

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

CHENGALPATTU DISTRICT BRANCH (SIRC)
(Formerly Known as Kanchipuram District Branch)



E- Newsletter
March 2024

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CA. Narasimma Raghavan R
Branch Chairman



CA. Shivachandra Reddy K
Vice Chairman



CA. Madhumitha R
Secretary



CA. Sathish T S
Treasurer



CA. Ravichandran S
SICASA Chairman



CA. Sivagurunathan T
Immediate Past Chairman



CA. Sathiyarayanan K R
Managing Committee Member



CA. Aanand P
Managing Committee Member



CA. Priya A
Managing Committee Member

EX- OFFICO MEMBER - CHENGALPATTU DISTRICT BRANCH (SIRC)



CA. Sundararajan R
RCM, SIRC



CA. Rekha Uma Shiv
RCM, SIRC



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ARTICLES INVITED FROM MEMBERS

Note: Articles are invited from members for publishing in newsletter. The articles shall be either on the specific subject or a general article. Members can send their articles with Name, Membership Number, Mobile Number, Residential Address, Office Address & Photo to our E-mail id mentioned below:

E-mail id: chengalpattu@icai.org

Note: The views expressed in the articles published, are their own views and Chengalpattu District Branch does not endorse or take responsibility.



From the Chairman's Desk

***Esteemed Professional Colleagues,
Greetings!***

I am happy to write to you all through this Chairman's message for this prestigious branch of the Esteemed Institution.



I thank all the members for reposing trust, faith and confidence in me and providing me an opportunity to serve the members through the Chairmanship of this prestigious Chengalpattu District Branch.

It is always going to be a tough task of being the chairman of this Chengalpattu Branch because of the milestones set out by earlier Chairmen of the branch. Each Chairman had always fixed a higher benchmark for the next Chairman. But I undertake to direct all my efforts for the benefit of the Branch, its members and the student's fraternity.

Our Branch has always been organizing various activities for knowledge sharing between the members. The CPE, study group and other programs acts as a platform to share the knowledge between them.

Na choraharyam na cha rajyaharyam na bhratribhajyam na cha bharakari |Vyaye krite vardhata eva nityam vidya dhanam sarvadhanapradhanam ||

**न चोरहार्यं न च राज्यहार्यं न भ्रातृभाज्यं न च भारकारी |
व्यये कृते वर्धत एव नित्यं विद्या धनं सर्वधनाप्रधानम् ||**

It can't be stolen by a thief, nor plundered by a king or chief. It can't be divided up by brothers, or be burdensome for you and others. The more we share, the more its measure. Our knowledge is our greatest treasure.

Let's participate in all the meetings and share our knowledge.

Our branch has set in motion the action plan for this year. Some important goals for this year are

1. To reach ARC Members to 200 Members.
2. To organize Minimum 2 Certificate Course for Members.
3. To work towards 200 CPE Hours for this Calendar year 2024



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4. To set up Discussion Panel on Direct Tax, GST & Corporate laws with coordination of respective committees.

Hence I, on behalf of our team, wish to place this request to all the members:

1. To contribute articles for the Branch Newsletter
2. To be a faculty for the Coaching Classes
3. To be a speaker for the meetings
4. To actively participate and involve in the Branch Activities
5. To send students to participate in all the Students Activities
6. To inform about our branch activities to other CA friends.

With Best Regards,

CA. Narasimma Raghavan R

Chairman

1st March 2024



From Outgoing Chairman's Desk

*Esteemed Professional Colleagues,
Greetings!*

ஆற்றுவார் ஆற்றல் பணிதல் அதுசான்றோர்
மாற்றாரை மாற்றும் படை.



ஒரு செயலை முடிப்பவரது ஆற்றலாவது, துணையாகுபவரைப் பணிமொழியால் தாழ்ந்தும் கூட்டிக் கொள்ளுதல்; சால்புடையார் தம் பகைவரை ஒழிக்கும் படையும் அதுவே

My term as the Chairman for this eight year old illustrious and prestigious Branch of SIRC of ICAI is at the edge of conclusion. I feel very proud of having held this position for the past one year and enjoying the various happy and encouraging moments which I came across during this year.

A brief note about our Team Activity Report for the year 2023-24

Member Programs: With support and cooperation of our members we have organized numerous events, including Sub-Regional Conference, Mega Seminars, Residential programs, Workshops, and regular CPE Sessions for our members, both in-house and outside, with more than 170 CPE Hours.

And also, we have provided support and encouragement to many new faculty members as speakers from our Branch during the year 2023.

This has resulted in the achievement of a Regional-level Best Branch 1st Prize Award in Mega & Large Category. In this great moment we I would like to congratulate each & every one of our members of our Branch.

Student Programs: With the support & active participation of students Our SICASA Team conducted various student programs, including One Day Seminars, Half Day Seminars, Study Circle Meeting, Talent Search Competitions, Indoor Out Door Games, Youth Festival, Industrial Visits and various exam oriented sessions both in-house and outside.

