## **Contents**

			PAGE
•	Chapter-	heads	<i>I-5</i>
•		etical Reckoner of TDS under section 194R on tes and benefits	<i>I-27</i>
		1	
		DEDUCTION OF TAX ON THE BENEFIT OR PERQUISITE IN RESPECT OF BUSINESS OR PROFESSION [SECTION 194R]	
1.1		nt features of section 194R providing for deduction of tax e benefit or perquisite in respect of business or profession	1
1.2	Ratio	nale for enacting section 194R	5
1.3	Ingre	dients of section 194R	5
		<u>2</u>	
		'PROVIDER OF BENEFIT OR PERQUISITE'/ 'DEDUCTOR'/'ENSURER'	
2.1		ation is on any person responsible for providing benefit rquisite (deductor)	7
2.2	Applio	cability to a non-resident provider	8
2.3		ption to specified individuals and specified HUFs from cting tax under section 194R	9
	2.3.1	Applicability of ICDSs for determining turnover of individual/HUF for determining whether he is liable to deduct TDS	9
	2.3.2	Applicability of section 145A( <i>ii</i> ) for determining turnover of individual/HUF for determining whether he is liable to deduct TDS	9

ONTENTS	-10	0
ONTENTS	-10	U

			PAGE
	2.3.3	Applicability of section 194M to benefit or perquisite covered by section 28( <i>iv</i> )/section 194R	10
2.4		her Embassy/High Commissions are required to deduct nder section 194R of the Act?	10
		<u>3</u>	
		ENEFIT OR PERQUISITE SHOULD BE PROVIDED TO A SPECIFIED DEDUCTEE I.E. A RESIDENT RECIPIENT WHO SATISFIES SPECIFIED CONDITIONS	
3.1		should be the recipient of the benefit/perquisite so as to er the obligation under section 194R(1)?	11
3.2	Recip perqu	pient should not be employee of provider of benefit/nisite	13
	3.2.1	Test of existence/non-existence of employer-employee relationship between deductor (provider) of benefit/perquisite and recipient	14
3.3	Recip	pient must be carrying on business/profession	17
	3.3.1	Payment made by company to Panchayat Samiti for village development/temple development/compensation or any other reason for the smooth execution of projects-Whether TDS u/s 194R deductible on such payment?	18
	3.3.2	Whether company is required to deduct TDS u/s 194R on payments made by it towards Donations/CSR Expenditure?	18
3.4		lent recipient must be having a business or professional onship with the provider of benefit/perquisite (deductor)	19
3.5		if the recipient of the benefit or perquisite is a non-resident? at case, will tax have to be deducted under section 195?	21
		<u>4</u>	
		SPECIFIED BENEFIT/PERQUISITE	
4.1	provi	fied benefit/perquisite: Benefit or perquisite which if ded triggers provider's (deductor's) liability to deduct under section 194R	22
4.2	'Any l	benefit or perquisite'	23
4.3	Mean	ing of 'benefit'	25

