

The matter of **non-deduction of TDS on Freights on Goods Carriages where the Section 194C, Sub Section (6)** is fully complied with has its applicability only in those cases where the recipient is being credited or he is receiving any sum in the course of business of plying, hiring or leasing goods carriages where such recipient contractor owns ten or less goods carriage. Here ownership of Goods Carriages is a very important factor. The matter may be analysed under different situations:

- i. CONTRACTOR "A" engaged in the business of plying, hiring or leasing of goods carriages through goods carriages owned by him only and the number of goods carriages so owned does not exceed 10.
- ii. ii. CONTRACTOR "B" engaged in the business of plying, hiring or leasing of goods carriages through goods carriages owned by him as well as goods carriages taken by him on hire from other persons and the number of own goods carriages does not exceed 10.
- iii. iii. CONTRACTOR "C" engaged in the business of plying, hiring or leasing of goods carriages through goods carriages taken by him on hire from other persons and he does not have any goods carriages in his own name.

in this case, Contractor "A" fulfils those criteria of business and ownership of goods carriages and will be exempted from TDS if he furnishes a declaration to that effect along with his Permanent Account Number to the person paying or crediting such sum. Confusions will arise as to Situation Number (ii) i.e., **CONTRACTOR "B" and (iii) i.e., CONTRACTOR "C". As regards CONTRACTOR "C", since the element of ownership does not at all exist and the word used is "and" in the sub section,** we can come to a safe conclusion that he will not be immune from TDS and the payer of the sum will have to deduct TDS on freight in this type of case if other parameters like amount of Freight per Bills exceeding Rs. 30,000/- or aggregate amount exceeding Rs. 1,00,000/- in a Financial Year

ATFC-AGARWAL TAX & FINANCIAL CONSULTANT

CA PAWAN AGARWAL

5/2B LOKENATH BOSE GARDEN LANE, BESIDE
SBI TOPSIA BRANCH, NEAR CHINA TOWN, TOPSIA, KOLKATA-700046

Email-atfc8294@gmail.com

Mobile-8820106887

ATFC-AGARWAL TAX & FINANCIAL CONSULTANT
CA PAWAN AGARWAL

5/2B LOKENATH BOSE GARDEN LANE, BESIDE
SBI TOPSIA BRANCH, NEAR CHINA TOWN, TOPSIA, KOLKATA-700046

[Email-atfc8294@gmail.com](mailto:atfc8294@gmail.com)

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