This has resulted in the achievement of 2nd Prize-Best Branch Students Association at National-Level for the year 2023 in Micro Category. At this Juncture I We would like to congratulate our SICASA Chairman CA Aanand Sir & each and every one of our SICASA Team & Students. Coaching Classes:



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Conducted courses for students; Orientation Programs, ITT, MCS, Advanced ITT along with coaching classes for foundation and Intermediate Exams.

Recently in December 2023 ICAI Exams, 26 Students cleared their foundation level Exam. We would like to congratulate our Class Coordination Committee led by CA Bharathi Madam & Coordinator CA Ravichandran & everyone one of such committee.

Public out Reach Programs: As a nation-building partner, we have actively Organized & participated in many Public out Reach Programs;

- Blood Donation Camps, Eye Screening Camp
- Career Counseling Programs
- Financial Literacy Programs for College and School Students,
- Joint Program with Various Colleges
- Joint Programs with Income Tax Department
- MSME, STARTUPS programs for Business Community
- Tax Awareness Program jointly with Business Associations,
- Tree Plantation along with Villagers & Students

Celebration with Members & Students on Special Occasions during this year

- Women's Day
- Branch Day
- Yoga Day
- Independence Day
- Teachers Day
- Ayutha Pooja
- New Year & Harvesting Celebration
- Republic Day

Every Achievement of our branch was possible only with the active participation of members & students and wholehearted support from all the Members Volunteers & Students Volunteers of our Chengai Family.

Chengalpattu District Branch (SIRC), has been an example of great TEAM effort. I think I had discharged my duty to the best of my ability. I thank all the Management Committee Members who have been supporting me and providing me all kinds of assistance in completing my tasks as Chairman.



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Every Achievement of our branch was possible only with the active participation of members & students AND wholehearted support from all the Members Volunteers & Students Volunteers of our Chengai Family.

Chengalpattu District Branch (SIRC), has been an example of great TEAM effort. I think I had discharged my duty to the best of my ability. I thank all the Management Committee Members who have been supporting me and providing me all kinds of assistance in completing my tasks as Chairman. I also thank the fellow Committee Members for their unstinted support for all our branch programs.

I sincerely thank the CCMs, RCMs, ICAI HO, SIRC, and our dedicated staff for their unwavering support during this transformative year.

Mere words will not be sufficient to explain the sense of belongingness and commitment extended by the entire branch members on these days. Without their support, I would not be standing here with this satisfaction.

I extend my best wishes to the incoming team as they take charge and continue the legacy of our branch. I will be supporting the Branch in all its endeavors in future also, in every way to my ability.

**With Best Regards,
CA. Sivagurunathan T
Immediate Past Chairman
1st March 2024**



The Finance Bill, 2024 Indirect Taxes



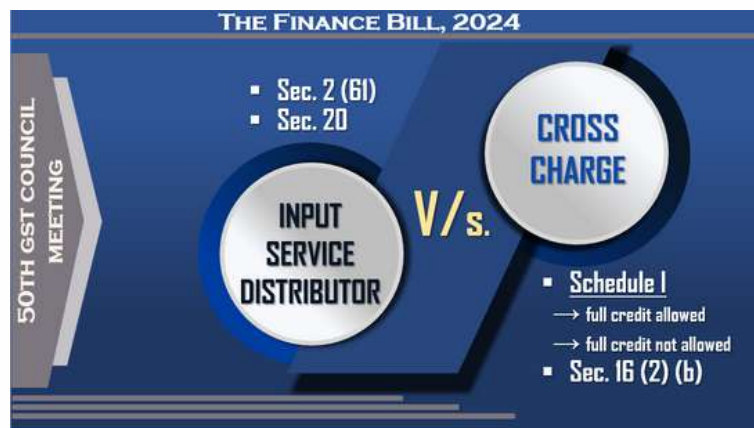
CA. Shaikh Abdul Samad. A

The Finance Bill, 2024

→ The Central Goods and Services Tax, 2017 – clause 11 to clause 13.

- Input Service Distributor Mechanism
- Penalty for failure to register Certain machines used in manufacture of goods as per special procedure

Input Service Distributor Mechanism Background



Circular No. 199/11/2023 - GST dated 17.07.2023

Internally Generated Services

Recipient eligible for Full ITC

- Invoice shall be deemed to be the open market value, irrespective of the fact whether cost of any particular component, has been included or not in the value of the services in the invoice.
- In case a tax invoice is not issued the value of such services may be deemed to be declared as Nil, and may be deemed as open market value in terms of second proviso to rule 28 of CGST Rules.

Recipient not eligible for Full ITC

- It is not mandatory to include the cost of salary of employees while computing the taxable value of the supply of such services.



Input Service Distributor Mechanism

Clause 11 & 12 Amend. of Sec. 2 (61) & Sec. 20

Sec. 2 (61) - Input Service Distributor

- Input Service Distributor means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office.

Proposition in the Bill:

- Input Service Distributor means an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in section 20.

