AU SMALL FINANCE BANK

INFORMATION ABOUT TDS ON CASH WITHDRAWAL*

1. As per the Income-tax regulations, TDS on cash withdrawal will be applicable as under:

a) As per section 393 of Income Tax Act 2025, TDS on cash withdrawal will be applicable @ 2% on entire amount of cash withdrawal once threshold is crossed i.e. Rs. 1 crore during the Financial Year, irrespective of ITR status.
b) Provision related to ITR compliance has been abolished w.e.f. 01.04.2026.
c) Where the PAN provided to the deductor (AUSF Bank) is Inoperative (PAN not linked with Aadhar), TDS will be considered at higher rate of TDS (20%).
d) Where the PAN provided to the deductor (AUSF Bank) is incorrect or invalid, the higher rate of TDS (20%) shall be applicable.

Note: For Cooperative Societies (registered under Cooperative Societies Act 1912 or under any State Law for the registration of cooperative societies) – the threshold limit of Rs 3 Crores shall apply, instead of aforesaid Rs 1 Crore.

2. List of persons and entities who are exempt from TDS on cash withdrawal are as under:

   a) the Government;
   b) any banking company or co-operative society engaged in carrying on the business of banking or a post office;
   c) any business correspondent of a banking company or co-operative society engaged in carrying on the business of banking in accordance with the RBI guidelines;
   d) 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;
   e) such other person(s) as the Central Government may notify in the Official Gazette.

NOTICE AND STATUTORY INFORMATION ABOUT PAN

1. Section 262 of the Income Tax Act and Rule 159 of Income Tax Rules make it mandatory for furnishing of PAN for opening of any account. Further, it is mandatory for the Bank to mention the PAN of the customer on the TDS certificate and in TDS returns filed by it. In order to avail proper credit for the TDS while filing income tax returns, customers are requested to furnish copy of PAN card along with the original card for verification.

2. In case PAN is not provided by the customer or the one provided is incorrect or invalid, the Bank shall not be responsible for denial of TDS claims by the tax authorities.

3. Further, you may please note that following additional rules shall be applicable with effect from 01.04.2026:

   a) The Income Tax Department has introduced Form 97, replacing the erstwhile Form 60, with certain modifications to the form format.
   b) Form 97 (earlier known as Form 60) shall not be required where cash deposits exceeding ₹50,000 are made in a single day
   c) In case of PAN is not furnished by customer to AUSF Bank then cash withdrawals/cash deposits are not allowed for Rs. 10 lakhs or more in a financial year.

**All the above information are subject to change without prior notice by bank. This document is only for the purpose of guidance, please contact branch representative for any clarification or exact implication in your account.*