

Dear Team,

You must aware that new section 43B(h) of Income Tax Act, 1961, has been enacted and implemented and according to it, the payments for purchase of goods and/ or services have to be done within 15days/45 days to micro & small enterprises.

1. Assessee need to take declaration from all suppliers with regard to their status as Micro or small enterprise. The wholesale or retail traders are not covered under micro or small enterprise. Manufacturer and service providers are covered under micro or small enterprise. Medium enterprise is not covered under the provision.
2. The list of micro and small parties as per above declaration is required to be made and to be provided to auditor.
3. The payment need to be done for invoices within 15 days where no agreement and in case of agreement of higher credit period within 45 days to micro and small enterprises.
4. If payments are done after 15 days/45 days as applicable and payment date fall after 31st March 2024 then amount of invoice shall be added to income and deduction will be allowed in next financial year subject to actual payment.
5. Therefore prepare an agreement with all suppliers on letter head with 45 days credit period.
6. Do all payments of invoices issued upto Feb 2024 before 31-03-2024 to those suppliers who are covered under micro or small enterprises.
7. Do payments of invoices of March 2024 before 45 days from date of invoice so that invoice do not get added to the income of FY 2023-24

DECLARATION

I, s/o director/proprietor/partner of M/s (the enterprise) Regd. Office at and GSTIN PAN do hereby declare to M/s having PANas under.

1. That the nature of business of above said enterprise is as under.

- (i) Maunufacturer (ii) Service Provider (iii) Trader

2. That status of registration under MSMED Act 2006 of above said enterprise is as under.

- (i) Registered (ii) Not Registered

3. That the category of the above said enterprise is as under.

- (i) Micro (ii) Small (iii) Medium

4. That the agreed credit period for payment of invoices between M/s and our enterprise is 45 days during FY 2023-24 and onwards.

5. That I will intimate any change immediately in the above particulars and will file fresh declaration and till the time there is no fresh declaration the above information would be valid perpetually.

Date :

Place :

Signature :

OFFER FOR SUPPLY OF GOODS & SERVICES

To,
M/s,
Address :
.....
.....
GSTIN :

We, M/s office at
..... GSTIN offering the
following goods or services to the above enterprise (the recipient).

Nature & scope of goods & services :
1
2.....

The above goods or services shall be made available or delivered to the above enterprise as per their requisition submitted to us time to time and these shall be delivered within time frame as mutual decided.

The consideration for supply of above goods or services shall be mutually decided before supply of goods or services and consideration shall be subject to applicability of GST at the applicable rates and above recipient has to make payment of both consideration and applicable GST as charged in the invoice itself.

The credit period shall be 45 days from the date of delivery of goods or date of availment of services in case the recipient has not raised any objection with regard to delivered goods or services within 15 days from the date of delivery. The credit period shall be 45 days from the removal of objection if any raised by the above recipient of goods or services.

Other terms & conditions shall be as mutually decided by the parties from time to time.

Offer Accepted:

For,

For,

Signature:
Name :
Designation

Signature :
Name :
Designation :