

In case, Cash withdrawal from Bank, Co-operative Bank or post office exceeds one (1) crore during any previous year then the payer of cash is liable to deduct TDS under section 194N at the rate of 2% on the amount excess of 1 crore. The withdrawal limit is applicable bank wise and not account wise.

Also, the limit of Rs 1 crore will be reduced to Rs 20 lakhs in cases where the individual receiving the money has not filed the income tax return for the three years immediately preceding the year in which such payment is made. The TDS rate in such situation will be as follows:

More than 20 lakhs up to 1 crore- 2%

More than 1 crore – 5%



DO YOU KNOW?



TDS is deducted on
Cash Withdrawals