I-11 CONTENTS

			PAGE
4.4	Meani	ing of 'perquisite'	26
4.5	Benef	it/Perquisite v. Consideration	28
	4.5.1	Whether company which is manufacturer of capital goods needs to deduct TDS under section 194R on 2-year free maintenance services provided to buyer of capital goods?	29
4.6	Benef	it/Perquisite v. Compensation	31
4.7	Benef	it or perquisite should be in the nature of income	33
4.8	Legal	right to claim benefit or perquisite	34
4.9		ecessary that the benefit or perquisite must be in kind ction 194R of the Act to operate?	35
	4.9.1	CBDT's clarification in Circular No. 12/2022 clarifying that section 194K would apply to monetary benefits/perquisites also	35
	4.9.2	Amendment of section 194R by Finance Act, 2023 ( <i>Explanation 2</i> ) clarifying that monetary perquisite/benefits are covered u/s 194R	35
4.10	perqu	ative list of items that will be treated as benefit or isite for TDS purposes u/s 194R (as per CBDT's Circular /2022, dated 16.06.2022)	38
4.11	Benef	it or perquisite, whether convertible into money or not	40
4.12	Link b	petween section 28(iv) and section 194R	42
	4.12.1	Comparison of section 28(iv) and section 194R(1)	46
	4.12.2	Analysis of the amended section 28(iv)	46
	4.12.3	Benefit or perquisite	47
	4.12.4	'Value' for section 28(iv) purposes	50
4.13		it or perquisite must be 'arising from business or the se of a profession, by such resident'	51
	4.13.1	Payment made by company to Panchayat Samiti for village development/temple development/compensation or any other reason for the smooth execution of projects - Whether TDS u/s 194R deductible on such payment?	53
	4.13.2	Whether company is required to deduct TDS u/s 194R on payments made by it towards Donations/CSR Expenditure?	53
4.14	Meani	ing of 'arising from'	53
4.15	Nexus	s between business/profession and benefit or perquisite	56

		PAGE	
4.16	Discounts, rebates, gifts, incentives etc. to buyers - Whether liable to TDS under section 194R	56	
4.17	Value of benefit or perquisite is ₹ 20,000 or less	63	
	5		
	OBLIGATION CAST UPON BY SECTION 194R ON THE		
	"DEDUCTOR" (PROVIDER OF BENEFIT/PERQUISITE	)	
5.1	Obligation is to 'ensure' that tax has been deducted	65	
5.2	How to comply with section $194R(1)$ and the first proviso thereto	66	
5.3	CBDT's clarification	66	
5.4	Rate of TDS if deductee does not furnish PAN/or is a non-filer	68	
5.5	Whether deductee can apply for a certificate of lower deduction or nil deduction	68	
5.6	Whether non-deduction based on Form No. 15G/15H is applicable		
5.7	It shall be 'ensured that tax has been deducted' before providing such benefit or perquisite (Time of deduction)	. 69	
5.8	Meaning of 'providing' benefit or perquisite to a resident	69	
	<b>5.8.1</b> Different stages of delivery of benefit/perquisite	70	
	<b>5.8.2</b> Implications on the cancellation of the foreign tour by a dealer/distributor	73	
5.9	Deduction of tax in case of continuous providing of benefits or perquisites	73	
5.10	Obligation to ensure that tax required to be deducted has been paid if the benefit or perquisite is wholly in kind or partly in cash and partly in kind		
	<b>5.10.1</b> Meaning of 'in kind'	75	
	<b>5.10.2</b> Meaning of 'tax'	76	
5.11	How to comply with the first proviso <i>i.e.</i> how to ensure that tax required to be deducted has been paid where perquisite/benefit is wholly in kind or partly in cash and partly in kind?		
5.12	Whether the first proviso can be construed as requiring deduction of tax at source u/s 194R where perquisite/benefit is wholly in cash/money?		

I-13 CONTENTS

5.13	Where perquisite/benefit is wholly in cash, or partly in cash and partly in kind, whether TDS under other applicable sections such as section 194J/section 194C/section 194H will also have to be deducted on cash perquisite/cash component of perquisite? In other words, will cash component attract TDS	PAGE 79
	under section 194R as well as other applicable TDS sections?	
	<u>6</u>	
	'REMOVAL OF DIFFICULTY CLAUSE' - POWER OF CBDT TO ISSUE REMOVAL OF DIFFICULTIES GUIDELINES	0
6.1	Rationale for removal of difficulty clause in newly enacted law or newly enacted legal provision	82
6.2	Power of CBDT to issue guidelines for removing any difficulty that arises in giving effect to the provisions of section 194R	83
6.3	Removal of Difficulties Guidelines not binding on resident recipient for section 28( <i>iv</i> ) purposes	84
6.4	Removal of difficulty Guidelines binding on 'income tax authorities'	84
6.5	Grounds on which the Removal of Difficulties clause as well as Guidelines/Orders issued thereunder can be challenged in a writ petition in High Court	85
6.6	Grounds on which Guidelines issued by CBDT under section 194R(2) can be challenged in writ petitions	85
	7	
	VALUATION OF BENEFITS/PERQUISITES	
7.1	How is the valuation of benefit/perquisite required to be carried out for the purposes of section 194R?	90
7.2	Valuation if item provided as perquisite is purchased by provider and provided to recipient	90
7.3	Valuation if item provided as perquisite is manufactured by the provider of benefit/perquisite	91
7.4	Valuation based on Fair Market Value	92
7.5	Grey areas in valuation-what about benefit/perquisite which is neither purchased nor manufactured by provider nor is a capital asset (e.g. services rendered free or at a huge discount, rental accommodation provided)	94

