

Tax Deduction at Source Provisions

Tax Deduction at Source (TDS)

- ☐ TDS rates will be as applicable from time to time as per the Income Tax Act, 1961 and Income Tax rules. The current rate applicable for TDS would be displayed by the Bank on its website.
- ☐ 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 every Rupee paid is taxable at rate applicable.
- ☐ As per Section 139A(5A) of the Income Tax Act, every person receiving any sum of income or amount from which tax has been deducted under the provisions of the Income Tax Act shall provide his PAN to the person responsible for deducting such tax
- ☐ In case the PAN is not provided to the Bank as required, the bank shall not be liable for the non availment of the credit of Tax deducted at Source
- ☐ Further in the absence of PAN, Form 15G/H & other exemption certificates will be invalid even if submitted
- ☐ As per section 206AA introduced by Finance (No. 2) Act, 2009 w.e.f. 01.04.2010, every person who receives income on which TDS is deductible shall furnish his PAN (Permanent Account Number), failing which TDS shall be deducted at the rate of 20% in case of Domestic deposits and 31.20% in case of NRO deposits

The maximum Interest not charged to tax during the financial year where form 15 G/H is submitted is as below:

- ☐ Upto 2,50,000/- for residents of India below the age of 60 years or a person(not being a company or firm)
- ☐ Upto 5,00,000 for senior citizen residents of India who is 60 years or more at any time during the FY
- ☐ Form 15G/H should be submitted by customer in Triplicate copy to the bank, for submitting one copy to Income Tax Department, One copy for use by Branch and the third 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 FY he needs to submit 15H and not 15G

NOTE

The above is subject to change as per directives of Finance Ministry Govt. of India