

Banker customer Relationship

TRANSACTION	BANK	CUSTOMER
DEPOSIT	DEBTOR	CREDITOR
LOANS	CREDITOR	DEBTOR
LOCKER	LESSOR	LESSEE
SAFE CUSTODY	BAILEE	BAILOR
PURCHASER OF DD	DEBTOR	CREDITOR
PAYEE OF DD	TRUSTEE	BENEFICIARY
CHEQUE COLLECTION	AGENT	PRINCIPAL

Banker customer Relationship

TRANSACTION	BANK	CUSTOMER
STANDING INSTRUCTION	AGENT	PRINCIPAL
SALE/PURCHASE OF SECURITIES FOR CUSTOMERS	AGENT	PRINCIPAL
MONEY DEPOSITED BUT INSTRUCTIONS NOT GIVEN FOR DISPOSAL	TRUSTEE	BENEFICIARY
ARTICLES LEFT BY MISTAKE	TRUSTEE	BENEFICIARY

Banker customer Relationship

TRANSACTION	BANK	CUSTOMER
DISCOUNTING OF CHEQUE	HOLDER FOR VALUE	PRINCIPAL
PLEDGE	PAWNEE or Pledgee	PAWNER or Pledgor
MORTGAGE	MORTGAGE	MORTGAGOR
ASSIGNMENT	ASSINGEE	ASSIGNOR
Wrong credit given By bank and amount Yet to be recovered	Beneficiary	Trustee

Deposit Matters

- RBI guidelines – Interest on Deposits**
- Current Deposit:**
- No interest**
- For balances in the CA standing in the name of individuals or sole proprietorship concern interest shall be paid from the date of death of depositor till settlement of claim at the SB interest prevailing on the date of payment**
- Savings Account: Domestic, NRO & NRE**
- Interest to be calculated on daily product basis**

Deposit Matters

- ❑ A uniform interest rate shall be set on balance up to Rupees one lakh, irrespective of the amount in the account within this limit.
- ❑ Differential rates of interest may be provided for any end-of-day savings bank balance exceeding Rupees one lakh.
- ❑ Interest on savings deposit shall be credited at quarterly or shorter intervals including for those frozen by the enforcement authorities.

Deposit Matters

❑ Interest Rate on SB (Domestic/NRO/NRE) wef 28.9.2020 721/2020 Canara Bank

Balance outstanding	Interest Rate (%)
Less than Rs 50 lac	2.90
Rs 50 lac to less than Rs 100 cro	2.90
Rs 100 cro to less than Rs 300 cro	3.00
Rs 300 cro to less than Rs 500 cro	3.05
Rs 500 cro & above	3.20

Interest is payable on daily product basis once in a quarter as on 1st of Feb, May, Aug, & Nov

Deposit Matters

- ❑ **Term Deposit: RBI guidelines:**
- ❑ to earn interest minimum period of term deposit is – Domestic and NRO 7 days, NRE & FCNR 1 year
- ❑ Maximum Period – Domestic, NRO & NRE 10 years & FCNR 5 years
- ❑ RBI not restricts minimum and maximum amount
- ❑ **In Canara Bank:**
- ❑ Fresh Domestic and NRO deposit will be accepted for 7 days – Minimum Amount Rs 5 lac
- ❑ For less than Rs 5 lac minimum period is 15 days

Deposit Matters

- ❑ **In Canara Bank:**
- ❑ **Renewal of domestic and NRO deposit will be done for minimum of 7 days irrespective of the amount of deposit**
- ❑ **Minimum period of NRE & FCNR deposit is 1 year. Max NRE 10 years and FCNR 5 years**
- ❑ **Banking Industry: The tenor and interest rates for Domestic, NRO and NRE deposit will vary from Bank to Bank within the min & max period of RBI**
- ❑ **While the tenor will be the same for FCNR deposit the rates will vary from Bank to Bank**

Deposit Matters

□ Tenor of FCNR Deposit For Banks in India

One Year to Less than 2 years

Two Years to less than 3 years

Three Years to less than 4 years

Four years to less than 5 years

Five Years only

Interest rate for FCNR deposit may vary from Bank to Bank but the tenor will be uniform for all the banks

Interest rate on FCNR is linked to LIBRO/SWAP Rates

Max rate for 1 year to less than 3 years LIBOR +200 Basis points

3 year to 5 years LiBOR + 300 Basis points

Every month on 1st Banks to publish FCNR rates as above

Deposit Matters

- ❑ As per RBI guidelines interest rate for SB as well as term deposit under NRO & NRE should be either the same or less than that is offered under domestic SB and domestic term deposit of similar maturity.
- ❑ In our bank the rates are the same
- ❑ Differential interest rates can be paid for Bulk deposits of Rs 2 cro and above in Domestic, NRO and NRE As per RBI guidelines
- ❑ In our bank also we pay differential interest for deposit of Rs 2 cro and above

Deposit Matters

- ❑ Bulk deposit of Rs 2 cro and above but less than Rs 10 cro branches can accept the deposit at card rates without any permission
- ❑ Bulk deposit of Rs 2 cro and above but less than Rs 10 cro for preferential rates to be taken up with SP&D Wing HO through MIPD& PP Circle
- ❑ Bulk deposit of Rs 10 cro and above designated branches to take up with T&I Division Integrated Treasury Wing Mumbai through MIPD&PP Section Circle and get rates since rates are not given in HO Circular for deposit of Rs 10 cro and above