	. 1		PAGE
7.6		e valuation norms not binding on the resident recipient e purposes of section $28(iv)$	95
7.7	Whet fora?	her above valuation norms can be challenged in appellate	96
		8	
	APPLIC	CABILITY OF SECTION 194R TO PURELY MONETAR PERQUISITES/BENEFITS	RY
8.1		her provisions of section 194R are applicable to wholly tary perquisites?	97
8.2	Rede	mption/buy-back of FCCBs at a discount	99
8.3	Share of acc	e application money subsequently written back in books count	100
8.4	of var	dy given by company to dealer/distributor for purchase a which was to be utilised for display and demonstration to of company	101
		<u>9</u>	
	AI	PPLICABILITY OF SECTION 194R TO PRINCIPAL AMOUNT OF LOAN WAIVED	
9.1		cability of section 194R to loan waiver granted by bank rrower under OTS	104
	9.1.1	CBDT's clarifications in Circular No.12/2022 and Circular No. 18/2022	104
	9.1.2	Amendments made by Finance Act, 2023 to section 28( <i>iv</i> ) and section 194R	106
9.2	purpo	er by bank of loan taken by assessee for his personal oses/Non-business purposes - Whether bank liable to et TDS	107
		<u>10</u>	
	AP	PLICABILITY OF SECTION 194R/SECTION 28(iv) TO INTEREST-FREE LOAN	
10.1		her interest on interest-free loans to dealers, suppliers, ould be a 'benefit or perquisite'?	108

I-15 CONTENTS

		PAGE
	11	
	APPLICABILITY OF SECTION 194R/SECTION 28(iv) TO DISCOUNTS, REBATES, GIFTS, INCENTIVES, CASHBACKS ETC.	
11.1	Whether sales discount, cash discount, rebates, gifts, incentives to buyers/customers are benefit or perquisite for the purposes of section 194R/section 28( <i>iv</i> )?	110
11.2	Whether incentives to buyer in the form of free items other than items from his stock-in-trade or cash incentives will attract TDS under section $194R/\text{section }28(iv)$ ?	113
11.3	Cashbacks - Whether perquisite or benefit	113
	<u>12</u>	
	APPLICABILITY OF SECTION 28(iv)/SECTION 194R TO AMOUNT RECEIVED UNDER CONSENT DECREE FROM SELLER OF PLOT FOR BREACH OF CONTRACT TO DELIVER POSSESSION OF PLOT	
12.1	Amount received under consent decree from seller of plot for breach of contract to deliver possession after agreement to sell & receiving earnest money	116
12.2	CBDT's views on applicability of section 194R	116
	13	
	APPLICABILITY OF SECTION 28(iv)/SECTION 194R TO BENEFITS OR PERQUISITES PROVIDED IN THE FORM OF CAPITAL ASSETS	
13.1	Benefits or perquisites provided in the form of capital assets	118
13.2	Benefits under advance license or DEPB	119
13.3	No benefit or perquisite arises where capital asset given conditionally under contract are returned as recipient failed to fulfil conditions	120
13.4	Valuation of benefit or perquisite in the form of a capital asset for section 194R purposes	120
13.5	Valuation of a benefit or perquisite in the form of a capital asset for section 28(iv) purposes	121

