

**194Q Deduction of tax at source on payment of certain sum for purchase of goods**

- (1) Any person, being a buyer who is responsible for paying any sum to any resident (hereafter in this section referred to as the seller) for purchase of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, shall, at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier, deduct an amount equal to 0.10 per cent of such sum exceeding fifty lakh rupees as income-tax.

*Explanation.*—For the purposes of this sub-section, "buyer" means a person whose **total sales, gross receipts or turnover** from the business carried on by him **exceed ten crore rupees** during the financial year **immediately preceding the financial year** in which the purchase of goods is carried out, not being a person, as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

- (2) Where any sum referred to in sub-section (1) is credited to any account, whether called "suspense account" or by any other name, in the books of account of the person liable to pay such income, such credit of income shall be deemed to be the credit of such income to the account of the payee and the provisions of this section shall apply accordingly.
- (3) If any difficulty arises in giving effect to the provisions of this section, the Board may, with the previous approval of the Central Government, issue guidelines for the purpose of removing the difficulty.

- (4) Every guideline issued by the Board under sub-section (3) shall, as soon as may be after it is issued, be laid before each House of Parliament, and shall be binding on the income-tax authorities and the person liable to deduct tax.
- (5) The provisions of this section shall not apply to a transaction on which—
- (a) tax is deductible under any of the provisions of this Act; and
  - (b) tax is collectible under the provisions of [section 206C](#) other than a transaction to which sub-section (1H) of [section 206C](#) applies.

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(1H) Every person,  
being a seller,  
who receives any amount as consideration  
for sale of any goods  
of the value or aggregate of such value exceeding fifty lakh rupees  
in any previous year,  
other than the goods being exported out of India or goods covered  
in sub-section (1) or sub-section (1F) or sub-section (1G)  
shall,  
at the time of receipt of such amount, collect from the buyer, a  
sum equal to 0.1 per cent of the sale consideration exceeding fifty  
lakh rupees as income-tax:

**Provided** that if the buyer has not provided the Permanent Account Number or the Aadhaar number to the seller, then the provisions of clause (ii) of sub-section (1) of [section 206CC](#) shall be read as if for the words "five per cent", the words "one per cent" had been substituted:

**Provided further that the provisions of this sub-section shall not apply, if the buyer is liable to deduct tax at source under any other provision of this Act on the goods purchased by him from the seller and has deducted such amount.**

*Explanation.*—For the purposes of this sub-section,—

- (a) "buyer" means a person who purchases any goods, but does not include,—
- (A) the Central Government, a State Government, an embassy, a High Commission, legation, commission, consulate and the trade representation of a foreign State; or
  - (B) a local authority as defined in the *Explanation* to clause (20) of [section 10](#); or
  - (C) a person importing goods into India or any other person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein;
- (b) "seller" means a person whose **total sales, gross receipts or turnover** from the business carried on by him **exceed ten crore rupees** during the financial year **immediately preceding the financial year** in which the sale of goods is carried out, not being a person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.