

E-circular dated 16<sup>th</sup> March 2019

**Integrated Association of Micro, Small & Medium Enterprises of India**

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Rajive Chawla  
Chairman, IamSMEofIndia

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Sangeet Kr Gupta  
Hon. Consultant,  
IamSMEofIndia

Dear Members,  
Contents

1. Important ROC Compliances you have to do
  - a. Active
  - b. MSME
  - c. BEN-2
2. Some GST Alerts
  - a. GSTR2A reco, fast
3. No need of GST on TCS. Example on Scrap. Govt has clarified, issued corrigendum.

attention  
to  
**detail**

Now in detail

## 1. **ACTIVE Form for MCA**

- New form INC-22A,
- Started first time ever in 2019, Started : Feb 2019
- Last date : 25-4-2019
- Nature : 100% compulsory for every company
- Required by Ministry of Company Affairs

Purpose	Penalty
<ul style="list-style-type: none"> <li>To see whether your Registered office is Real or FAKE</li> <li>Needs photo of the Premises from the outside , and</li> <li>Also the photo of Office inside with MD sitting in the Chair in that office</li> </ul>	<ul style="list-style-type: none"> <li>Company will be marked as "Non Active".</li> <li>Action for Striking off possible.</li> <li>Company will be locked from filing many forms</li> <li>Minimum Penalty : Rs 10000 if form is not filed in Time</li> </ul>

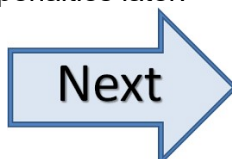
Details : <https://taxguru.in/company-law/mca-e-form-active-inc-22a-filed-before-25-04-2019.html>

### Possible Reason and intention of Govt

Some companies have kept addresses at Delhi/Mumbai at unknown addresses, where they don't exist in real sense. The Govt and Creditors later find it difficult to serve notice. And the Country suffers. So, the Govt wants you be inform your actual address. Should not be difficult, for any genuine business entity.

In case of any doubt, please do contact your friendly CA / CS.

Better to take guidance, than to suffer penalties later.



## 2. **MSME Form 1**

- New form, also started first time ever in 2019, Started : Feb 2019
- Last date was 22-2-2019 (Now 30 Days after deployment of E Form)
- Nature : 100% compulsory for every company with any creditor.
- You have to file a return every 6 months, showing all the creditors from MSME (Micro and Small sector), whom you have not paid within 45 days of the acceptance of goods/services.
- If not paid, then Three times, the bank interest, ( example around 20% p.a. ) rate of interest to be paid to them
- And this interest will also be disallowed in Income tax ( as a penalty )

Purpose	Penalty for non compliance
To see whether the company is paying its MSME Creditors in Time	On company-Rs 25000/- On Directors-Imprisonment up to 6 months and fine not less than Rs 25000 up to Rs 300000 per person

Source : <https://taxguru.in/corporate-law/note-msme-notification-reporting-mca.html>

#### **Possible Reason and intention of Govt**

Some companies were not paying due funds to MSME in time. Sometimes even the contracts and Purchase orders were being made with payment due after 90 days, or even more. So, this became a crushing pressure on MSME's. Either to agree to demands of the customers ( and suffer interest costs) or to be out of business.

The Govt has sought to create a pressure on the companies by this form. Pressure to pay in time. And this time is only 45 days from the date of acceptance of Goods and services . Deemed to have been done, if objection not raised within 15 days of actual receipt/bill.

#### **Tension possible**

If you don't file the form there is a problem

If you file it as nil, again problem

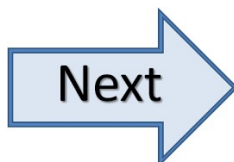
And if you file with all details, again problem possible.

So,

In case of any doubt, please do contact your friendly CA / CS.

Better to take guidance, than to suffer penalties later.

