

MIZORAM CO-OPERATIVE APEX BANK LTD.

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NO.MCAB/FIN/54/19/2023-24

: Dated Aizawl, the 1st June, 2023

C I R C U L A R

Section 194N of Income Tax Act, 1961 in a tarlan angin Bank/Post Office te hian mimal kumthat chhunga Rs. 20 lakhs aia tam Cash withdrawal nei te chu Rs. 20 lakhs a pelhna chin zelah Tax lak tur a ni a. Hei hi Bank dang zawng zawngin an kalpui tawh anih lain kan la kalpui ve lo ani. Kum 2023-24 financial year atangin he dan hi kalpui tan tur a ni ang a, a zau thei ang berin Customer te hnenah hriattir tur ani. TDS lak dan tur chungchang hi a tul angin IT Department atangin CBS ah set ani ang.

He mi chungchang “ Section 194N TDS on Cash withdrawal from Banks/Post Offices” hi Branch ten in lo hriat atan attached ani. Tin Cash withdrawal tam te laka TDS (Tax Deducted at Source) lak dan tur tlangpui chu a hnuai tarlan ang hi ani :-

1. Kumkat a Rs. 20 lakhs aia tam Rs. 1 crore chin Cash withdrawal- ah :
 - (a) Income Tax Return file lo tan - 2 % TDS
 - (b) Income Tax Return file tan - TDS lak a ngai lo.
2. Kumkhat a Rs. 1 crore aia tam Cash withdrawal –ah :
 - (a) Income Tax Return file lo tan - 5 % TDS
 - (b) income Tax Return file tan - 2 % TDS

Sd/-

Chief Executive Officer,

Mizoram Cooperative Apex Bank Ltd.,

: Dated Aizawl, the 1st Junw, 2023

Memo No. MCAB/FIN/54/19/2023-24

Copy to :-

- 2) AGM/Chief Manager/Branch Manager all Branches for information and necessary action.
- 3) General Manager, for information
- ✓ 4) Department Head, All Department, Head Office for information and necessary action

(P. LALSAWMLIANA)

Asst, General Manager, Finance Department
Mizoram Cooperative Apex Bank Ltd

**SUMMARY OF PROVISIONS OF SECTION 194 N OF INCOME TAX
ACT, 1961**

FOR CUSTOMERS NOT FILING INCOME TAX RETURNS

Income tax returns: Not filed income tax returns for last three years consecutively.

Deduction:

Rate	Amount (Rs.)	Maximum deduction
2%	After crossing Rs.20 lakhs cash withdrawal upto Rs. 100 lakhs Deduction shall start from Rs.20,00,001/- Deduction shall end at Rs. 1,00,00,000/-	Cash withdrawal Rs.80,00,000 x 2% = Rs.1,60,000/-
5%	After crossing the limit of Rs.100 lakhs Deduction shall start from Rs. 1,00,00,001/-	No limit. Say total cash withdrawal is Rs. 1,50,00,000/- deduction shall be Rs. 50,00,000/- x 5% = Rs. 2,50,000/-
5%	In case of cooperative societies the limit of Rs.1 crore shall be changed to Rs.3 crores	--

Not applicability: TDS shall not be deducted in case of cash withdrawal by:

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 or co-operative society engaged in carrying on the business of banking, in accordance with the guidelines issued in this regard by the Reserve Bank of India under the Reserve Bank of India Act, 1934
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 authorisation issued by the Reserve Bank of India under the Payment and Settlement Systems Act, 2007

Notes:

1. The cash withdrawal has to be checked for customer as a whole considering all the bank accounts of the customer held with the bank. It is advised to check cash withdrawal limit CUST ID wise and not account level wise.
2. All accounts such as Cash credit, savings, current, etc shall have to be considered.
3. Check PAN number is correctly entered in the CBS. It is advised to get PAN rechecked to ensure proper credit is passed on to the customer. If PAN is incorrect customer will not get credit and cannot claim refund by filing of Income Tax Return.
4. TDS deducted has to be deposited on or before 7th of every month.
5. It is advised to initiate customer awareness campaigns such as SMS, pamphlets at branches and notifications on banks websites.

6. Customers can claim TDS refund by filing Income Tax Return. For customers who want their income tax returns to be filed M/s.H.K.Agrawala and Associates, Chartered Accountants can file returns on behalf of the customers.

FOR CUSTOMERS FILING INCOME TAX RETURNS

In case the customer is filing income tax returns consecutively for last three years the TDS shall be 2% on cash withdrawal above Rs. 1 crore. Therefore, TDS needs to be deducted on cash withdrawn from Rs.1,00,00,001/-.

Example, if cash withdrawn is Rs. 1,50,00,000/-, TDS shall be on Rs. 50,00,000/- x 2%= Rs. 1,00,000/-