

FSIA E-circular dt. 12th January 2013 (ROC Matters)

Faridabad Small Industries Association

The face of Modern Indian MSMEs

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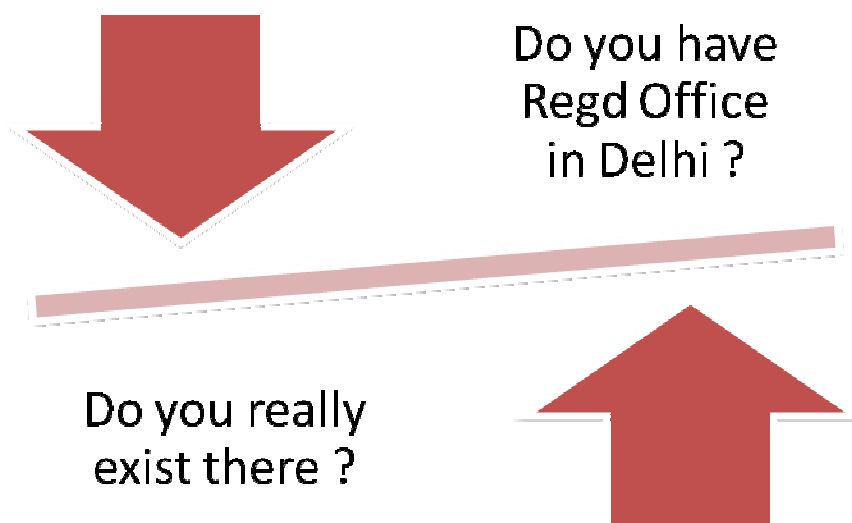


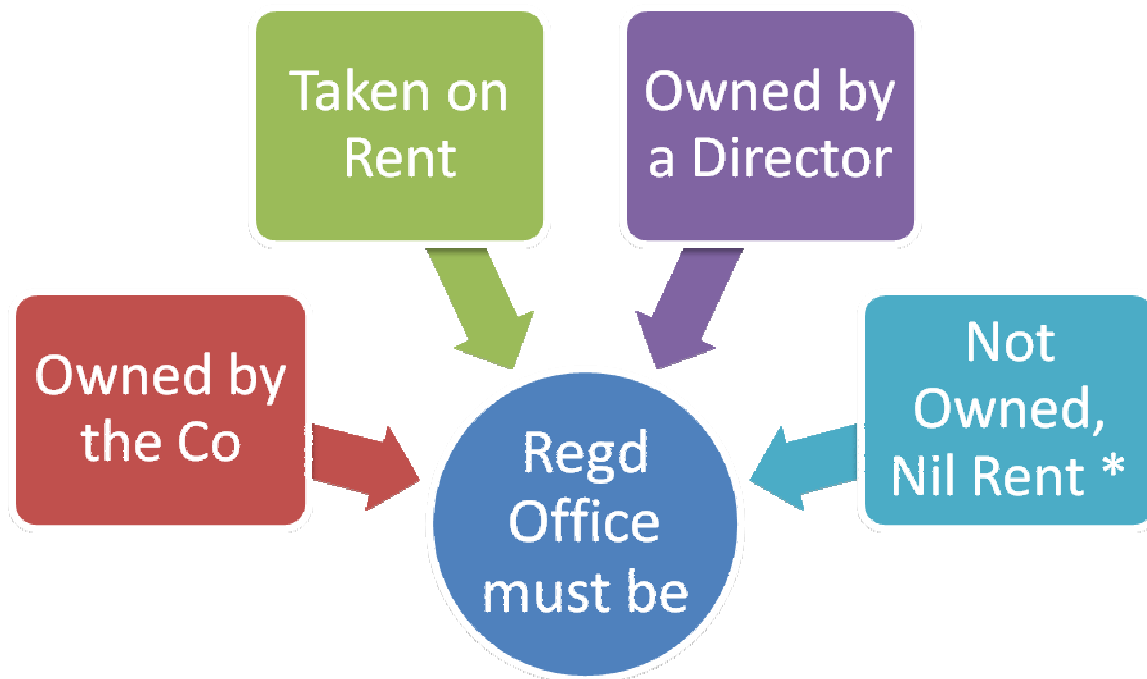
Dear FSIA Members,

Recent Changes in Companies Act Requirements


Form 18 : Address Verification

Source: [http://www.mca.gov.in/Ministry/pdf/G.S.R\(E\)_DIN1_24dec2012.pdf](http://www.mca.gov.in/Ministry/pdf/G.S.R(E)_DIN1_24dec2012.pdf)





- (*) If it is case 4 = “Not Owned, NIL Rent”, then , requirements are more difficult, and No objection Certificate is required along with “evidence” and visit report of the CA, that even if you don’t own it, even if you don’t pay rent, even director does not own it, yet you use that premises.