Next



### **3. Deposits & Loans Return**

- a. Form e-DPT-3,
- b. Last date : 90 days...
- c. 30<sup>th</sup> June every year in future.
- d. Nature : 100% compulsory for almost every company with any Family Loan / Bank Loan / Car Loan / NBFC / Company Deposit / Customer advance/ unsecured loans / employee loans / many other conditions .
- e. If not paid, then around 36% p.a. rate of interest to be paid to them
- f. And this interest will also be disallowed ( as a penalty )

Purpose	Penalty for non compliance
To see whether Borrowings were ok or not ? from Deposit Angle	Section 76A and Rule 21... minimum penalty Rs. 1 crore..up to Rs. 10 crore. Fine Rs 5000, plus Rs 500/day

Source :

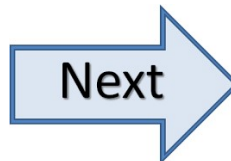
<https://www.moneylife.in/article/mca-wants-companies-to-declare-unpaid-non-deposits-without-revealing-its-intention/56208.html>

#### **Possible Reason and intention of Govt**

Again, despite the Companies Act 2013. Despite the Ban on companies taking loans from the public. There were problems of (a) Unscrupulous companies taking deposits and running away depositors money. (b) Some unscrupulous people circumventing law in form and spirit both.

So, the Govt has asked you to do your own audit of last 4 years and come clean  
You have to see your own non compliances and be ready  
File for condonation, or face more problems,  
It is expected that the ROC may also start sending individual notices for non compliances. Now they have their own team of Hundreds of CA's and CS's who are sitting inside MCA and are busy checking your balance sheets... whether they complied with law or not.

In case of any doubt, please do contact your friendly CA / CS.  
Better to take guidance, than to suffer penalties later.



#### **4. Beneficial Ownership – MCA New Return**

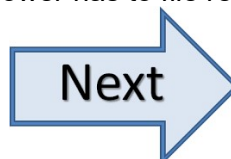
- New MCA form BEN-1 and BEN 2
- Also started first time ever in 2019, Started : Feb 2019. New form awaited
- Last date : 30 days...
- Nature : 100% compulsory for anybody with beneficial / indirect shareholding
- Example for Holding companies

Purpose	Penalty for non compliance
To see who is the Real owner of Shares	Std MCA Non compliance penalties / Late fee Rs 100/day

<https://knnindia.co.in/news/newsdetails/sectors/mca-amends-significant-beneficial-ownership-sbo-rules-for-companies>

#### **Possible Reason and intention of Govt**

Some people are controlling large real estate, and businesses, but by hiding behind layers of Companies and Trusts. So, with this form, the Govt wants to know the real owners. Anybody owning more than 10% Equity/voting power has to file relevant forms.



#### **5. NFRA – MCA Auditors – new Return**

- New MCA form – for all Pvt Limited / Ltd Companies only
- National Financial Reporting Authority
- To see the compliance of Accounting Standards
- More about this in our future E-circular.

#### 6. Yearly Verification of Directors(E Form DIR-3 KYC)

- Same as last year
- Started last year, to be done every year in April
- Each director / any person holding a DIN number has to do a human video verification, so that the Govt's Super computer knows that you are there.

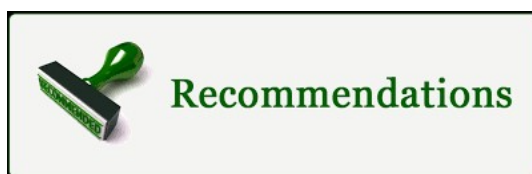
#### 7. GST Audit Return

- New Annual Return : Section 44 of the CGST Act
- Form number GSTR-9, and 9C.
- Also started first time ever. Last date : 30-6-2019 ( for the FY 17-18)
- Nature : 100% compulsory for most GST assessee's ( Turnover over Rs 2 crores )

Purpose	Penalty for non compliance
To see GST laws complied with or not ?	E-way bill facility will be blocked Penalty of Rs 200 /day Max upto 0.25% of Turnover, If Turnover is Rs 50 Crores, Penalty upto Rs 12.50 lakhs

Source :

<https://www.alerttax.in/gst-annual-return-gstr-9-dates-penalty-audit-limit-more/>  
<https://www.caclubindia.com/articles/gst-annual-return-and-audit-35143.asp>



#### I-SME-of-India Advice and Recommendation

We advice all members to Take appropriate actions asap  
Contact your CA / CS and get the job done asap.