Sec. 20. Manner of distribution of credit by Input Service Distributor

Proposition in the Bill:

- Any office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, shall be required to be registered as Input Service Distributor under clause section 24 and shall distribute the input tax credit in respect of such invoices.
- The Input Service Distributor shall distribute the credit of central tax or integrated tax charged on invoices received by him, including the credit of central or integrated tax in respect of services subject to levy of tax under sub-section (3) or subsection (4) of section 9 paid by a distinct person registered in the same State as the said Input Service Distributor, in such manner, within such time and subject to such restrictions and conditions as may be prescribed



- The credit of central tax shall be distributed as central tax or integrated tax and integrated tax as integrated tax or central tax, by way of issue of a document containing the amount of input tax credit, in such manner as may be prescribed.



Penalty for Non- Reg. of Machines U/s. 148 Background

Section 148 (Special procedure for certain processes) read along with notification no.04/2024

The CBIC vide Notification No. 04/2024 – Central Tax dated January 05, 2024, notified the new special procedure to be followed by a registered person engaged in manufacturing of certain notified goods –

- Details of Packing Machines packing machines used for filling and packing of packages - Form GST SRM – I along with Certificate of Chartered Engineer (Form GST SRM – III) : 30 days w.e.f of Notification /15 days of Registration / 24 hrs in case of Additional/Disposal.
- A unique registration number shall be generated for each machine.
- RP has submitted or declared the production capacity of his manufacturing unit or his machines, to any other government department or any other agency or organization – 30 days w.e.f of Notification /15 days of Registration.
- Special Monthly Statement - Form GST SRM - II

Clause 13 Insertion of sec. 122A

Sec. 122A - Penalty for failure to register certain machines used in manufacture of goods as per special procedure.



- Notwithstanding anything contained in this Act, where any person, who is engaged in the manufacture of goods in respect of which any special procedure relating to registration of machines has been notified under section 148, acts in contravention of the said special procedure, he shall, in addition to any penalty that is paid or is payable by him under Chapter XV or any other provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees for every machine not so registered.
- In addition to the penalty under sub-section (1), every machine not so registered shall be liable for seizure and confiscation:

Provided that such machine shall not be confiscated where

- The penalty so imposed is paid, and
- The registration of such machine is made in accordance with the special procedure within three days of the receipt of communication of the order of penalty.”.



How to approach 43B(h)



CA. Sankar V

| Section | Particulars |
|---------|--|
| 43B(a) | Any Tax, Duty, Cess or Fees under any Law |
| 43B(b) | Employer's contribution to Provident Fund/Superannuation Fund/Gratuity Fund/Welfare Fund/Other funds |
| 43B(c) | Bonus or Commission paid to employees which would not have been payable as profit or dividend |
| 43B(d) | Interest on Loan or Borrowings from Public Financial Institutions/State Financial Institutions |
| 43B(da) | Interest on loan from such class of non-banking financial companies as may be notified by the CG. |
| 43B(e) | Interest on loan or advance from bank/agriculture credit society |
| 43B(f) | Payment of Leave Encashment |
| 43B (g) | Payment to Indian Railway for use of Railway's Assets |

Following clause (h) shall be inserted after clause (g) of section 43B by the Finance Act, 2023, w.e.f. 1-4-2024:

(h) any sum payable by the assessee to a micro or small enterprise beyond the time limit specified in section 15 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006),

Provided that nothing contained in this section *[[except the provisions of clause(h)]]* shall apply in relation to any sum which is actually paid by the assessee on or before the due date applicable in his case for furnishing the return of income under sub-section (1) of section 139 in respect of the previous year in which the liability to pay such sum was incurred as aforesaid and the evidence of such payment is furnished by the assessee along with such return.

shall be allowed (irrespective of the previous year in which the liability to pay such sum was incurred by the assessee according to the method of accounting regularly employed by him) only in computing the income referred to in section 28 of that previous year in which such sum is actually paid by him :



| Sl.No | Type of the Enterprise | Investment in Plant & Machinery | Turnover |
|-------|------------------------|---------------------------------|--------------------|
| 1 | Micro | Less than 1 Crore | Less than 5 Crore |
| 2 | Small | Less than 10 Crore | Less than 50 Crore |



Turnover and investment is calculated based on a net turnover and net investment basis.



Net Turnover- Turnover of goods and services minus the exports of goods and services.



Net Investment- Depreciated cost of plant and machinery or equipment as per the ITR, subtracting the costs associated with pollution control, research and development, and industrial safety devices.



Para 4 of Notification No. 2119(E), dated 26-06-2020, deals with the calculation of investment in plant and machinery or equipment. It provides that the calculation of investment in plant and machinery or equipment will be linked to the ITR of previous years filed under the IT Act.

In the case of a new enterprise, where no prior ITR is available, the investment will be based on the self-declaration of the promoter of the enterprise, and such relaxation shall end after the 31st March of the financial year in which it files its first ITR. The expression "plant and machinery or equipment" of the enterprise shall have the same meaning as assigned to the plant and machinery in the Income-tax Rules, 1962 and shall include all tangible assets (other than land and building, furniture and fittings).

The purchase (invoice) value of a plant and machinery or equipment, whether purchased first-hand or second-hand, shall be taken into account, excluding GST.

The cost of certain items specified in Explanation I to sub-section (1) of Section 7 of the Act shall be excluded from the calculation of the amount of investment in plant and machinery.



