

“As per Section 206AB of the Income Tax Act, 1961, TDS at higher rate on interest on deposit shall be applicable w.e.f. 1st July, 2021 if a person has

- (i) ***not filed the returns of income for both the two assessment years*** relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired i.e. for F.Y. 2021-22, the 2 Financial years shall be F.Y. 2018-19 & F.Y. 2019-20 and
- (ii) The ***aggregate*** of tax deducted at source (***TDS***) and tax collected at source (***TCS***) in his case is ***rupees fifty thousand or more*** in each of these ***two previous years***

Based on the Income Tax Department functionality, it shall be determined if a customer is a ***“specified person”*** and hence attracts TDS at a higher rate u/s 206AB. Also, if Section 206AB is applicable to a customer, he/she shall not be eligible for Form 15G/15H u/s 197A”.