INC-28 must be sent to the Registrars of Companies (ROC) of both states. Finally, form INC-22 must be sent to the new ROC to complete this process.

GST Compliance and Filing Returns

Applicable to Proprietorship, Partnership, LLP, OPC, Private Limited Company, Limited Company, Nidhi Company, Producer Company, Society, Trust, and Section-8 Company, if eligible criteria met for GST Registration

In GST, there are separate rules for filing returns for Regular Dealers and Composition Dealers, based on their annual turnover. Those who are registered under the regular scheme need to file four types of GST returns: sales return, purchase return, monthly return, and annual return. Businesses with an annual turnover exceeding ₹5 crore have to file GSTR-1 and GSTR-3B every month. GSTR-1 must be filed by the 11th of every month, reporting the sales details, and GSTR-3B must be filed by the 20th of every month, to pay the tax.

For businesses with an annual turnover of up to ₹5 crore, GSTR-1 needs to be filed quarterly, but GSTR-3B still needs to be filed every month. The annual return, GSTR-9, must be filed by 31st December of the next financial year. Those whose registration has been canceled or who have opted out of GST registration need to file GSTR-10, which is the final return.

Composition Dealers are required to pay tax every three months by filing Form CMP-08 along with the challan. They also need to file an annual return in GSTR-4. Businesses registered under the Composition Scheme cannot sell goods outside their state and do not need to maintain detailed accounts. The tax rates for Composition Dealers vary: 1% for manufacturers, 5% for restaurants, and 6% for service providers. Those who sell through e-commerce platforms may also need to file GSTR-8. Thus, the process and timeline for filing GST returns vary depending on the annual turnover and type of business. These rules and procedures help make GST a systematic and transparent tax system.

01

Understanding GST Compliance

GST compliance is the process where traders and businesses follow all the required rules and regulations under GST. This includes filing accurate and complete returns on time, paying the correct tax, and maintaining detailed records of all transactions. It not only helps the government collect revenue on time but also protects traders and businesses from legal risks and penalties.

02

NIL Return Filing

A NIL return is filed when no transactions have taken place during a specific period. According to GST law, even if a registered trader or business does not conduct any business transactions in a month, they are still required to file a NIL return. Filing a NIL return informs the government that the trader did not make any taxable purchases or sales during that period.

03

Common Mistakes to Avoid in Filing

The first and most common mistake is providing incorrect information. Traders should ensure that all details, such as sales, purchases, and input credit, are accurate and complete. The second common mistake is filing returns late. It is crucial to file returns on time under GST, as late filing can result in penalties. The third mistake is making incorrect claims for input tax credit. Traders should be careful while claiming input credit.

04

Penalties for Non-Compliance

If traders do not file returns or file them late, they may have to pay penalties, additional cost in the form of a late fee. This penalty is charged per day and continues until the return is filed. Secondly, providing incorrect or misleading information can also result in heavy fines. Thirdly, if traders intentionally evade tax or use fake invoices, it is considered a serious offence under GST law, which can lead to severe penalties and sometimes even imprisonment.

PF & ESI and Professional Tax Compliances

PF & ESI and Professional Tax Compliances Applicable to All Employers with Employees

First and foremost, for PF, employers must ensure that they deduct the correct amount from employees' salaries on time and deposit it into their PF accounts. Additionally, they should maintain accurate records of these transactions. Employees should also regularly check their PF accounts. Similarly, for ESI, employers are required to register eligible employees and deposit a portion of their salary into the ESI scheme. Employees should be aware of the benefits available under ESI, and employers should periodically review compliance. In both cases, both employers and employees should stay updated on new rules and regulations. Using online portals can make this process easier and more transparent. Regular audits and compliance checks can help correct any errors or irregularities. Effective management of PF and ESI is possible through the collaboration of both employers and employees, involving proper information, timely contributions, accurate record-keeping, and the use of available resources for compliance and benefit realization. Additionally, if your company has employees and their salaries exceed a certain limit, you will also need to pay professional tax.

01

PF Compliances

If your company has 20 or more employees, it is essential to manage their PF correctly. If an employee's basic salary exceeds ₹15,000, PF is deducted, with 12% of the basic salary being contributed by both the employee and the company. PF challans must be deposited by the 15th of each month, and monthly returns must be filed by the 25th. The final date for annual returns is April 30th.

ESI Compliances

02

If your company has 10 or more employees and their monthly income is less than ₹21,000, they are eligible for Employee State Insurance (ESI). In ESI, 0.75% of the employee's income is contributed by the employee, and 3.25% is contributed by the employer. ESI challans must be deposited in the bank by the 15th of each month, and monthly ESI returns must also be filed by the 15th.

