

Tax Deduction at Source Provisions

Tax Deduction at Source (TDS)

- ❑ TDS is applicable from time to time as per the Income Tax Act, 1961 (IT Act) and Income Tax Rules, 1962. The current rates applicable for TDS would be displayed on Bank's website. Currently, TDS is deducted when the aggregate interest paid / credited across all FDs, RDs exceeds the threshold limit of Rs. 40,000/- for residents and Rs. 50,000/- for resident senior citizens in a financial year (FY) for a customer. Further, Tax is deducted at the end of the financial year on Interest accruals, if applicable.
- ❑ For Residents, tax is deducted when the total of interest paid, re-invested and interest accrued as on 31/03 exceeds Rs. Rs.40,000/- (Rs.50,000/- for Senior Citizen) in a Financial Year across Branches. In case of NRO accounts (FD and CASA) there is no threshold and TDS is applicable from Rupee one.
- ❑ As per Section 139A(5A) of the IT Act, every person receiving any sum of income or amount from which tax has been deducted under the provisions of the IT Act shall provide his valid PAN to the person responsible for deducting such tax. In absence of PAN TDS shall be applicable @ 20% as per Section 206AA of IT Act.
- ❑ In case of inoperative PAN (PAN not linked to Aadhar), tax will be deducted @ 20% and 15 G/H form submitted during inoperative PAN period will not be considered.
- ❑ If customer is non-ITR filer i.e. specified person as per Income tax portal tax will be deducted @ 20%.
- ❑ In the absence of PAN, Form 15G/H & other exemption certificates will be invalid even if submitted.
- ❑ The maximum Interest not charged to tax during the financial year where form 15 G/H is submitted is as below:
 - ❑ Upto 3,00,000/- for residents of India below the age of 60 years or a person (not being a company or firm)
 - ❑ Upto 7,00,000/- for senior citizen residents of India who is 60 years or more at any time during the Financial Year.
- ❑ **Form 15G/H should be submitted by customer in duplicate copy to the bank**, one copy for use by Branch and the second copy to be returned to the customer with Branch seal as an acknowledgement copy
- ❑ **A fresh Form 15G/H needs to be submitted in each new Financial Year at the start of the Financial Year.**
- ❑ **Form 15G/H needs to be submitted for every Fixed Deposit booked with bank for tax exemption**
- ❑ **The bank shall not be liable for any consequences arising due to delay or non-submission of Form 15G/H**
- ❑ To enable us to serve you better submit the Form 15G/H latest by April 1st of the new financial year
- ❑ **If a customer is turning 60 in the current Financial Year, he/she needs to submit 15H and not 15G**

Please Note - The above is subject to change as per Regulatory directives.