

Tax Deducted at Source (TDS) on cash withdrawals above INR 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 1 crore in cash from all or any of his/her accounts maintained with ICICI Bank Limited 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- Such cash withdrawal transactions would include all transactions wherein cash is withdrawn by the account holders through various modes, including but not limited to cash withdrawn across the counter, through ATM (using Credit or Debit Card), cash withdrawal against overdraft facility, cash delivery under Cash Management Services, etc.
- TDS will be charged only on the amount withdrawn above the limit of Rs 1 crore.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.

In case you require any further information, please contact your Accounts Manager, Relationship Manager or visit the branch.

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

- i. Government i.e. Central Government or State Government
 - Departments of Government
 - Ministry of Defence
 - Ministry of Human Resource
 - Ministry of External Affairs
 - Accounts opened specially for the scheme introduced by Government
 - Block Development Officers (BDO) and District Collectors (subject to availability of documents)
- ii. Banks or co-operative societies carrying on the business of banking or post office;
- iii. Any Business Correspondent (BC) of the banks and co-operative society carrying on the business of banking, as per the guidelines issued by the RBI under RBI Act, 1934;
- iv. Any White Label Automated Teller Machine Operator (WLATMO) of the banks and cooperative society carrying on the business of banking, as per the authorisation issued by the RBI under the Payment and Settlement Systems Act, 2007;
- v. Cash Replenishment Agencies (CRAs) and franchise agents of WLATMOs;
- vi. Commission Agent or Trader, operating under Agriculture Produce Market Committee (APMC), and registered under any Law relating to Agriculture Produce Market of the concerned state;
- vii. Foreign currency authorised dealers and their agents and sub-agents and
- viii. RBI licensed Full-Fledged Money Changers (FFMCs) and their franchise agents
- ix. Agents/sub-agents of BCs of a bank or co-operative bank. Accordingly, agents/ sub-agents of BC, which work as retail outlets/customer service points/ customer service providers would be considered TDS exempt provided they are engaged in the activities of BC in accordance with RBI Master Circular dated Jul 01, 2014.
- x. Such other persons as may be notified by the Central Government from time to time.