dvmgopal & associates
Company Secretaries

Newsletter

October - 2021

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Setting up of Overseas Office

- Firms/Companies in India desiring to open offices abroad (even for promotion of their exports) - submit applications to their AD bankers in **Form OBR**.
  - ✓ Along with the particulars of their turnover duly certified by their auditors
  - ✓ Declaration to the effect that they have not approached/would not approach any other authorised dealer for the facility being applied for.

- Authorised dealers may release exchange towards initial expenditure as also for recurring expenses of the office as under, provided the applicant fulfils the following conditions:

Category	Initial Expenditure	Recurring Expenditure (per annum)
a) EEFC Account	No limit for remittances out of EEFC funds	No limit for holder's remittances out of EEFC funds
b) Others (No account/insufficient balance)	Up to 2% of their average annual sales/income turnover during last 2 years.	Up to 1% of their average annual sales/income turnover during last 2 years.

Applications from firms/companies who do not satisfy the above conditions shall be made in form OBR to the Regional Office under whose jurisdiction the Registered/Head Office is situated. The applicant should justify the need for setting up the office.

- Prohibition on setting up of offices and meeting their expenses from the any of the following

100% EOUs or Units in EPZs and Hardware/Software Technology Parks

In the case of newly established 100% EOUs or Units in EPZs and Hardware/Software Technology Parks,

- First 2 years - exchange may be released as per their estimated requirements for both expenses on verification of suitable documentary evidence
- From third year onwards - exchange may be released as per item (a) or (b) above.
- Thus, for first two years such units can get more foreign exchange released than the limits for other Indian companies.

Remittances towards actual retainer fees allowed to the overseas agents

Engaged for rendering services for promotion of exports by Indian firms/companies provided

(a) the applicant does not have a non-trading/trading office
(b) the eligibility criteria as stated in (i) above is satisfied and
(c) the amount of retainer fee is within the ceiling fixed for recurring expenses.

Grant of GR waiver in respect of such exports.

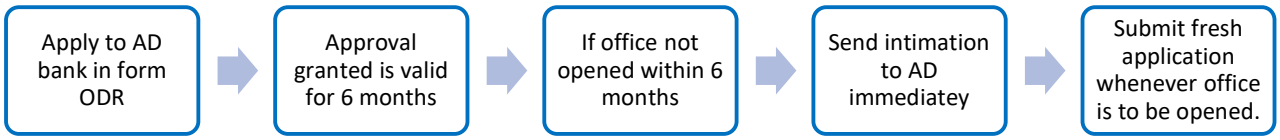
Firms/companies wishing to take Indian goods such as floor covering, furniture and other items for office use may approach Reserve Bank.

While issuing approval the following terms and conditions should be advised to the applicant.

- Overseas office should **not** create any financial liabilities contingent or otherwise for the Head Office in India.
- Use the exchange released by the authorised dealer for the purpose(s) for which it is released. The unused exchange may be repatriated to India under advice to AD.
- Report the details of bank account opened in the overseas countries to AD.

Profits, if any, earned by the overseas office/s should be repatriated to India

- **Procedure**



- **Compliances post release of exchange**
  - Submit statement showing details of initial expenses incurred together with suitable documentary evidence, wherever possible, within 3 months.
  - Submit annual accounts of office abroad as certified by Auditors

- **Compliances to be carried out by AD**
  - Send report of permission granted for opening of office in **form ORA** on a monthly basis to the Regional Office of Reserve Bank within 10 days from the close of month.
  - Obtain from the applicants a statement in **form ORR**, where remittances are made from EEFC accounts. Send copies of **ORR** statements to Reserve Bank after adding their certification alongwith the monthly statements in form ORA.
  - Keep records relating to the remittance facilities in a systematic manner to facilitate inspection.
  - Send `nil' statement in form ORA even if no permission is granted during the month

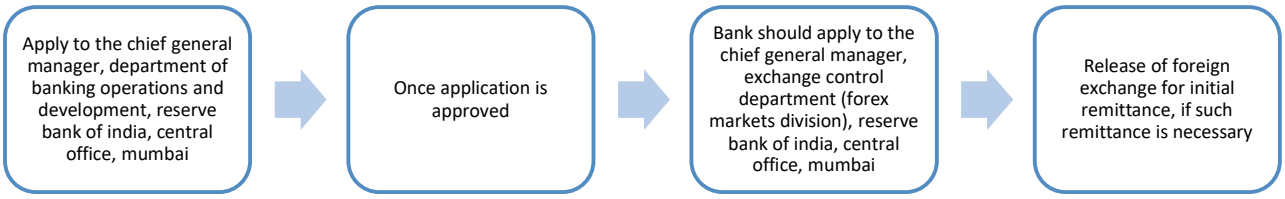
- **Renewal of remittance facility**
  - Can be renewed after 2 years if proper accounts of utilisation are furnished to AD.
  - **Exemption**: Firms/companies having trading offices abroad operating on 'no remittance' basis or maintained out of funds in EEFC accounts. However, annual statements should be submitted to AD.

Temporary Site/Project Offices Abroad

- Indian firms/companies executing contracts/projects abroad with the approval of the appropriate authority are permitted under a general permission granted by Reserve Bank to set up site/project offices abroad provided that such offices are maintained out of project receipts and remittances from India are not required.
- These offices are required to be closed down and surplus foreign exchange earnings repatriated to India after completion of the project.

