



ANNUAL COMPLIANCE CALENDAR

Multi-National Corporation (MNC)

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BACKGROUND:

In this Flash editorial, the Author begins by referring to the provisions of Companies Act, 2013, read with all the Amendment Acts and rules mentioned there till March 2024.

As per the latest amendments, Companies requirements for the compliances have been changed in comparison to the compliance requirement as on 01st April 2014 when the Companies Act, 2013 came into effect.

After the commencement of the Companies Act, 2013, from 01st April 2014 the compliance requirement of the Companies has been increased.

But after 5th June 2015 and 13th June 2017 “EXEMPTIONS” have been provided to the Private Limited Companies. After all those exemptions, the status of the Private Limited Companies under the Companies Act, 2013 more or less is equal to Status in Companies Act, 1956.

Meaning of a Multi-National Corporation (MNC):

A multinational corporation (MNC) is a company that has business operations in at least one country other than its home country and generates revenue outside of its home country.

Any company incorporate in India as Subsidiary or wholly owned subsidiary of foreign company shall consider as Multinational Company.

KEY TAKEAWAYS

- Multinational corporations conduct business in two or more countries.
- An MNC can have a positive economic effect on the countries in which it operates.
- Investing in a multinational corporation is a way to add international exposure to a portfolio.
- A centralized headquarters is responsible for coordinating activities across branches.
- The history of MNCs finds its roots in colonialism and imperialism. One of the earliest known MNCs in India is the British East India Company (EIC) established by the Charter Act of 1600.

Meaning of a Private Company:

As per Section 2(68) “Private Company” means a Company, which by its

Article, -

- (I) restricts the right to transfer its shares.
- (ii) Limits the number of its members to 200; and
- (iii) prohibits any invitation to the public to subscribe for any securities of the Company;

Note: -

1. Joint holders shall be counted as one.
2. (A) Employees holding shares; and
(b) Person formerly in employment, who were the members during such employment and still continue to be the members shall not be counted in the limit of 200.

Private Limited Company can be incorporated with any amount of Capital, it may be from Rs. 2 to Rs. Infinite.

Important Features of Private Limited Companies - Subsidiary of Company Incorporated outside India (Foreign Subsidiary):

- i. No need of Minimum Capital Requirement
- ii. Company has to file RBI Returns Annually i.e. FLA
- iii. The shareholder shall be foreign Company, therefore in AGM their authorized representative shall be present.
- iv. Have been allowed to accept the deposits from the members without the requirement of the offer circular and creation of deposit repayment reserve etc. Maximum of 100% of the aggregate of its paid-up capital and free reserves (which does not include securities premium).
- v. No Need of filing of the Board Resolutions (MGT-14) with the ROC for the purposes mentioned under Section 179(3).
- vi. Even if, the Member is related then also he can vote on such resolution which is required to pass u/s 188 in GM.
- vii. All such Private Company must have their shares in Demat.

**ANNUAL COMPLIANCES FOR
Multi National Company - MNC:**

S. No.	Forms	Section & Rules	Particular of Compliance	
QUARTER – I - APRIL TO JUNE				
1.	Receipt of MBP-1 (DG)	184(1)	Form MBP- 1	Every Director of the Company in the First Meeting of the Board of Director in each Financial Year shall disclose his

				interest in the other entities.
				Every Director is required to submit with the Company a fresh MBP-1, whenever there is a change in his interest from the earlier given MBP-1. MBP-1 is not required to file with ROC.
2.	Receipt of DIR- 8 (DG)	164(2) 143(3)(g)	Form DIR - 8	Every Director of the Company in each Financial Year will submit with the Company disclosure of non-disqualification.
3.	Half Yearly Return (DG)	Section 405	MSME-1	Delay in the Payment to MSME Vendor: Company has to file this return half-yearly in respect of pending payments to the MSME vendors as at end of half-year. (only for payment pending/ made after 45 days)

				<ul style="list-style-type: none"> • October to March - 30th April • April to Sep - 31st October
4.	Half Yearly Return (May) (DG)	Rule 9A (3)	PAS-6	<p>Reconciliation of Share Capital Audit Report. Company is required to submit the reconciliation share capital Audit report with the ROC audited by a practicing Company Secretary as at end of half-year:</p> <ul style="list-style-type: none"> • October to March - 30th May • April to Sep - 30th November
5.	Yearly Return (June) (DG)	Section 73 Rule 16	E-form DPT-3	<p>Return of Deposit: Company is required to file this form every year on or before 30th June in respect of return of Deposit and Particulars not considered as Deposit as on 31st March.</p>