	<p>Government is coming down on companies with “Dummy” Registered Offices</p>
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So, as per revised Form 18

- Case 1 : Owned by company = Then attach the copy of Registry to the Form 18
- Case 2 : Rented by company = Then attach the copy of Lease Deed to the Form 18
- Case 3 : Owned by Director = Then attach the copy of Registry in name of Director to the Form 18
- Case 4 : Owned by Others and not on rent = ??

Additional Responsibility casted on your professional friends



CA / CWA / CS will have to personally visit your premises



Certify that he has visited and verified that this company does actually exist at this location


He/she has to specifically state that

“I further certify that I have personally visited the new address, verified it, and I am of the opinion that the premises, are indeed at the disposal of the applicant company”.

How do you interpret the change ? =

Case 1 = Beneficial to you

<p>For Government</p>	 <p>good idea</p>	<p>Now, it will be easy to nab fly by night operators. Dummy addresses will be more difficult. Not possible except under grave collusion of all concerned</p>
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<p style="text-align: center;"><u>As investor</u></p> <p>You as an Investor of a company → into its Fixed Deposits, in Debentures, in Equity Shares etc</p> <p>Again , good idea, since now investor can rely that address actually exists.</p>		<p style="text-align: center;"><u>As Creditor</u></p> <p>You are more certain of your customer's true long term address.</p> <p>Please note that in many Cheque Bouncing cases, defaulting companies cases, it is observed that the Notices are returned unserved since that so called Regd office sometimes does not exist anymore.</p>
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Case 2 = How do you interpret the change ? When you yourself are the "company" ?

For example, many companies, across India, have their offices in Delhi or Mumbai, whereas actually, their business is run at/from Faridabad, or Gurgaon, or Peethampur, or Baddi, or Paonta Sahib , and so on.

In this case, if your Delhi office is Owned/owned by Director/Rented/actually in use, then no worries But, if it a "name-sake" office, then you are not complying with law.

Solution

<ul style="list-style-type: none"> • Take a property on Rent "officially" 	<ul style="list-style-type: none"> • Shift to your own Factory / Residence
<p>Solution 1</p> 	<p>Solution 2</p> 

Next news

Form DIN-1 : Director's Verification

[http://www.mca.gov.in/Ministry/pdf/G.S.R\(E\)_DIN1_24dec2012.pdf](http://www.mca.gov.in/Ministry/pdf/G.S.R(E)_DIN1_24dec2012.pdf)

In another Novelty, the Government has notified New Form DIN-1. This is a compulsory form for anybody to become a Director of any Indian Company. Some new (and some existing) notable points

1. Income Tax Permanent Account number is compulsory.
2. A CA / ICWA / CS has to personally certify that
 - a. Photograph attached is of the Director, and **I know him personally** ; or
 - b. He has **met me personally**, along with **Original Identity Proofs**
3. If any DIN is not activated in 365 days, they will be automatically deactivated.
4. Affidavit, duly notarized containing important assertions, like identity, address etc are attached
5. Example one line says "... (My)... address, and documents attached as Address proof are Correct beyond all reasonable doubts"

Next news

Form DIN-4 : Verification of DIN details by CA/CS/CMA

Similar to the Changes in DIN-1, similar onus is now on your CA/CS to certify that your Directors actually exist, your office actually exists, they have met you, they have visited your office and so on.

FSIA comment

Apparent intention of the Government

The intension of government is quite clear. These forms existed for last 40 years, but were quite basic. And the Government recently has decided that some unscrupulous people are taking the system for a ride, so these new guidelines.

Note, the actual fair companies will not face any problems. They have to request their Professional CA / CS to do the needful. Where required, you may have to change your address to a more fair address, to comply with the guidelines.

Should the I-am-SME-of-India members Worry ?



Yes and No.

Don't worry, if you already comply with law.

Yes, since you are yet to comply with law.

- Some people are just using their relatives residential address. They will be in problem.
- Some are using their CA's office.
- Some people have property but have rented it away fully. So it is not allowed.

Site visit is also required, and things must be made ok, both at ground and in spirit.

This is just a verificatory procedure. If you are already ok, then you don't have to worry at all.