Definitions from MSMED Act, 2006 - Sec. 2(e)

“Enterprise” means an industrial undertaking or a business concern or any other establishment, by whatever name called, **engaged in the manufacture or production of goods**, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 or engaged in 65 of 1951, **providing or rendering of any service or services;**

Hence, Traders (except specified in Sec. 2(n) of MSMED Act, 2006) will not be covered under 43B(h) of Income Tax Act, 1961.

Exemption to traders

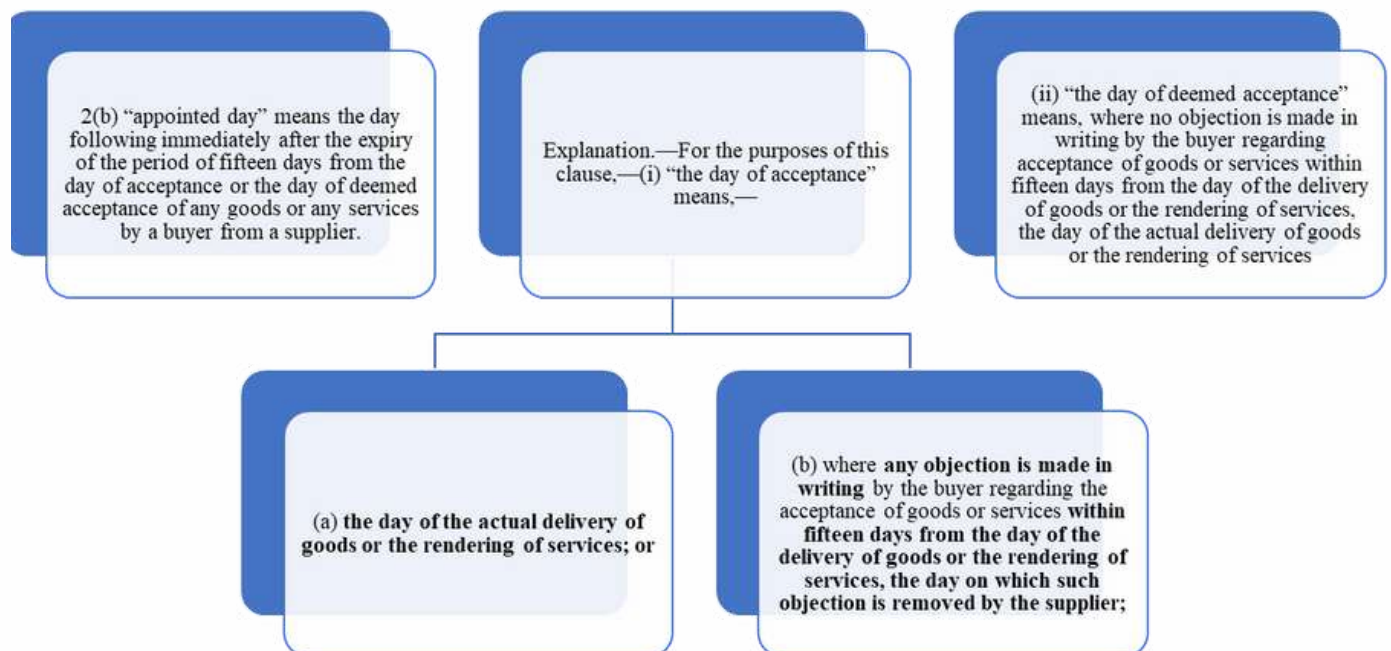
- The Ministry of Micro, Small and Medium Enterprises vide Office Memorandum (OM) No. 5/2(2)/2021-E/P & G/Policy dated July 2, 2021 has allowed Udyam registration for retail and wholesale trade. However, benefits to Retail and Wholesale trade MSMEs are restricted to Priority Sector Lending only.
- Hence, other benefits available under MSMED act are not applicable to traders.
- Resultantly benefit of section 15 of MSMED act is not available to traders and hence 43B(h) cannot be made applicable to dues outstanding to traders.



Section 15 of MSMED Act, 2006 and Appointed Day

Section 15 of MSMED Act, 2006 provides the time frame up to when payment shall be made by the Buyer to Micro or Small Enterprise supplier. Where any supplier, supplies any goods or renders any services to any buyer, the buyer shall make payment on or before the date agreed upon between him and the supplier in writing or, where there is no agreement in this behalf, before the appointed day:

Provided that in no case the period agreed upon between the supplier and the buyer in writing shall exceed forty-five days from the day of acceptance or the day of deemed acceptance.





Possible scenarios in case of no written agreement

If you raise objection within 15 days of delivery of goods or rendering of service, then your due date to pay will be (15 days plus date when such objection is cleared/removed by supplier).

If you raise objection after 15 days of delivery of goods or rendering of service, then your due date to pay will be 15 days from date of delivery of goods or rendering of service.

