

## ARNK and Associates LLP

Sec.43B(h) Checklist		
Steps	Particulars	Remark
1	Compile a list of all creditors and the outstanding amounts as on 31 March payable to them.	
2	Verify that the supplier (creditor) is registered under the MSME Act, 2006.	
3	Obtain copy of updated udyam registration Certificate from supplier (creditor).	
4	Check whether Supplier is Manufacturer or Service provider (not applicable to traders or wholesalers)	
5	Determine that the Supplier/creditor is unrelated to the purchase of raw materials. And Outstanding amounts should not be related to capital expenditure.	
6	Ensure the supplier (creditor) is not classified as a Medium Entity. Sec. 43B(h) only applies to Micro-Small entities.	
7	List out net supplier (after considering above points) with outstanding amount payable to them.	
8	Ensure payment to the supplier is made within 15 days if there is no written agreement between the supplier and the buyer (client).	
9	If a written agreement exists, payments should be made within the agreed-upon timeframe, with a maximum limit of 45 days.	
10	If payment is not made within the time limit, the buyer (client) must pay compound interest at monthly interest rates to the supplier, set at three times the bank interest rate notified by the Reserve Bank of India (RBI).	