Some Tips and Reminders

- 15th Jan 2013 = Last date for TDS returns for October – Dec 2012 quarter
- End of Jan = Last date for Sales tax returns for Oct –Dec 2012 quarter
- Staff TDS = review , call for 80C LIC, NSC , housing loan supports, else warn them for TDS deduction based on evidences already filed. Tell them that Insurance companies will be most happy, if you make the payment due for March 13, in Jan 2013.
- Make Provisional Balance Sheets, and review the advance tax paid, if balance, pay now
- Review your ERP software, if you should upgrade, do it NOW.

For queries, suggestions and feedback , you can e-mail us

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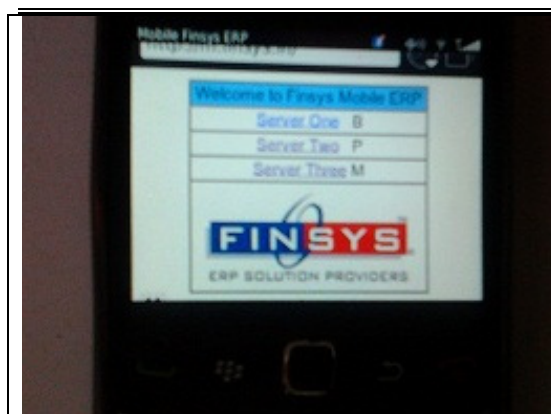
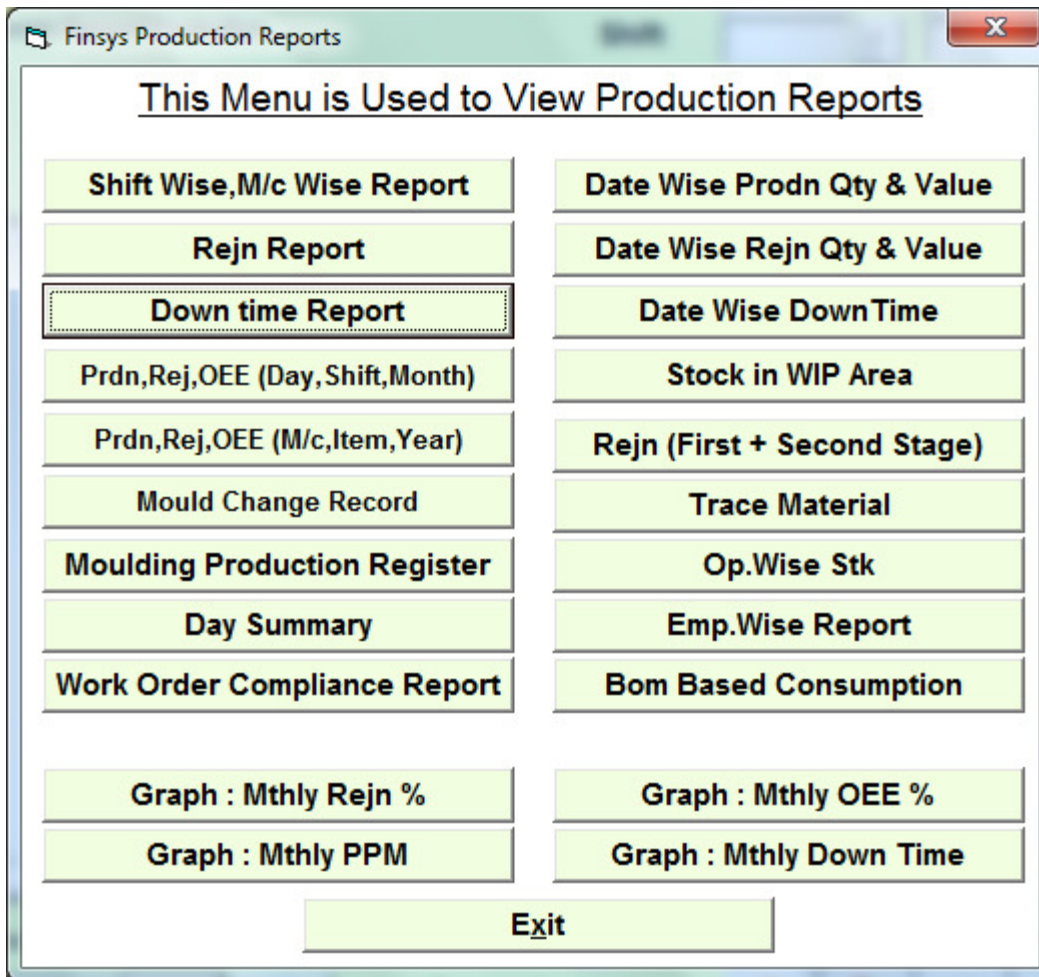
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