CONTENTS	1-16

PAGE

## <u>14</u>

APPLICABILITY OF SECTION 28(iv)/SECTION 194R
TO BENEFITS OR PERQUISITES PROVIDED IN
THE FORM OF SHARES

		122
		122
(i.e. a	company in which public are substantially interested) -	124
		125
Share	s issued to director	125
14.4.1	Valuation	125
Valua	tion where benefit/perquisite is in the form of shares	126
14.5.1	Fair Market Value of quoted shares and securities as per Rule $11UA(1)(c)(a)$	126
14.5.2	Determination of FMV of unquoted equity shares and securities	127
14.5.3	Determination of FMV of unquoted shares and securities other than equity shares	142
	<u>15</u>	
		143
Value	of gift of land to preacher by disciple	143
		144
	1 1	144
	under Purch other Issue of (i.e. a) Wheth Issue of	<ul> <li>14.5.2 Determination of FMV of unquoted equity shares and securities</li> <li>14.5.3 Determination of FMV of unquoted shares and securities other than equity shares</li> <li>15</li> <li>APPLICABILITY OF SECTION 28(iv)/SECTION 194R TO BENEFITS OR PERQUISITES PROVIDED IN</li> </ul>

I-17 CONTENTS

		PAGE
	16	
	APPLICABILITY OF SECTION 28(iv)/SECTION 194R TO BENEFITS OR PERQUISITES PROVIDED IN THE FORM OF JEWELLERY	
16.1	Applicability of section 28( <i>iv</i> )/section 194R to benefits or perquisites provided/received is in the form of jewellery	145
16.2	Valuation of jewellery for section 194R purposes	145
16.3	Valuation of perquisite/benefit in the form of gift of jewellery for section $28(iv)$ purposes	146
	<u>17</u>	
	APPLICABILITY OF SECTION 28(iv)/SECTION 194R TO BENEFITS OR PERQUISITES PROVIDED IN THE FORM OF ARCHAEOLOGICAL COLLECTIONS, PAINTINGS, DRAWINGS, SCULPTURES OR ANY WORK OF ART	
17.1	Applicability of section 28( <i>iv</i> )/section 194R to benefits or perquisites provided/received is in the form of archaeological collections, paintings, drawings, Sculptures or any work of art	147
17.2	Valuation for TDS purposes	147
17.3	Valuation of perquisite/benefit in the form of gift of archaeological collections, paintings, drawings, sculptures or any work of art for section 28( <i>iv</i> ) purposes	149
	18	
	APPLICABILITY OF SECTION 28(iv)/SECTION 194R TO BENEFITS OR PERQUISITES PROVIDED IN THE FORM OF CAR, FURNITURES/FIXTURES	
18.1	Applicability of section 28( <i>iv</i> )/section 194R to benefits or perquisites provided/received is in the form of car, Furnitures/fixtures provided to director	150
18.2	Valuation of car/furnitures/fixtures for section 194R purposes	152
	<b>18.2.1</b> Valuation of Brand new car	152
	<b>18.2.2</b> Valuation of second hand car owned by provider	153
18.3	Gift in kind (car of the co-sponsor of the campaign) to brand ambassador of environmental campaign	153
18.4	Valuation of perquisite/benefit for section 28(iv) purposes	154