If you don't raise any objection, then your due date to pay will be 15 days from date of delivery of goods or rendering of service

Examples

| Sl.no | Date of Invoice | Payment terms as per the agreement | Due date as per MSME Act | Actual payment date | Deduction allowed in FY |
|-------|-----------------|------------------------------------|--------------------------|---------------------|-------------------------|
| 1 | 01-03-2024 | No agreement | 15-03-2024 | 10-03-2024 | 2023-24 |
| 2 | 20-03-2024 | No agreement | 03-04-2024 | 12-04-2024 | 2024-25 |
| 3 | 28-03-2024 | 7 days 03/04/2024 | 03-04-2024 | 12-04-2024 | 2024-25 |
| 4 | 20-03-2024 | 15 days 03/04/2024 | 03-04-2024 | 12-04-2024 | 2024-25 |
| 5 | 20-03-2024 | 30 days 18/04/2024 | 18-04-2024 | 22-04-2024 | 2024-25 |
| 6 | 20-02-2024 | 45 days 04/04/2024 | 04-04-2024 | 12-04-2024 | 2024-25 |
| 7 | 20-02-2024 | 60 days 19/04/2024 | 45 days 04/04/2024 | 12-04-2024 | 2024-25 |



Time limit to make payment to an MSME

| Type of Enterprise | If no agreement exists (for terms of Payment) | If agreement exists (for terms of Payment specified upto 45 days) | If agreement exists (for terms of Payment specified as more than 45 days) |
|---------------------------|---|--|--|
| Micro Enterprise | 15 days | Upto 45 days as specifically specified in the terms of payment | 45 days only even if specifically specified higher days than 45 days in the terms of payment |
| Small Enterprise | 15 days | Upto 45 days as specifically specified in the terms of payment | 45 days only even if specifically specified higher days than 45 days in the terms of payment |
| Medium Enterprise | New Provisions of section 43B is not applicable to Medium Enterprises | New Provisions of section 43B is not applicable to Medium Enterprises | New Provisions of section 43B is not applicable to Medium Enterprises |

Identification of supplier as Micro and Small suppliers- Section 8 of Micro, Small And Medium Enterprises Development Act, 2006:

- “8. (1) Any person who intends to establish,—
- (a) a micro or small enterprise, may, at his discretion, or
- (b) a medium enterprise engaged in providing or rendering of services may, at his discretion; or
- (c) a medium enterprise engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951),



- shall file the memorandum of micro, small or, as the case may be, of medium enterprise with such authority as may be specified by the State Government under sub-section (4) or the Central Government under subsection (3):
- Provided that any person who, before the commencement of this Act, established—
- (a) a small scale industry and obtained a registration certificate, may, at his discretion; and
- (b) an industry engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951), having investment in plant and machinery of more than one crore rupees but not exceeding ten crore rupees and, in pursuance of the notification of the Government of India in the erstwhile Ministry of Industry (Department of Industrial Development) number S.O. 477(E) dated the 25th July, 1991 filed an Industrial Entrepreneur's Memorandum
- shall within one hundred and eighty days from the commencement of this Act, file the memorandum, in accordance with the provisions of this Act.
- This form of memorandum has been notified in the Official Gazette by the Central Government after obtaining the recommendations of the Advisory Committee. i.e. Udyam Registration as per Official Gazette [PART II—SEC. 3(ii)] dated 26th June 2020

Manner to become micro, small or medium enterprise as per Official Gazette [PART II—SEC. 3(ii)] dated 26th June 2020:



"2. Becoming a micro, small or medium enterprise.—



(1) Any person who intends to establish a micro, small or medium enterprise **may file Udyam Registration online in the Udyam Registration portal**, based on self-declaration with no requirement to upload documents, papers, certificates or proof.



(2) On registration, an enterprise (referred to as "Udyam" in the Udyam Registration portal) will be assigned a permanent identity number to be known as "Udyam Registration Number".



(3) An e-certificate, namely, "Udyam Registration Certificate" shall be issued on completion of the registration process."



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- Default in making payment within time limit mentioned under section 15, the buyer shall be liable to pay compound interest with monthly, at 3 times of the bank rate notified by the RBI – Sec. 16(i.e $6.75*3=20.25\%$)
- The buyer shall be liable to pay the amount with interest thereon as provided under section 16 – Sec. 17
- The amount of interest payable or paid as per Sec. 16, shall not be allowed as deduction. – Sec. 23
- As per clause 22 of part B in the tax audit report , tax auditors have to report interest inadmissible under section 23 of MSME act 2006
- Sections 15 to 23 shall have effect notwithstanding anything in inconsistent therewith contained in any other law for the time being in force.- Sec. 24

