



TDS on Cash Withdrawals exceeding INR 1 Crore

As per the Income-tax regulations, banks are required to deduct tax @ 2% from the aggregate cash withdrawals exceeding INR 1 crore during a financial year, from one or more accounts, maintained by a customer.

List of persons and entities who are exempt from TDS on cash withdrawal:

- (i) the Government;
- (ii) any banking company or co-operative society engaged in carrying on the business of banking or a post office;
- (iii) any business correspondent of a banking company or co-operative society engaged in carrying on the business of banking;
- (iv) any white label automated teller machine operator of a banking company or co-operative society engaged in carrying on the business of banking, in accordance with the authorization issued by the Reserve Bank of India;
- (v) such other person(s) as the Central Government may notify.

For the financial year 2019-20, for calculating threshold of Rs.1 crore, withdrawals from 1-Apr-2019 would be considered. However, TDS would be applicable only on withdrawals on or after 1-Sept-2019.