		PAGE
	<u>19</u>	
	COMPLIMENTARY COPIES PROVIDED BY PUBLISHERS TO AUTHORS/OTHERS	
19.1	Backdrop	155
19.2	Applicability of section 28( <i>iv</i> )/section 194R to Complimentary Copies provided by publishers to authors	156
	<u>20</u>	
	APPLICABILITY OF SECTION 28(iv)/SECTION 194R TO FREEBIES GIVEN BY PHARMA COMPANIES TO DOCTORS	
20.1	Requirements of Medical Ethics, <i>Explanation 1</i> to section 37(1) and <i>Explanation 3</i> to section 37(1)	159
20.2	Whether freebies provided by pharma company to doctors tainted by unethicality and illegality and hit by disallowance under <i>Explanation 1</i> and <i>Explanation 3</i> to section 37(1) are perquisites for section 28( <i>iv</i> ) and section 194R purposes?	161
20.3	Whether free samples to physicians/doctors are perquisites taxable in the hands of doctors $u/s$ $28(iv)$ and attract TDS under section 194R?	163
	<u>21</u>	
	APPLICABILITY OF SECTION 28(iv)/SECTION 194R TO GIFTS TO BRAND AMBASSADORS	
21.1	Gift of expensive watch to brand ambassador	166
21.2	Valuation of expensive watch gifted to brand ambassador for section 194R purposes	166
21.3	How to comply with section 194R in respect of gift of expensive watch to brand ambassador by watch manufacturer	167
	22	
	APPLICABILITY OF SECTION 28(iv)/SECTION 194R TO FOREIGN TOURS ORGANISED FOR DEALERS/ AGENTS WHO ACHIEVE TARGETS	
22.1	Payment made to third party	168
	<b>22.1.1</b> Reimbursement of cost of foreign trip	169

I-19 CONTENTS

		PAGE
22.2	What will be the TDS implications if an insurance company organises foreign travel for its agents?	169
	<u>23</u>	
	APPLICABILITY OF SECTION 28(iv)/SECTION 194R TO PRODUCTS GIVEN FREE TO SOCIAL MEDIA INFLUENCERS	
23.1	Applicability of section $28(iv)$ /section 194R to products given free to social media influencers	171
23.2	Valuation for TDS u/s 194R purposes	172
23.3	Valuation of perquisite/benefit to SMIs for section 28(iv) purposes	172
	<u>24</u>	
	APPLICABILITY OF SECTION 28(iv)/ SECTION 194R TO REIMBURSEMENTS	
24.1	Reimbursements	173
24.2	Making payment to someone who has not incurred the expense to be passed on to someone else, is not "reimbursement"	174
24.3	Whether reimbursement of out of pocket expense incurred by service provider in the course of rendering service is benefit/perquisite?	175
	<u>25</u>	
	APPLICABILITY OF SECTION 28(iv)/SECTION 194R TO DEALERS' CONFERENCE	
25.1	Applicability of section 28( <i>iv</i> )/section 194R to dealers' conference	183
25.2	Valuation of dealers' conference for section 194R purposes	186
25.3	Valuation of perquisite/benefit for section 28(iv) purposes	187
	<u> 26</u>	
	APPLICABILITY OF SECTION $28(iv)/$ SECTION 194R TO AMALGAMATION	
26.1	Where assessee-company amalgamated with 3 companies and Net book value of assets taken over exceeded consideration paid for acquiring 3 companies	188

**PAGE** 

	TO SHAREHOLDER'S LOAN TO COMPANY CONVERTED INTO HIS EARNEST MONEY FOR PROPERTY SALE TO HIM AND FORFEITED BY COMPANY FOR FAILURE TO PAY BALANCE	
27.1	Shareholder's loan to company converted into his earnest money for property sale to him and forfeited by company for failure to pay balance	189
	<u>28</u>	
	APPLICABILITY OF SECTION $28(iv)/SECTION$ 194R TO NON-MONETARY BENEFITS GIVEN TO PARTNER	
28.1	Applicability of section $28(iv)$ / section 194R to perquisites given to the partner	191
28.2	Valuation of non-monetary perquisites given by professional firms/LLPs to their partners for section 194R purposes	192
28.3	Valuation of perquisite/benefit for section 28(iv) purposes	192
28.4	At what stage to 'ensure' TDS deduction as per section 194R	192
	<u>29</u>	
	APPLICABILITY OF SECTION 194R TO ASSET TRANSFERRED TO RETIRING PARTNER	
29.1	Applicability of section 194R to asset transferred to a retiring partner	193
	<i>30</i>	
	PERQUISITES/BENEFITS PROVIDED TO A DIRECTOR OF A COMPANY	
30.1	Whether company directors are employees and payments to them are liable for TDS $u/s$ 192?	194
30.2	Buses owned by transport company sold to directors at written down value which is much below fair market value	195
	<b>30.2.1</b> Valuation	195
30.3	Repairs and renovations to own apartments of directors at cost to company	195

