

TDS on cash withdrawals - Section 194 N

As per the Income Tax Act,1961, TDS under section 194N is applicable on cash withdrawals exceeding Rs.1 crore.

"With effect from 01st July,2020, a new Section 194N shall be applicable as per the Finance Bill,2020. The new section contains the following provisions :-

Filing of Income Tax Returns	Particulars	TDS Rate Applicable
If a customer files his Income tax returns for all the previous three financial years i.e. 2016-17 (A.Y. 2017-18), 2017-18(A.Y. 2018-19) and 2018-19 (A.Y. 2019-20)	If the aggregate amount of cash withdrawn from 01.04.2020 to 31.03.2021 is more than Rs. 1 crore	2% on the amount exceeding Rs.1 crore.
If a customer does not file his Income tax returns for all the previous three financial years i.e. 2016-17(A.Y. 2017-18), 2017-18 (A.Y. 2018-19) and 2018-19 (A.Y. 2019-20), the time limit for which has expired under sub-section (1) of Section 139.	If the aggregate amount of cash withdrawn from 01.04.2020 to 31.03.2021 is more than Rs.20 lakh but upto Rs. 1 crore. and If the aggregate amount of cash withdrawn from 01.04.2020 to 31.03.2021 is more than Rs. 1 crore	2% on the amount exceeding Rs. 20 lakh. and 5% on the amount exceeding Rs.1 crore.

Also, if a customer has multiple accounts maintained with different branches of our Bank and the PAN card allotted to these accounts is the same, then for the purpose of Section 194N, cash withdrawals from all these accounts shall be aggregated.

Note : Customer are requested to **submit copy of acknowledgment of Income Tax Returns** filed for all the previous three financial years i.e. 2016-17 (A.Y. 2017-18), 2017-18 (A.Y. 2018-19) and 2018-19 (A.Y. 2019-20) at the nearest branch where the account is maintained.