03

Professional Tax

Professional tax is a tax imposed by the state government on professionals who earn income from professions, such as doctors, lawyers, and accountants. If your company has employees and their salaries exceed a certain threshold, you will also need to pay this tax. It must be deposited either monthly or annually. The salary limit, professional tax amount, and deposit deadlines vary from state to state.

Professional Tax Applicable States

04

Karnataka, Bihar, West Bengal, Andhra Pradesh, Telangana, Maharashtra, Tamil Nadu, Gujarat, Assam, Kerala, Meghalaya, Odisha, Tripura, Madhya Pradesh, Jharkhand, Sikkim, and Mizoram.

Labour Law Compliances

Labour Law Compliances Applicable to All Employers with Employees

In India, several key labor laws protect the rights of employees. The Maternity Benefit Act, 1961, ensures paid leave and other benefits for women during pregnancy and maternity. The purpose of this law is to ensure that when a woman is expecting a child or has recently given birth, she is entitled to paid leave and various other benefits. This law safeguards women's rights during pregnancy and motherhood, ensuring they have job security and protection during this crucial time.
The second law is the Contract Labour (Regulation and Abolition) Act, 1970. This law applies to individuals working on a contract basis. Its primary aim is to prevent the exploitation of contract workers and ensure they receive basic amenities such as canteens, restrooms, first aid, etc.
The third is the Factories Act, 1948. This law is related to the health, safety, and welfare of people working in factories. It includes regulations on working hours, the conditions of the workplace, the handling of hazardous substances, and the provision of essential facilities such as restrooms, canteens, and first aid. Failure to comply with these rules can result in fines. The main objective of these laws is to protect employees and uphold their rights. These laws not only protect the interests of employees but also improve the working environment so that everyone can work without fear and with happiness.

01

The Shops and Establishments Act

This law regulates the working conditions and employment rules in shops, hotels, restaurants, and retail businesses. For individuals working in shops and commercial establishments, this law determines the number of working hours, the amount of leave they are entitled to, how they will be paid, and the conditions of their employment. This ensures that the rights of people working in shops and commercial establishments are protected and that they are provided with appropriate working conditions.

The Payment of Bonus Act, 1965

According to this law, if your salary is within a certain limit and you work in a company that employs a minimum number of people, you are entitled to receive a bonus. This law specifies the minimum and maximum bonus that can be given. The amount of the bonus depends on the company's earnings. This incentivizes employees and ensures that their hard work is properly rewarded.

02

03

The Payment of Gratuity Act, 1972

This law provides for the payment of gratuity to employees who have worked for five years or more in a company. Gratuity is a form of retirement benefit. If you have worked at a place for a long time, you receive this amount when you leave the job or retire. The gratuity amount is calculated based on your last salary and the number of years you have worked.

The Minimum Wages Act, 1948

The purpose of this law is to prevent the exploitation of workers. Under this law, the government determines the minimum wages that must be paid to workers in different sectors. This ensures that workers receive at least the minimum amount needed to sustain their livelihood. This law helps prevent the problem of extremely low wages for workers.

04

Compliances Calendar

Tax Applicability	Assignment	Form Name	Last Date
GST	outward supplies of goods and services	GSTR 1	Monthly, by 11th of every month
GST	outward supplies of goods and services	GSTR 1	Quarterly, by 13th of the month following every quarter
GST	self-declaration to be filed	GSTR 3B	Monthly, 20th* of the succeeding month
GST	annual return	GSTR 9	31st December of the year following the relevant financial year,
GST	self-certified reconciliation statement	GSTR 9C	31st December of the year following the relevant financial year
GST	statement-cum-challan to declare the details	CMP-08	18th of the month succeeding the quarter

Tax Applicability	Assignment	Form Name	Last Date
TDS	TDS Returns	Form 24Q & 26Q	31st of the month succeeding the quarter Ending June , September, December
TDS	TDS Returns	Form 24Q & 26Q	31st May of the month succeeding the 4th quarter Ending March
PF	Monthly Challan remittance	EPF ECR	15th of Every Month
ESI	Monthly contribution	ESIC	15th of Every Month

Tax Applicability	Assignment	Form Name	Last Date
Income Tax	Income Tax Return for Individual / HUF/ AOP/ BOI	ITR 1,2,3,4,5	31st July
Income Tax	Income Tax return for Businesses (Requiring Audit)	ITR 3,5,6	31st October
Income Tax	Tax Audit	3CA and 3CD	31st October
Income Tax	Revised Income Tax Return for Individual / HUF/ AOP/ BOI	ITR 1,2,3,4,5,6	31st December

