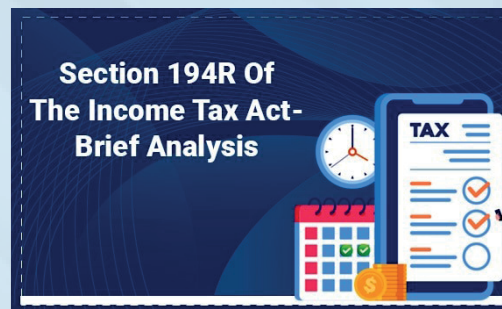


TDS ON BENEFIT OR PERQUISITE OF A BUSINESS OR PROFESSION - SECTION 194R



DETAILED ANALYSIS OF SECTION 194R

As per clause (iv) of section 28 of the Act, the value of any benefitor perquisite, whether convertible into money or not, arising from business or exercise of - profession is to be charged as business income in the hands of the recipient of- such benefit or perquisite. However, in many cases, such recipient does not report- the receipt of benefits in their return of income, leading to furnishing of incorrect- particulars of income.

Accordingly, in order to widen and deepen the tax base, it is proposed to insert a new section 194R to the Act to provide that the person responsible for providing to a resident, any benefit or perquisite, whether convertible into money or not, arising from carrying out of a business or exercising of a profession by such resident, shall, before providing such benefit or perquisite, as the case may be, to such resident, ensure that tax has been deducted in respect of such benefit or perquisite at the rate of 10% (ten percent) of the value or aggregate of value of such benefit or perquisite.

For the purpose of this section, the expression 'person responsible for providing' has been proposed to mean a person providing such benefit or perquisite or in case of a company, the company itself including the principal officer thereof.

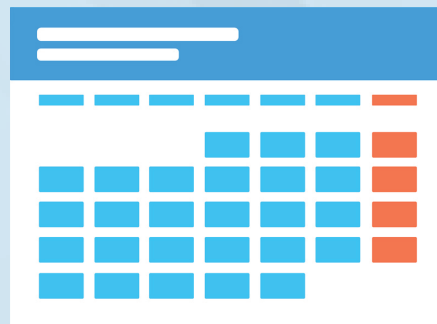
Further, in a case where the benefit or perquisite, as the case may be, is wholly in kind or partly in cash and partly in kind but such part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of such benefit or perquisite, the person responsible for providing such benefit or perquisite shall, before releasing the benefit or perquisite, ensure that tax has been paid in respect of the benefit or perquisite.

No tax is to be deducted if the value or aggregate value of the benefit or perquisite paid or likely to be paid to a resident does not exceed Rs.20,000/= (twenty thousand rupees) during the financial year.

Further, the provisions of the said section shall not apply to an individual or a Hindu undivided family, whose total sales, gross receipts or turnover does not exceed one crore rupees in case of business or fifty lakh rupees in case of profession during the financial year immediately preceding the financial year in which such benefit or perquisite, as the case may be, is provided.

This amendment will take effect from 1st July, 2022.

COMPLIANCE CALENDER APRIL 2022



GST	
GSTR 3B MAR 2022(Turnover in the previous financial year more than Five Crores)	20-04-2022
GSTR 3B MAR 2022 (Others)	22-04-2022
GSTR 1 MAR (Turnover more than Rs. 1.5 Crores)	11-04-2022
INCOME TAX	
Deposit of TDS	30-04-2022
ESI	
Payment for the month of MAR 2022	15-04-2022
PF	
Payment for the month of MAR 2022	15-04-2022
Return Filing for the month of MAR 2022	25-04-2022