Bank Rate notified by RBI

| Applicable Period | Repo Rate | Applicable Period | Repo Rate |
|----------------------------|-----------|----------------------------|-----------|
| 28-Jan-2014 to 14-Jan-2015 | 8.00% | 06-Jun-2019 to 06-Aug-2019 | 5.75% |
| 15-Jan-2015 to 03-Mar-2015 | 7.75% | 07-Aug-2019 to 03-Oct-2019 | 5.40% |
| 04-Mar-2015 to 01-Jun-2015 | 7.50% | 04-Oct-2019 to 26-Mar-2020 | 5.15% |
| 02-Jun-2015 to 28-Sep-2015 | 7.25% | 27-Mar-2020 to 21-May-2020 | 4.40% |
| 29-sep-2015 to 04-Apr-2016 | 6.75% | 22-May-2020 to 03-May-2022 | 4.00% |
| 05-Apr-2016 to 03-Oct-2016 | 6.50% | 04-May-2022 to 07-Jun-2022 | 4.40% |
| 04-Oct-2016 to 01-Aug-2017 | 6.25% | 08-Jun-2022 to 04-Aug-2022 | 4.90% |
| 02-Aug-2017 to 05-Jun-2018 | 6.00% | 05-Aug-2022 to 29-Sep-2022 | 5.40% |
| 06-Jun-2018 to 31-Jul-2018 | 6.25% | 30-Sep-2022 to 06-Dec-2022 | 5.90% |
| 01-Aug-2018 to 06-Feb-2019 | 6.50% | 07-Dec-2022 to 07-Feb-2023 | 6.50% |
| 07-Feb-2019 to 03-Apr-2019 | 6.25% | 08-Feb-2023 to till date | 6.75% |
| 04-Apr-2019 to 05-Jun-2019 | 6.00% | | |



Section 43B(h) of the Act is not likely apply on outstanding balances of 31 March 2023 which has remained outstanding on 31 March 2024 as the law has been introduced on 1 April 2023 and therefore transactions during FY 2023-24 and onwards only should be covered.



Also, section 43B starts by stating that “Notwithstanding anything contained in any other provision of this Act, a deduction otherwise allowable under this Act in respect of..”. Since, the against the outstanding as on 31 March 2023, no deduction is being claimed and the deduction has already been claimed in earlier years, section 43B(h) is not likely apply on outstanding balances of 31 March 2023.

- Currently, MCA vide notification “ Specified Companies (Furnishing of information about payment to Micro and Small Enterprise Suppliers) Order 2019, dt. 22-01-2019 mandates that all specified companies who buys goods or avail services from micro and small enterprises and whose payment to suppliers have exceeded 45 days shall submit a half yearly return, E form MSME -1, to MCA stating the following-
- The outstanding amount due and reasons for the delay

FAQS

Q: Should terms mentioned on the invoice or purchase order be treated as an agreement?

A: The MSMED Act does not define the term ‘agreement’. Thus, it can be said that agreement can be written as well as oral. In common parlance, an agreement means when one person makes an offer and another person agrees to it. It includes terms like due dates, acceptance of goods/services, consequences for late payment, and dispute resolution. So, if an invoice or purchase order has these details, it can be seen as an agreement.

Q: Is it possible to get the Udyam Registration details of a Supplier by searching for his name or PAN in the Udyam portal?

A: No. One can obtain his Udyam Certificate details only if one knows his Udyam Registration Number.

Q: How to verify if the Udyam Number furnished by the supplier by printing on the invoice or otherwise Is genuine?

A: Search his Udyam Registration Number on the Udyam Portal under the newly enabled “Verify Udyam Registration Number” at the following link:
https://udyamregistration.gov.in/udyam_verify.aspx



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Verify Udyam Registration Detail

Print

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भारत सरकार
Government of India
सूक्ष्म, लघु एवं मध्यम उद्यम मंत्रालय
Ministry of Micro, Small and Medium Enterprises



Udyam Registration Number : UDYAM-PY-03

| | | | |
|-----------------------|-------------|---|---------------|
| Name of Enterprise | i | | |
| Organisation Type | Partnership | Major Activity | Manufacturing |
| Gender | Male | Social Category | General |
| Date of Incorporation | 04/11/2005 | Date of Commencement of Production/Business | 04/11/2005 |

Enterprise Type

| SNo. | Classification Year | Enterprise Type | Classification Date |
|------|---------------------|-----------------|---------------------|
| 1 | 2023-24 | Small | 09/05/2023 |
| 2 | 2022-23 | Small | 26/06/2022 |
| 3 | 2021-22 | Small | 16/05/2021 |
| 4 | 2020-21 | Small | 20/01/2021 |

NAME OF ENTERPRISE

TYPE OF ENTERPRISE *

MAJOR ACTIVITY

SOCIAL CATEGORY OF ENTREPRENEUR

NAME OF UNIT(S)

OFFICIAL ADDRESS OF ENTERPRISE

DATE OF INCORPORATION / REGISTRATION OF ENTERPRISE

DATE OF COMMENCEMENT OF PRODUCTION/BUSINESS

NATIONAL INDUSTRY CLASSIFICATION CODE(S)

DATE OF UDYAM REGISTRATION

* In case of graduation (upward/reverse) of status of an enterprise, the benefit of the Government Schemes will be availed as per the provisions of Notification No. S.O. 2119(E) dated 26.06.2020 issued by the M/o MSME.