QUARTER – II - JULY TO SEPTEMBER

6.	RBI Return - FLA	FEMA	The FLA Return must be filed by July 15 th of each year, reflecting the financial status as of the end of the previous March 31 st .
7.	Approval of Financial Statement (DG)	134	Preparation and Approval of Financial Statement. The auditors' report shall be attached to every financial statement
8.	Directors' Report (DG)	134	Directors' Report shall be prepared by mentioning all the information required for the Company under Section 134 read with relevant rules and relevant provisions of other Act.
			It should be signed by the "Chairperson" authorized by the Board, where he is not so authorized by at least 2 Directors, one of them should be a MD if there is any.
9.	Holding of AGM (DG)	96	Every company shall in each year hold in addition to any other meetings, a general meeting as its annual general meeting. it shall be held within a period of six months, from the date of closing of the financial year.

10.	Notice of AGM (DG)	101 & SS-II	Every Notice of the Annual General Meeting will be prepared as per Section 101 of the Companies Act, 2013 and Secretarial Standard – II.	
11.	Circulation of Notice of AGM (DG)	101 & SS	Notice of the Annual General Meeting will be sent to all the: <ul style="list-style-type: none"> • Directors, • Members, • Auditors • Debenture Trustees, if any 	
12.	Circulation of Financial Statement & other relevant Doc (DG)	136	Company will send to the members of the Company approved Financial Statement, Directors’ Report and Auditors’ Report at least 21 clear days before the Annual General Meeting. In case the AGM is called on shorter notice then above mentioned documents shall be circulated on such shorter period. For holding of the AGM on shorter notice, companies need to take the proper approvals as per the Act.	
13.	Annual Form (DG)	Rule 12A	DIR-3 KYC	KYC of Directors: All the Directors of the Company shall file this form on or

				before 30th September every year.
QUARTER – III - OCTOBER TO DECEMBER				
14.	Annual Form (DG)	137	E-form: AOC-4	Financial Statement: Company is required to file its Balance Sheet along with the Statement of Profit and Loss Account, Cash flow statement, Directors' Report and Auditors' Report in this form within 30 days of holding of the Annual General Meeting.
				Attachment: Balance Sheet, Statement of Profit & Loss Account, Cash Flow Statement, Directors' Report, Auditors' Report and the Notice of the AGM
15.	E- Forms Filing Requirements Annual Form (DG)	92	E-form: MGT-7	Annual Return: Every Company will file its Annual Return within 60 days of holding of the Annual General Meeting. Annual Return will be for

				<p>the period from 1st April to 31st March.</p> <p>Annual Return of Every Private Company (Except Small Company) should be signed by a Company Secretary in Practice.</p>
16.	Certification of Annual Return (DG)	92	MGT-8	Private Company having paid-up share capital of 10 Crore or more or turnover of Rs. 50 crore or more shall be certified by a Company Secretary in Practice and attach with MGT-7.
<p>QUARTER – IV - JANUARY TO MARCH</p> <p>There is no mandatory compliance for this quarter.</p>				
17.	Board Meetings (DG)	173 & SS-I		Every Company shall hold a minimum number of FOUR meetings of its Board of Directors every year in such a manner that maximum gap between the two meetings should not be more than 120 (One hundred twenty) days.
18.	Maintenance of Statutory Registers	88 and other sections		<p>Company will maintain the following mandatory Registers:</p> <ul style="list-style-type: none"> • Register of Director,

	(DG)		<ul style="list-style-type: none"> • Registers of Director Shareholding, • Registers of Members • Registers of Transfer • Registers of Related Party transaction etc
19.	Appointment of Auditor (DG)	139	<p>E-form ADT-1</p> <p>The Auditor will be appointed for 5 (Five) years and form ADT-1 will be filed for 5-year appointment within 15 days of the Annual General Meeting.</p>

Above mentioned 18 (Eighteen) Compliances are mandatory annual compliances for the Private Company.

Except above 18 (Eighteen), there may be event-based compliances for the Private Company.

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