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IMPORTANT: Amendment to TDS rule on cash withdrawal under section 194 N – as per amended Finance Act 2020 with effect from July 1 ,2020





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Dear Customer,

We would like to update you about the amended TDS Rule on Cash withdrawals as per amendment in the Income-tax Act.

As per amended Finance Act 2020, there are two changes applicable w.e.f 01 July 2020 please refer below table.

Existing provision applicable up to 01 July 2020;

Threshold	Rate of TDS	Rate of TDS in absence of PAN	Conditions
Exceeding INR 1 Crore	@ 2%	@20%	Applicable to all customers

Provisions from 01 July 2020;

Sr. No.	Category of Customer	Threshold	Rate of TDS	Rate of TDS in absence of PAN
1	Customer who have NOT filed its tax returns for all 3 previous years, and for which the due date for filing tax return has expired	INR 20 Lakhs to INR 1 Crore	@ 2%	@ 20 %
		Exceeding INR 1 Crore	@ 5%	@ 20 %
2	Customer other than mentioned above	Up to INR 1 Crore	@ 0%	@ 0%
		Exceeding INR 1 Crore	@ 2%	@ 20%

- Total sum of cash withdrawal will be arrived by any person* who withdraws cash from all or any of his/her accounts across all accounts under your PAN number maintained with DBS Bank India Limited.



- Such cash withdrawal transactions would include all transactions wherein cash is withdrawn by the account holders through various modes, including but not limited to cash withdrawn across counter, through ATM, cash withdrawal against overdraft facility, cash delivery under Cash Management Door Delivery services, etc.
- The cash withdrawal limit for this financial year will be considered from 1st April 2020.
- If you have already withdrawn above INR 1 Crore or INR 20 Lakhs (in case of ITR not submitted/PAN not available as the case may be) before 1st July 2020, then TDS will be charged on any subsequent cash withdrawal as per applicable Tax slabs.
- Here is the list of persons and entities who are exempt from TDS on cash withdrawal:
 1. State and Central Government;
 2. Banking company or co-operative society engaged in carrying on the business of banking or a post office;
 3. Business correspondent of a banking company or co-operative society engaged in carrying on the business of banking;
 4. 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;
 5. Such other person(s) as notified by the Government.
 6. Registered commission agent or trader, with Agriculture Produce Market Committee (APMC).,– Notification No. 70/2019-Income Tax Dated 20th September, 2019
 7. CBDT exempts cash withdrawal by the authorized dealer and its franchise agent and sub-agent; and Full-Fledged Money Changer (FFMC) licensed by the Reserve Bank of India and its franchise agent from TDS under Section 194N subject to conditions specified in Notification No. 80/2019-Income Tax dated 15th October, 2019.

For further details, kindly visit your nearest DBS Bank India branch.

Assuring you the best of our services at all times.

Warm Regards,

DBS Bank India Ltd.