Disclaimer: This is computer generated statement, no signature required. Printed from <https://udyamregistration.gov.in> & Date of printing- 10/09/2022

For any assistance, you may contact:

MICRO (Based on FY 2020-21)
(MICRO During FY 2019-20)

TRADING

[For availing benefits of Priority Sector Lending(PSL) ONLY]

GENERAL

| S.No. | Name of Unit(s) |
|-------|-----------------|
| 1 | |

| | | | |
|---------------------|------------|----------------------------|----------------------|
| Flat/Door/Block No. | | Name of Premises/ Building | |
| Village/Town | chennai | Block | FIRST choolaimedu |
| Road/Street/Lane | 7th Street | City | chennai |
| State | TAMIL NADU | District | CHENNAI , Pin 600094 |
| Mobile | 98 | Email: | |

05/12/2013

05/12/2013

| SNo. | NIC 2 Digit | NIC 4 Digit | NIC 5 Digit | Activity |
|------|--|---|--|----------|
| 1 | 74 - Other professional, scientific and technical activities | 7490 - Other professional, scientific and technical activities n.e.c. | 74909 - Other professional, scientific and technical activities n.e.c. | Services |

14/07/2020



Q: Is the disallowance under Section 43B applicable if supplies are made before obtaining Udyam registration?

A: Section 43B(h) will not apply with respect to payments for supplies made before the date of Udyam Registration. He would be regarded as a micro-enterprise only from the date of obtaining such registration, as Udyam Registration does not operate retrospectively

Q: How can the assessee ensure their supplier does not transition from a micro/small to a medium enterprise or vice-versa during the financial year?

A: Udyam Registration is the only acceptable evidence of the supplier entity's micro-enterprise or small enterprise status. The buyer entities should ask for such a certificate every year to determine the supplier's status in that year.

Q: Are the provisions of Section 43B(h) applicable to nonregistered suppliers?

A: Para 2 of the Notification provides that any person who intends to establish a micro, small or medium enterprise may file Udyam Registration online on the Udyam Registration portal based on self-declaration with no requirement to upload documents, papers, certificates or proof. The word 'may', used in the Notification, indicates that it is not mandatory for an enterprise to get registered to establish itself as an MSME. However, Section 43B(h) mentions Section 15 of the MSMED Act, which talks about the delay in payment to a 'supplier'. Section 2(n) defines "supplier" to mean a micro or small enterprise that has filed a memorandum with authority referred to in Section 8(1) (i.e., Udyam Registration). So, without registration on the Udyam Portal, Section 15 of the MSMED Act may not be invoked for disallowance under Section 43B of the IT Act.

Q: Is disallowance applicable if the assessee follows a cash system of accounting?

A: Income is recorded when the cash is received, and expenses are recorded when the cash is paid. Therefore, it will not impact any situation if the assessee follows a cash basis of accounting as the assessee is already recording the expenses on a payment basis.

Q: Whether an 'account payee' issued in favour of the seller at a date before the stipulated date but cleared afterwards qualify for the purpose ?

A: Yes. In Rhokana Corporation v/s Inland Revenue Commissioners, Lord Maugham held the common law rule is to the effect that sending of a cheque in payment of a debt is subject to the subsequent condition that it must be met on presentation. However, the date of payment, if the cheque is duly paid, is the date when it was posted.



In light of the judgement of Honble High court of Punjab and Haryana, in the case of CIT vs Hindusthan Wire Products Ltd, 2002, 120 Taxmann, 744(Punjab and Haryana) disallowance under section 43B will not be attracted. However, the following must be obtained

- COPY OF THE CHEQUE WITH DATE OF PAYMENT
- COPY OF THE DELIVERY OF CHEQUE TO SUPPLIER

Q: Will Section 43B(h) apply to an assessee who is also a Udyam-Registered Micro or Small Enterprise?

A: Yes. There is no exemption for buyers who are Micro or Small enterprises. It cannot be said that Section 43B(h) applies only to medium or large enterprise buyers.

Q: What if a 50% advance is given in the current year, and the balance of 50% is paid to the MSE supplier at a later date?

A: If the taxpayer settles 50% of the remaining balance during the fiscal year, even after the due date under Section 15 of the MSMED Act has passed, no disallowance will occur. However, if this 50% remains outstanding at year-end and is paid after the due date, disallowance would apply to this portion payable to MSEs.

Q: What if the advance is paid to the supplier, who is a micro or small enterprise?

A: The advance payment made to the MSEs shall be allowed as a deduction in the year of payment itself, even if it does not fall due for payment in that year. The Supreme Court has upheld the deduction under Section 43B for the advance payments.

Q: Will Micro or Small Enterprises having Udyog Aadhaar Memorandum or EM-II be regarded as micro or small enterprises for Section 43B(h) purposes?

A: UAM or EM-II Registration was valid only up to 30-06-2022. These registrations are not valid with effect from 01-07-2022. There is no process of automatically migrating the enterprises from UAM/EM-II to Udyam Registration unless the enterprise files Udyam. Therefore, enterprises with UAM/EM will not be regarded as micro or small enterprises for Section 43B(h) purposes.

Q: Will the GST component be disallowed if the sum payable to MSE attracts Section 43B(h) disallowance?

A: If the sum payable to the Micro or Small Enterprise includes GST, the disallowance is restricted to the amount excluding GST if the GST is claimed as Input Tax Credit (ITC) in the books of accounts. However, if the buyer opts not to claim the input tax credit under GST and treats it as an expense in its Profit and Loss account, deduction against GST will only be allowed based on actual payment.



