

## DO YOU KNOW ?

**Any Cash payment above Rs.10,000 or any payment made in violation of TDS provisions is subject to disallowance**

With effect from 01.04.2019, any cash payment above Rs.10,000 or any payment made in violation of TDS provisions is subject to disallowance under Income Tax.

Explanation 3 to section 11(1) of the Income Tax Act, 1961, provides the quantum of disallowances in case of TDS violations and cash payment in excess of Rs.10,000.

In the light of the above explanation, the following applications shall be disallowed in the following manner:

- The amount of application shall be reduced by 30% of the corresponding amount applied for because of non-compliance of TDS provisions, or
- The amount of application shall be reduced by the full amount if the corresponding payment in excess of Rs.10,000 is made in cash.