<u>27</u>

I-21 CONTENTS

		PAGE
30.4	If no office in the residential accommodation provided to director, residence and other facilities cannot be treated as used for official purposes	195
	<u>31</u>	
	PERQUISITES PROVIDED BY HOSPITAL TO DOCTORS	
31.1	TDS on Perquisites/Benefits provided by Hospital to Doctors	196
31.2	Tests to Determine Whether Consultant Doctors are Employees of Hospital or Independent Professionals	196
31.3	Net Position which emerges	205
31.4	Perquisites/benefits provided by pharma companies to doctors of a hospital	206
	<u>32</u>	
	TIPS COLLECTED BY HOTEL/FOOD DELIVERY APPS FROM CUSTOMERS AND PAID OVER TO EMPLOYEES/'DELIVERY PARTNERS'	
32.1	Tips collected by hotel from customers and paid to employees	207
32.2	Whether tips collected by food delivery apps and paid to delivery boys who are its employees are liable for TDS $u/s$ 192	208
32.3	Whether TDS deductible on these tips $u/s$ 194R, as TDS $u/s$ 192 does not apply	208
	<u>33</u>	
	BAD DEBTS WRITTEN OFF - WHETHER PERQUISITE/BENEFIT LIABLE FOR TDS U/S 194R	
33.1	Bad debts written off - Whether perquisite/benefit liable for deduction of TDS under section 194R?	209
	<b>33.1.1</b> Whether writing off debt is a benefit for the debtor?	210
	<b>33.1.2</b> Whether such benefit could be said to be 'provided' by the creditor?	210
33.2	Waiver of interest on delayed payments - Whether liable to TDS 11/s 194R	211

		PAGE
	34	
	REWARDS TO ATHLETES/SPORTSPERSONS WHO WIN MEDALS IN OLYMPICS/WORLDS ETC.	
34.1	Backdrop	213
34.2	Rewards received by Olympic/Asiad/CWG medal winners from the Central Govt. or any State Govt. are tax-free u/s 10(17A)(ii)	213
34.3	Awards & rewards not covered by CBDT's exemption Order u/s 10(17A)(ii)	214
34.4	Amateur/Non-professional sportsperson $v$ . Professional Sportsperson	215
34.5	Award received by non-professional/amateur sportsperson - Whether taxable? Whether liable to TDS u/s 194R?	215
34.6	Award received by a professional sportsperson - Whether taxable? Whether liable TDS $u/s$ 194R?	216
34.7	Rewards not covered by CBDT's exemption order $u/s 10(17A)$ ( $ii$ ) - Whether taxable? Whether liable to TDS $u/s 194R$ ?	217
	<u>35</u>	
	FREQUENTLY ASKED QUESTIONS (FAQs)	
35.1	Sir, in guidelines, Board has mentioned of one time settlement is liable for TDS so whether bad debts written off is also liable for TDS?	218
35.2	What if the benefit has been provided by a person but not utilised it - Can it be said no advantage was received/availed/enjoyed/gained anything from it and hence not a benefit. For instance leisure trip arranged for dealers but few of them could not go for the trip will it be subject to TDS u/s 194R considering the language used u/s 194R is 'providing'?	219
35.3	Is section 194R applicable on perquisites provided under section 17(1) and 17(2) under head salary?	219
35.4	TDS cannot be deducted on consideration given in kind. Can it be said that after ascertaining the fair market value of the consideration, TDS can be deducted?	219
35.5	How it is practicable to deduct tax from others when its providing at free of cost?	220
35.6	Discount meant for ultimate consumer, reimbursed by distributor to retailer, by company to distributor. Would it covered under section 194R or company can claim this as discount?	220