Branches of Indian Banks abroad

Indian banks can open branches only with permission of Reserve Bank under Section 23 of the Banking Regulation Act, 1949 as per the follows:



- *Opening of representative offices abroad by Indian banks also requires permission of both the Department of Banking Operations and Development and the Exchange Control Department of Reserve Bank.*

Monthly Updates

Companies Act

Provision	Amendment
AGM due date – 30.09.2021	MCA has granted general extension to all companies to hold AGM upto 30th November, 2021 i.e. extension of 2 months from the original due date (30.09.2021)
Filing of cost auditor report within 180days **from the closure of the financial year**	However, the Companies which have got extension of time of holding AGM, may file **Form CRA-4** within resultant extended period of filing financial statements under section 137 of the Companies Act, 2013.

Compliance Calendar

INCOME TAX				
Compliance details	Applicability	Reporting period	Due Date	Form
Deposit of Tax Deducted	Non-government deductors	September, 2021	7th October, 2021	Challan 281
Issue of TDS certificate u/s 194IA 194IB and 194M	All deductors	August, 2021	15th October, 2021	Form 16B & 16C
TCS return	All TCS collectors	July-Sep 2021	15th October, 2021	Form 27EQ
Challan-cum-statement for TDS u/s 194IA , 194IB and 194M	All deductors	September, 2021	30th October, 2021	Form 26QB & 26QC
Quarterly TCS certificate	All TCS collectors	July-Sep 2021	30th October, 2021	
Quarterly statement of TDS	All TDS deductors	July-Sep 2021	31st October, 2021	Form 24Q,26Q and 27Q
Filing of Audit report under section 44AB	All assesses who have covered under section 44AB	F.Y. 2020-21	31st October, 2021	Form 3CA-3CD
Monthly Return for Profession Tax more than 50,000/-	Entities registered with PT Authorities	September, 2021	30th October, 2021	Through State-Wise PT Portal

GST				
Compliance details	Applicability	Reporting period	Due Date	Form
Return of outward supplies of taxable goods and/or services	GST Taxpayers who have not opted for QRMP scheme	September, 2021	11th October, 2021	GSTR 1
Return of outward supplies of taxable goods and/or services	GST Taxpayers who opted for QRMP scheme	September, 2021	13th October, 2021	GSTR 1
Summary Return of Outward and Inward Supplies along with payment of Tax	GST Taxpayers who have not opted for QRMP scheme	September, 2021	20th October, 2021	GSTR 3B
Summary Return of Outward and Inward Supplies along with payment of Tax	GST Taxpayers who opted for QRMP scheme	September, 2021	22nd October, 2021	GSTR 3B
Return for Details of Supplies and the amount of tax collector	E-commerce Operator	September, 2021	10th October, 2021	GSTR 8
Return for TDS under GST	Government Authorities	September, 2021	10th October, 2021	GSTR 7
Return for details of ITC received and distribution	Input Service Distributors	September, 2021	13th October, 2021	GSTR 6
Summary Return of Outward taxable supplies and tax payable	Non-Resident GST Taxpayers	September, 2021	20th October, 2021	GSTR 5 & 5A
Return for details of goods and services purchased in India	Taxpayer claiming Refund & having UIN	September, 2021	28th October, 2021	GSTR-11

Companies Act and FEMA				
Compliance details	Applicability	Reporting period	Due Date	Form
Micro, Small and Medium Enterprises (Form MSME-1)	Applicable to Specified Companies whose payment to MSMEs suppliers exceed 45 days from the date of acceptance or deemed acceptance of the goods or services as per the provisions under section 9 of the MSME Development Act, 2006.	1st April 2021 - 30th Sep 2021	30th Oct, 2021	MSME-1
Reporting of actual transactions of External Commercial Borrowings	all categories of ECB, accepted	September, 2021	7th October, 2021	ECB-2 Return

(ECB) through AD Bank under FEMA	

SEBI (LODR) Regulations

Compliance details	Applicability	Reporting period	Due Date	Form
Quarterly Compliance Report on Corporate Governance.	It shall not apply, in respect of - (a) the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year: (b) the listed entity which has listed its specified securities on the SME Exchange.	1st July, 2021- 30th Sep 2021	21st Oct, 2021	As per the format specified by SEBI under Regulation 27 (2)
Statement of Investor complaints.	All Listed Entity	1st July, 2021- 30th Sep 2021	21st Oct 2021	As per the format specified by SEBI under Regulation 13 (3)
A statement showing holding of securities and shareholding pattern separately for each class of securities.	All Listed Entity	1st July, 2021- 30th Sep 2021 (For SME Listed)	21st Oct 2021	As per the format specified by SEBI under Regulation 31
Submit Reconciliation of Share Capital Audit Report on a quarterly basis to the stock exchanges	All Listed Entity	1st April 2021 - 30th Sep 2021	30th Oct, 2021	As per the format specified by SEBI under Regulation 76 of SEBI (DP) Regulation

Labour Laws

Compliance details	Applicability	Reporting period	Due Date	Form
Deposit of Provident Fund Contributions	Entities registered with PF Authorities	September, 2021	15th October, 2021	Monthly ECR
EDLI Return (Employees Deposit Linked Insurance)	All companies and firm deducting PF	September, 2021	25th October, 2021	
Deposit of E.S.I.C Contributions	Entities registered with ESIC Authorities	September, 2021	15th October, 2021	Monthly ECR