

Sample Compliance Checklist

FOR INDIAN SUBSIDIARY OF FOREIGN COMPANY

1. INCORPORATION & INITIAL COMPLIANCE REQUIREMENTS

Pre-Incorporation

- ☐ Digital Signature Certificate (DSC) – Obtain DSC for all directors
- ☐ Director Identification Number (DIN) – Apply for DIN for all directors
- ☐ Name Reservation – Reserve company name through RUN (Reserve Unique Name) service
- ☐ Memorandum of Association (MOA) – Draft and file MOA
- ☐ Articles of Association (AOA) – Draft and file AOA
- ☐ Certificate of Incorporation – Obtain from ROC

Post-Incorporation (within 180 days)

- ☐ PAN Application – Apply for Permanent Account Number
- ☐ TAN Application – Apply for Tax Deduction Account Number
- ☐ Bank Account Opening – Open corporate bank account
- ☐ GST Registration – Register under GST (if turnover threshold exceeded)
- ☐ Professional Tax Registration – Register with state authorities

- ☐ Shop & Establishment License – Obtain from local municipal authority
- ☐ EPFO Registration – Register with Employees' Provident Fund
- ☐ Organization
- ☐ ESI Registration – Register with Employees' State Insurance Corporation
- ☐ Factory License – If manufacturing activities (under Factories Act)
- ☐ Pollution Control Board Clearances – If required based on business activities

FEMA Compliance for FDI

- ☐ FDI Reporting – File Form FC-GPR within 30 days of allotment of shares
- ☐ ODI Approval – If any outward investment from India
- ☐ Downstream Investment Reporting – If subsidiary makes further investments

2. COMPANY LAW COMPLIANCES

Board Meetings & Resolutions

- ☐ Quarterly Board Meetings – Minimum 4 meetings per year with gap not exceeding 120 days
- ☐ Board Meeting Minutes – Record and maintain proper minutes
- ☐ Board Resolutions – Pass resolutions for all material decisions
- ☐ Circular Resolutions – Use when urgent decisions required between meetings

Director Related Compliances

- ☐ Independent Director Appointment – If required based on paid-up capital/turnover
- ☐ Woman Director Appointment – If company falls under specified criteria
- ☐ Directors' Training – Independent directors to undergo training
- ☐ Directors & Officers Insurance – Consider D&O insurance coverage
- ☐ Directors' Interest Register – Maintain register of directors' interests

Shareholder Meetings

- ☐ Annual General Meeting (AGM) – Conduct within 6 months of financial year-end
- ☐ Extraordinary General Meeting (EGM) – When required for special business
- ☐ Notice Period – Minimum 21 days notice for AGM, 21 days for EGM
- ☐ Quorum Requirements – Ensure proper quorum for all meetings
- ☐ Voting & Resolutions – Proper voting procedures and resolution passing

Registers & Records

- ☐ Register of Members – Maintain updated shareholder register
- ☐ Register of Directors & KMP – Update with any changes
- ☐ Register of Contracts – Maintain contracts with related parties
- ☐ Minutes Books – Separate books for Board and General meetings
- ☐ Common Seal Register – If company has adopted common seal

3. CORPORATE GOVERNANCE & SECRETARIAT COMPLIANCES

ROC Filings

- ☐ Form MGT-7 (Annual Return) – File within 60 days of AGM
- ☐ Form AOC-4 (Financial Statements) – File within 30 days of AGM
- ☐ Form DIR-3 KYC – Annual KYC for all directors
- ☐ Form MSC-1 – If any change in shareholding
- ☐ Form DIR-12 – For appointment/resignation of directors
- ☐ Form MGT-14 – For special resolutions and certain ordinary resolutions

Compliance Certificates

- ☐ Secretarial Compliance Certificate – If required under Companies Act
- ☐ Annual Compliance Certificate – Under various labor laws
- ☐ Environmental Compliance Certificate – If applicable to business

