

1. **A contract need not be in writing as even an oral contract is good enough to invoke provisions of section 194C.** A plain reading of section 194C makes it clear that "any person responsible for paying any sum to any resident (*i.e.* contractor) for carrying out any work (including supply of labour for carrying out any work) in pursuance of a contract between the contractor and a specified person" is required to deduct tax at source from the amounts so paid or payable. There is no doubt that the assessee in this case has made the payments as transportation charges in the nature of hiring charges for goods carrying vehicles. The main contention of the assessee is, however, that the payments have not been made in pursuance of a contract between the assessee and the transporters. Now the question arises is, whether there is contractual relationship between the assessee and the persons to whom the assessee had made the payments in the nature of hiring charges for goods carrying vehicles. A contract need not be in writing; even an oral contract is good enough to invoke the provisions of section 194 C. **Deputy Commissioner of Income-tax v. Five Star Shipping Agency (P.) Ltd. [2015] 154 ITD 527 (Kol – Trib)**

2. **Assessee not liable to deduct tax under section 194-I on payment made to joint venture partner for using its premises and infrastructure for joint venture business.** The Hon'ble jurisdictional High Court has accepted in the case of *Tirupati Organizers (P.) Ltd.* case (*supra*) that the said company provided the property for the purpose of joint venture business alongwith assessee, the payment made by the assessee to *Tirupati Organizers (P.) Ltd.* case (*supra*) cannot be said to be rent, so as to make the assessee liable for deduction u/s 194I. We, therefore, respectfully following the decision of Hon'ble jurisdictional High Court (*supra*), uphold the order of the CIT(A) on this point and reject Ground No.1 of the Revenue's appeal for Assessment Year 2007-08 as well as Assessment Year 2009-10. **Facets Polishing Works (P.) Ltd. v. Income-tax Officer [2015] 69 SOT 361 (Ahemdabad – Trib)**