Avoid last minute rush

Even if the Form is not available, at least get your data ready

Even if the last date is some weeks / months away ( due to extension ). Get Ready.

Kindly note , all these responsibilities are NEW in nature.



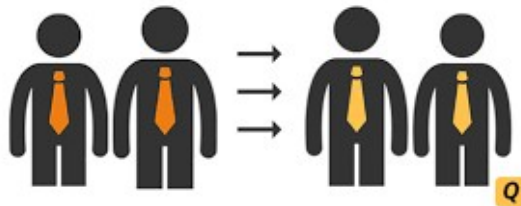
- If your Consultant requests for Additional Professional Charges for these services, there is no harm.
- He/She also has to devote a lot of energy on handling these activities.
- The liabilities and penalties have been made very heavy on CA's , CMA's and CS's ... if any of your task certified by them is proved "not ok" later on.



**In case you are not seeing the Benefit in keeping your Business as a Pvt Limited company anymore....**



**PRIVATE LIMITED COMPANY TO LLP**



**If you desire, Association can help your company convert from  
Private Limited company to LLP  
( conditions apply )**

**or**

**You may consider, even shift Business Org. form to Proprietorship / Partnership  
You can take professional help to "Close down" your Private Limited company  
If you so desire.**

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

Sangeet Kumar Gupta, FCA, DISA, ACMA, PGDMM, B.Com(Hons), Honorary Consultant, Integrated Association of Micro Small and Medium Enterprises of India and Faridabad Small Industries Association, 93126-08426, Camp Off : TB-06, 3<sup>rd</sup> Floor, Crown Plaza, Sector-15A, Faridabad, Haryana 121007 skgupta[at]finsys.in

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For personalised suggestions, and solutions, contact our I am SME of India Team and Consultants

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#### **“MY MISSION 100” AIMS TO UPSCALE 100 MSMEs TOUCH 100+ CR MARK AT \*NET NIL FEE**

“My Mission 100” aims to upscale 100 MSMEs touch 100+ cr mark within 1-3 years!

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- Specially for Tier-2 ancillary units aiming to expand fast and
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Selection is based upon assessment by the Experts.

Units which have potential to grow 2 to 10 times within 3 years shall be selected.

In next five years, we aim to add Rs.20,000 crore wealth for the nation by creating 100 great success stories where Micro and Small units scale up to Rs.200 crore or more.

To join, SMS “Target 100+” to 9711123111,

Or call

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\*T&C Apply

Businessman's Balance Sheet is his Janampatri... for Access to Loans and Expansion.  
Snaps from the Successful session on 23-2-2019 at IamSME Habitat Centre



### **Essentials of Good Financial Statements**

Financial Statement is your Business Horoscope that defines its future. So compose it well. Understand the unforeseen Financial Risks in Business and how to minimise such Risks

### **बैलेंसशीट हमारे व्यापार का भविष्यफल है...**

आओ इसे सुनें और लिखें! व्यापार सम्बंधित भविष्य में उत्पन्न हो सकने वाले अदृष्ट एवं अनिश्चित वित्तीय खतरों को समझें व कैसे कम करें

IamSMEofIndia  
presented

### **Essentials of Good Financial Statements**

Financial Statement is your Business Horoscope that defines its future. So compose it well. Understand the unforeseen Financial Risks in Business and how to minimise such Risks

**Chief Guest: Dr. H.P. Kumar, Ex-CMD, NSIC**

Speakers:

**Mr Rajive Chawla, Chairman, IamSMEofIndia. & CA Sangeet Kr Gupta**

23rd February 2019, Saturday

11am – 1.00 pm, IamSMEofIndia Habitat Center, Sector 11, Mathura Road, Faridabad

More information at <http://finsys.co.in/i-am-sme-of-india-with-finsys>

Some stills from the Interactive session.  
Interesting session  
With good member participation

Mr Sangeet Kr Gupta  
Mr Rajiv Chawla and  
Mr H P Kumar, former MD, NSIC  
On the Dias







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