Corporate Governance Framework

- ☐ Board Charter – Define roles and responsibilities
- ☐ Audit Committee – Constitute if required
- ☐ Risk Management Framework – Implement risk assessment procedures
- ☐ Whistle Blower Policy – If company meets specified criteria
- ☐ Related Party Transaction Policy – For managing RPTs



4. AUDIT & ACCOUNTING COMPLIANCE

Statutory Audit

- ☐ Auditor Appointment - Appoint statutory auditor for 5-year term
- ☐ Audit Committee - If paid-up capital >₹10 crore or turnover >₹50 crore
- ☐ Internal Auditor - If required based on size criteria
- ☐ Cost Auditor - If engaged in specified manufacturing activities
- ☐ Secretarial Auditor - If paid-up capital >₹50 crore or turnover >₹250 crore

Financial Statements

- ☐ Books of Accounts - Maintain proper accounting records
- ☐ Financial Statements Preparation - Annual financial statements
- ☐ Board Approval - Board approval of financial statements
- ☐ Auditor's Report - Obtain statutory auditor's report
- ☐ Management Discussion & Analysis - If applicable

Accounting Standards

- ☐ Ind AS Compliance - If company meets specified criteria
- ☐ Accounting Policies - Document and consistently apply
- ☐ Related Party Disclosures - Proper disclosure in financial statements
- ☐ Segment Reporting - If applicable to business operations



5. FEMA & RBI COMPLIANCES

Foreign Investment Reporting

- ☐ Form FC-GPR – File within 30 days of share allotment/transfer
- ☐ Form FCRS – Return on Foreign Liabilities and Assets (annual)
- ☐ Form FLA – Foreign Liabilities and Assets return (if threshold met)
- ☐ Downstream Investment Reporting – Report investments made by subsidiary

External Commercial Borrowings (ECB)

- ☐ ECB Approval – Obtain approval/file under automatic route
- ☐ ECB-2 Return – Monthly return for ECB drawdown and servicing
- ☐ End Use Monitoring – Ensure compliance with end-use restrictions
- ☐ Hedging Requirements – Meet mandatory hedging norms if applicable

Transfer Pricing & Documentation

- ☐ Master File – If part of MNE group with specified turnover
- ☐ Country-by-Country Report – If ultimate parent meets criteria
- ☐ Local File – Maintain TP documentation
- ☐ Form 3CEAA – Accountant's report on international transactions

FEMA Compliance Certificates

- ☐ CA Certificate for FDI – Annual compliance certificate
- ☐ LLP-8 – If LLP structure is adopted
- ☐ Compliance with Sectoral Caps – Ensure FDI within prescribed limits



6. LABOUR LAW & EMPLOYMENT COMPLIANCE

Central Labor Laws

- ☐ Employees' Provident Fund – Monthly PF contributions and returns
- ☐ Employees' State Insurance – Monthly ESI contributions and returns
- ☐ Payment of Gratuity Act – Gratuity calculations and payments
- ☐ Employees' Compensation Act – Compensation for workplace injuries
- ☐ Contract Labour Act – If using contract workers (>20 employees)
- ☐ Payment of Wages Act – Timely wage payments and register

Employment Policies

- ☐ Standing Orders – If 100+ employees (Industrial Establishment)
- ☐ Sexual Harassment Policy – Internal Complaints Committee (if 10+ employees)
- ☐ Leave Policy – Comprehensive leave and benefits policy
- ☐ Disciplinary Policy – Clear disciplinary procedures
- ☐ Promotion & Transfer Policy – Fair HR practices

State-Specific Compliances

- ☐ Professional Tax – Registration and monthly payments
- ☐ Shop & Establishment Act – Registration and annual renewals
- ☐ Factory License – Annual renewal if manufacturing
- ☐ Trade License – Municipal corporation approvals
- ☐ Labor License – State-specific labor department registrations



Compliance Returns & Filings

- ☐ Form 5 (EPF) – Monthly ECR filing
- ☐ Form 6 (ESI) – Monthly contribution and return
- ☐ Annual Return (Factories Act) – If registered under Factories Act
- ☐ Contract Labor Returns – Half-yearly returns if applicable

