# MSMEs Yr End Payments us 43B(h) -10 Point Checklist - 1st Mar 24



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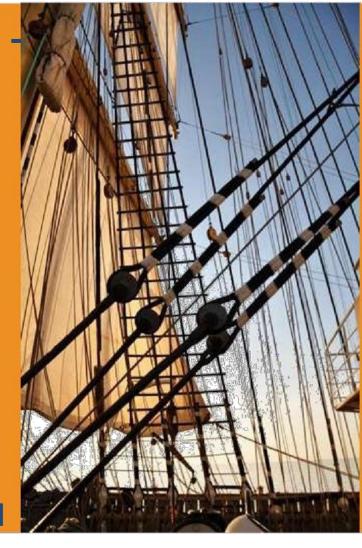
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## 10 Point Year End 43B(h) Checklist



#### 43B(h) Compliances for all (including traders/MSE buyers) -

- 1. Send a letter to all vendors to ascertain their MSME Status and get their RCs for FY 2023-24
- 1A. Incase no reply Is received, then scrutinize their Invoices/POs/etc where they might have mentioned their MSME status
- 2. Ascertain whether they are Small or Micro enterprise or not. Incase they are 'Medium' 43B(h) is not applicable.
- 3. Ascertain whether they are traders/manufacturers/service providers. Incase they are 'traders' 43B(h) is not applicable.
- 4. Ascertain whether the payments made to them are "Capex" Items or not. Incase the payments are for 'capex items', 43B(h) is not applicable.

### 10 Point Year End 43B(h) Checklist



- 5. Ascertain whether there is any written contract with them or not regarding payment. If 'no', then it is better to have a written contract with them regarding payment terms
- 6. Find out the due date i.e. date of delivery of goods/services or date of acceptance or date of deemed acceptance. The 'due date' of 15/45 days is calculated from 'such date' only.
- 7. Handover cheque on 'due date' atleast. It would be accepted as 'date of payment'
- 8. See the 'advance payments' made to MSEs Take the same as a deduction u/s 43B even incase they are not debited to P/L A/c
- 9. Ensure that you're not liable to pay any interest to MSMEs Such interest is disallowable
- 10. Incase you falter, then Ascertain whether you're a trust/ tax is payable under MAT/ you are under presumptive taxation u/s 44AD/44ADA/44AE/ 44BBB/ 115VA In such cases you're exempt from the rigors of Sec 43B(h)

# **THANK YOU**



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