Tax Applicability	Assignment	Form Name	Last Date
ROC	amounts owed to Micro, Small and Medium	FORM MSME-1	April 30th,
ROC	amounts owed to Micro, Small and Medium Enterprises (MSMEs)-2nd Half Yearly	FORM MSME-1	October 31st,
ROC	Return of Deposit	FORM DPT-3	30th June.
ROC	KYC of Directors/Designated Partner	DIR-3 KYC	30th September
ROC	Appointment of Auditor	FORM ADT-1	14th October
ROC	Filing of Annual Accounts- For Pvt/Pub/Nidhi/Section-8	FORM AOC-4	29th October
ROC	Filing of Annual Accounts- For OPC	FORM AOC-4	27th September
ROC	Filing of Annual Returns	FORM MGT-7	28th November
ROC	Filing of Annual Returns- FOR SMALL COMPANY/OPC	FORM MGT-7A	28th November
ROC	Filling of Resoltuions	FORM MGT-14	30 Days of Passing Resolutions
LLP	Annual Return of Limited Liability Partnership	FORM 11	30th May
LLP	LLP Statement of Account & Solvency	FORM 8	30th October

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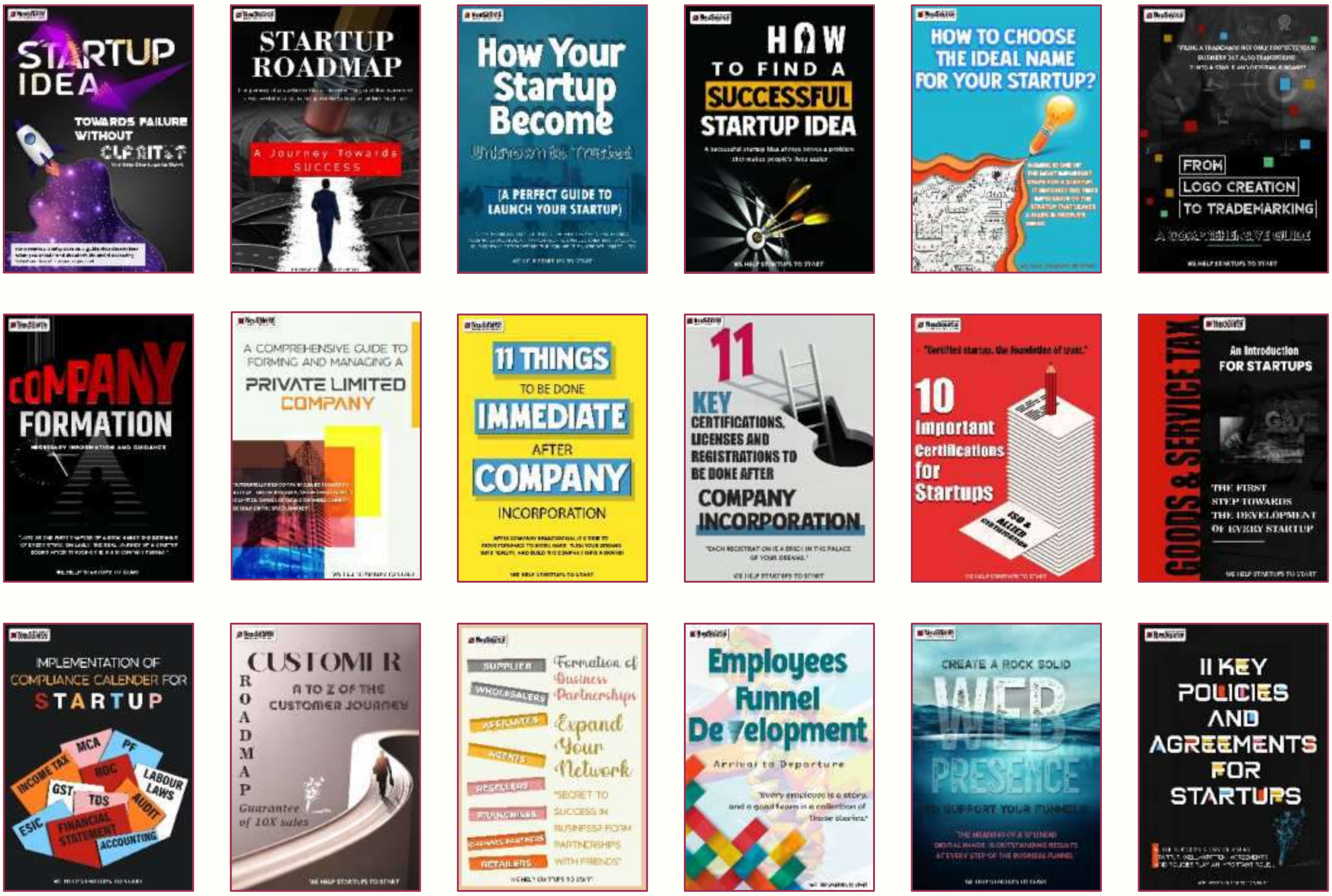

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