7. TRANSFER PRICING & TAX COMPLIANCES

Income Tax Compliance

- ☐ Advance Tax Payments – Quarterly advance tax payments
- ☐ Income Tax Return Filing – Annual return filing (Form ITR-6)
- ☐ Tax Audit Report – Form 3CA/3CB if turnover > ₹1 crore
- ☐ Transfer Pricing Audit – Form 3CEB if international transactions > ₹1 crore
- ☐ TDS Compliance – Monthly TDS returns and payments

Transfer Pricing Documentation

- ☐ Master File – Detailed MNE group information
- ☐ Local File – Entity-specific TP documentation
- ☐ Economic Analysis – Benchmarking of international transactions
- ☐ TP Study Update – Annual update of transfer pricing study
- ☐ CbCR Filing – Country-by-Country reporting if applicable



GST Compliance

- ☐ Monthly GST Returns - GSTR-1, GSTR-3B filing
- ☐ Annual GST Return - GSTR-9 and reconciliation statement
- ☐ Input Tax Credit - Proper ITC claiming and reversal
- ☐ E-way Bills - For goods movement >₹50,000
- ☐ GST Audit - If turnover >₹2 crore

Other Tax Compliances

- ☐ Customs Duty - For import/export activities
- ☐ Excise Duty - If applicable to products
- ☐ Service Tax Transition - Legacy service tax matters
- ☐ Withholding Tax - On payments to foreign parent/associates

8. SECTOR-SPECIFIC COMPLIANCES

Information Technology

- ☐ STPI Registration - If software export business
- ☐ Data Protection - Compliance with IT Act and rules
- ☐ Cyber Security - Implementation of security measures
- ☐ ITES Certification - Quality certifications (ISO, CMMI)

Manufacturing

- ☐ Environment Clearances - Pollution Control Board approvals
- ☐ BIS Standards - Bureau of Indian Standards compliance
- ☐ Factory License - Under Factories Act, 1948
- ☐ Boiler Registration - If using boilers/pressure vessels
- ☐ Hazardous Waste Management - If generating hazardous waste



Financial Services

- ☐ RBI Registration – NBFC registration if applicable
- ☐ SEBI Compliance – If in securities business
- ☐ IRDAI Registration – If insurance related activities
- ☐ AML/KYC Compliance – Anti-money laundering procedures

Pharmaceuticals

- ☐ Drug License – Manufacturing and trading licenses
- ☐ WHO-GMP Certification – Good Manufacturing Practices
- ☐ CDSCO Approvals – Central Drugs Standard Control Organization
- ☐ Schedule M Compliance – Manufacturing quality requirements

Construction & Real Estate

- ☐ RERA Registration – Real Estate Regulatory Authority
- ☐ Building Plan Approvals – Municipal corporation approvals
- ☐ Environmental Clearances – For large construction projects
- ☐ Labor Compliance – Building & Construction Workers Act

ANNUAL COMPLIANCE CALENDAR

April-June (Q1)

- ☐ Advance tax payment (15th June)
- ☐ TDS returns for March (30th April)
- ☐ GST returns (monthly)
- ☐ Board meeting (Q4 results)
- ☐ EPF/ESI returns (monthly)



July-September (Q2)

- ☐ Income Tax Return filing (31st July)
- ☐ Transfer Pricing documentation update
- ☐ Advance tax payment (15th September)
- ☐ AGM conduct (within 6 months of FY end)
- ☐ Annual Return filing (within 60 days of AGM)

October-December (Q3)

- ☐ Advance tax payment (15th December)
- ☐ Festival bonus payments
- ☐ Half-yearly compliance review
- ☐ Directors' KYC filing (DIR-3 KYC)

January-March (Q4)

- ☐ Final advance tax payment (15th March)
- ☐ Financial statements preparation
- ☐ Budget and business plan for next FY
- ☐ Annual compliance certificates
- ☐ Audit planning and execution