I-23 CONTENTS

		PAGE
35.7	If one is deducting TDS on reimbursement of expenses of CHA, $u/s$ 194C, whether one is supposed to deduct TDS $u/s$ 194R on reimbursement of expenses?	220
35.8	If car, laptop, foreign trip, etc. is given, on what amount the TDS will be deducted?	220
35.9	We are dealing with the Laboratory where we provide an instrument worth ₹4lacs FOC and earning from its consumables within 3 years span of the business	221
35.10	A manufacturer provides reimbursement to its distributor for the free goods given by him to retailers. Are these benefits or perquisites?	221
35.11	An FMCG company provides reimbursement to the distributor for the goods delivered to the location of the retailers. Are these benefits or perquisites?	222
35.12	Whether complimentary copies of the books given by publisher to author a benefit or perquisites?	222
35.13	A company agrees to arrange foreign tours for dealers and distributors/agents who achieve specific targets. Who has to comply with section 194R? The company or the tour operators/airlines/hotels who after accepting payments deliver the promised foreign tour to dealers/distributors/agents?	
35.14	A client pays additional sum to architect for good work: TDS under section 194J or 194R or both sections?	222
35.15	A publisher provides complimentary copies to authors. How to value this perquisite or benefit. Publisher sells book at 40% discount to distributor and at 10% discount to end customers. Which price to adopt for valuation?	223
35.16	Whether the Company needs to deduct tax under section 194R on goods issued to vendors as a free sample?	224
	<u>36</u>	
	AVENUES FOR LITIGATION	
36.1	Backdrop	226
36.2	CBDT's Clarification that section 194R has no nexus with section 28(iv)	227

			PAGE
36.3	CBDT's Clarification on applicability to wholly monetary perquisites		228
36.4		cation on reimbursement in Question 7 of the Circular contrary to judicial definitions of reimbursement and a 190	230
36.5	CBDT'	s clarification on valuation not clear and comprehensive	230
36.6	Benefi recipie	t/perquisite arising from business or profession of ent	231
36.7		's clarification implying bad debts written off unilaterally tract TDS	231
36.8	Relian Court	ce in Circular on Judicial decision reversed by Supreme	231
36.9		's clarification that free samples will attract TDS under 194R	231
		<u>37</u>	
	A	MENDMENTS MADE TO INCOME TAX RULES CONSEQUENT TO SECTION 194R	
37.1		ate reporting of tax payments made in accordance with os to sections 194B, 194R and 194S	233
		38	
		PLICABILITY OF PENALTY AND PROSECUTION FOR DEFAULT IN DEDUCTING TDS U/S 194R	
38.1		quential amendments by FA, 2023 to penalty provisions in 271C to provide for penalty for violation of section 194R	235
	38.1.1	Pre-amended provisions of section 271C	235
	38.1.2	Consequential amendments to section 271C necessitated by insertion of new TDS sections 194R and 194S by the Finance Act, 2022 and new section 194BA inserted by Finance Act, 2023	236
38.2		quential amendments by FA, 2023 to section 276B to e for prosecution for violation of section 194R	238

I-25 CONTENTS

		PAGE
38.2.1	Pre-amended section 276B	238
38.2.2	Consequential amendments to section 271C necessitated by insertion of new TDS sections 194R and 194S by the Finance Act, 2022 and new section 194BA inserted by Finance Act, 2023	239
38.2.3	Amendment by Finance (No. 2) Act, 2024 w.e.f. 01.10.2024	240