Gallery for the Month of February 2024

Topic : “Discussion on Union Budget 2024”

Speaker : CA. Muthu Abirami T V & CA. Shaikh Abdul Samad Ahamed A

Date : 3rd February 2024, Saturday





E-Newsletter - Chengalpattu District Branch (SIRC)

Topic : “Analysis and Implications of Sec 43B as amended by FA 202”

Speaker : CA. Sankar V

Date : 29th February 2024, Thursday





Installation Program





E-Newsletter - Chengalpattu District Branch (SIRC)





Upcoming Programs



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

CHENGALPATTU DISTRICT BRANCH (SIRC)



*Cordially invites you to
Physical CPE Meetings to be held in March 2024*

Topics : Bank Audit

Speaker : CA. Srinivasan M, CA. Sundarrajan R & DCB Bank

Date : 02nd March 2024, Saturday

Time : 04:00 PM to 08:00 PM

CPE : 4Hrs

Topics : Demystifying Input Tax Credit with a Real-World Example

Speaker : CA. Vishal V

Date : 07th March 2024, Thursday

Time : 06:00 PM to 08:00 PM

CPE : 2Hrs

Topics : Code of Ethics

Speaker : CA. Petchi Kannan

Date : 14th March 2024, Thursday

Time : 6:00 PM to 08:00 PM

CPE : 2Hrs

Topics : Women's Days

Date : 16th March 2024, Saturday

Time : 05.00 PM - 8.00 PM

CPE : 3Hrs



E- Newsletter - Chengalpattu District Branch (SIRC)

Topics : ROC

Date : 23rd March 2024, Saturday

Time : 04.00 PM - 8.00 PM

CPE : 4Hrs

Topics : Complainece under PMLA

Speaker : CA. Jayasankar D

Date : 28th March 2024, Thursday

Time : 6.00 PM - 8.00 PM

CPE : 2Hrs

All are
WELCOME
here



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Chengalpattu District Branch (SIRC)

Mock Test Series - I for May 2024 Examinations

| Date | Final Course | Date | Intermediate Course |
|-------------|--|-------------|---|
| 04.03.2024 | Paper - 1 : Financial Reporting | 05.03.2024 | Paper - 1 : Advanced Accounting |
| 06.03.2024 | Paper - 2 : Advanced Financial Management | 07.03.2024 | Paper - 2 : Corporate and Other Laws |
| 08.03.2024 | Paper - 3 : Advanced Auditing, Assurance and Professional Ethics | 09.03.2024 | Paper - 3 : Taxation |
| 11.03.2024 | Paper - 4 : Direct Tax Laws and International Taxation | 12.03.2024 | Paper - 4 : Cost and Management Accounting |
| 13.03.2024 | Paper - 5 : Indirect Tax Laws | 14.03.2024 | Paper - 5 : Auditing and Ethics |
| 15.03.2024 | Paper - 6 : Integrated Business Solutions | 16.03.2024 | Paper - 6 : Financial Management and Strategic Management |

Time :
2 pm -
5 pm

Registration Link :
<https://events.cglportal-icai.org/exam>

Fees :
Rs 100/-
Per
Paper

Flat No.402, Fourth Floor, No.1A, Periyalwar Street, Sundaram Colony,
East Tambaram , Chennai- 600059 Ph :044-22390098 | 8056244300
Mail id: Chengalpattu@icai.org | www.chengai-icai-org



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CHENGALPATTU DISTRICT BRANCH (SIRC)



“Our CA Foundation Achievers - December 2023 Exam”



Kishore Kumar V
276/400



Nirmal Muthu Ganesh P
275/400



Maheshwaran R
273/400



Yuvaraj Kumar M
269/400



Siddarth S
257/400



Jency P
256/400



Gowtham V
252/400



Giridharan R
251/400



Aswini R
245/400



Meenatchi Sundaram R
242/400



Kaviya Shree S
238/400



Lahari O A
238/400



Prasannavarshini M
237/400



Akshaya M
233/400



Kesav Kumar B
229/400



Deepika K
224/400



Swetha P
223/400



Raaghav Srinivas Rao
219/400



Dheepa Lakshmi P
213/400



Dakshwanth Narayan R K
212/400



Harini D
206/400



Priyanka R
205/400

Congratulations to all

CRASH COURSE FOR
CA FOUNDATION
JUNE 2024 EXAMINATION

Starting
Soon

For More Details

044-22390098 / 80562 44300

Flat No.402, Fourth Floor, No.1A, Periyalwar Street,
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Chengalpattu District Branch (SIRC)

*Coaching Classes for CA Foundation
December 2024 Examination*

Morning Batch 07:00 - 10:00 am
Evening Batch 05:00 - 08:00 pm
Fees ₹ 15,000/-

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- Well Furnished Class Room
- Affordable Fees

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**To Know About Chartered Accountancy Course
Counselling Session available on Friday to Saturday
from 05:30 pm to 07:30 pm @ Branch Premises**

CA. Narasimma Raghavan R
Chairman

CA. Madhumitha R
Secretary

CA. Ravichandran. S
SICASA Chairman

CA. Sandhya R
Students Development Committee

Flat No.402, Fourth Floor, No.1A, Periyalwar Street, Sundaram Colony,
East Tambaram Chennai- 600059, Ph :044-22390098 | 8056244300
Mail id: Chengalpattu@icai.org | www.chengai-icai-org