

Tax Deduction at Source (TDS) on cash withdrawal above Rs.1 crore

With effect from Sep 01, 2019, TDS of 2% would be levied on cash withdrawals exceeding Rs. 1 crore as per Section 194N of the Income Tax Act 1961 ('Act') introduced in the Union Budget 2019.

As per the above regulation,

- 2% TDS would be applicable to any person* who withdraws a sum or aggregate of sums that is in excess of Rs.1crore in cash from all or any of his/her accounts maintained with Bank of Bahrain and Kuwait B.S.C. and its branches in India in a particular financial year.
- Such cash withdrawal transactions would include all transactions wherein cash is withdrawn by the account holders through various modes, including but not limited to cash withdrawn across the counter, through ATM (using Credit or Debit Card), cash withdrawal against overdraft facility, cash delivery under Cash Management Services, etc.
- TDS will be charged only on the amount withdrawn above the limit of Rs 1 crore.
- The cash withdrawal limit for this financial year will be considered from Apr 01, 2019.
- There shall be fresh cash withdrawal limit of Rs 1 crore for every financial year.

For further information, please visit the branch.

*Cash payments made to the following entities are exempted under Section 194N of the Act

1. The Government.
2. Any banking company or co-operative society engaged in carrying on the business of banking or a post office.
3. Any business correspondent of a banking company in accordance with the guidelines issued in this regard by the RBI under the RBI Act, 1934.
4. Any white label Automated Teller Machine (ATM) operator of a banking company, in accordance with the authorisation issued by the RBI under the Payment and Settlement Systems Act, 2007.
5. Such other person or class of persons, which the Central Government may, by notification in the Official Gazette, specify in consultation with the RBI.