Deposit Matters

- ❑ As per RBI guidelines Banks have the freedom to fix higher interest rates for domestic term deposits of Senior Citizens
- ❑ For deposit of HUF even if the Karta is a Senior Citizen additional interest can not be paid
- ❑ For retired staff who are senior citizens additional interest rate as applicable to Senior Citizen over and above the additional interest payable to staff

Deposit Matters

- ❑ **In Canara Bank:**
- ❑ **For Senior citizen domestic term deposit including RD additional interest of 0.50% is paid provided the deposit is less than Rs 2 cro with tenor of 180 days and above including for Can Tax Saver**
- ❑ **For Senior Citizen ex staff additional interest of 1.50% is paid (1%+0.50%) irrespective of amount and period– For Can Tax Saver only 1%**
- ❑ **Spouse (Sr Citizen) of deceased staff/exstaff is paid 1.00% additional interest**

Deposit Matters

- In Canara Bank:
- No additional interest for Senior Citizen, Staff or Ex Staff for
- NRO
- NRE
- Capital Gains

Deposit Matters

- In Canara Bank:
- Non Callable Deposit:
- NO Before maturity and automatic renewal
- Rs 2 cro and above
- Not available for Individuals and HUF
- Min period is 46 days Max less than 5 years

Small Savings Schemes

- ✓ **Public Provident Fund Account (PPF)**
 - ✓ **Senior Citizen Savings Scheme Account (SCSS)**
 - ✓ **Sukanya Samriddhi Account (SSA)**
 - ✓ **Kisan Vikas Patra**
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- ✓ **Why banks do Govt Business?**

GOVERNMENT BUSINESS - COMMISSION

WEF 1.1.2019

RECEIPTS PER TRANSACTION	Rs 40
E RECEIPT	Rs 9
PENSION PAYMNET	Rs 75
OTHER PAYMENTS	6.50 PAISE PER Rs 100 TURN OVER

**Interest income for the bank is coming down
– Concentrate on Non interest Income**

✓ **PUBLIC PROVIDENT FUND SCHEME**
(PPF)2019 (EARLIER 1968) HO CIR
154/2020

PUBLIC PROVIDENT FUND ACCOUNT ELIGIBILITY

- ✓ **Resident Individuals in their names (No Joint Account) 18 years and above – no upper age**
- ✓ **Guardian on behalf of minor**
- ✓ **Maximum an individual can have only one account in his name and or as guardian either in Post Office or in a bank**
- ✓ **NRIs, HUF and Entities not eligible**

PUBLIC PROVIDENT FUND ACCOUNT DEPOSIT

- ✓ **Minimum in a FY Rs 500 and Maximum Rs 1.50 lac**
- ✓ **Maximum limit of Rs 1.50 lac in both the accounts put together**
- ✓ **Deposit can be made in lump sum or in instalments**
- ✓ **Any number of credits can be made in a FY with minimum of Rs 50 per credit**
- ✓ **Deposits qualify for exemption under Sec 80C of IT Act**
- ✓ **Maximum Nominees 4**

PUBLIC PROVIDENT FUND ACCOUNT

- ✓ In a FY if minimum Rs 500 not credited it will be discontinued account
- ✓ Can be revived by paying penalty of Rs 50 per defaulted year
- ✓ Interest will be notified by MOF Every calendar Quarter – Current Rate 7.10% pa
- ✓ Interest will be calculated for the calendar month on the lowest balance in the account from 5th of the month and the last day of the month
- ✓ Interest will be credited at the end of FY – interest exempt from IT

PUBLIC PROVIDENT FUND ACCOUNT PARTIAL WITHDRWL

- ✓ **One withdrawal is permitted in a FY from the 6th FY after the account is opened – Eg account opened in Feb 2020. First withdrawal in 2025-26**
- ✓ **Maximum amount of withdrawal is 50% of amount outstanding at the end of 4th Preceding FY or at the end of the preceding FY which ever is less**
- ✓ **For withdrawal in 2025-26**
- ✓ **50% as on 31.3.2025 (end of preceding FY ie 2020-24)**
- ✓ **50% as on 31.3.2022 (end of 4th Preceding FY 2021-22) whichever is less**

PUBLIC PROVIDENT FUND ACCOUNT OTHERS

- ✓ **Loan is available subject to certain conditions**
- ✓ **Account will mature after 15 years excluding the FY in which account is opened.**
- ✓ **Eg account opened on 10.12.2020 – Maturity on or after 1.4.2036**
- ✓ **On Maturity : Take the maturity proceeds**
- ✓ **Continue the amount in the account without any deposit at applicable PPF interest rate and withdraw at any time or one withdrawal per year**
- ✓ **Extend the account for further block of 5 years within one year of maturity**

PUBLIC PROVIDENT FUND ACCOUNT OTHERS

- ✓ **Premature closure is permitted after 5 years from the end of the year in which the account is opened**
- ✓ **Account opened on 20.10.2021 – End of 2021-22 is 31.3.2022. 5 years after 31.3.2022 ends on 31.3.2027. Can be closed from 1.4.2027**
- ✓ **Life threatening diseases of the account holder or dependent family members**
- ✓ **Higher education of account holder or dependent children – if he becomes NRI**
- ✓ **1% Penalty – If account holder dies nominee or legal heir can not continue – close without penal cut**

**SUKANYA SAMRIDDHI ACCOUNT
SCHEME 2019 (EARLIER 2016)
155/2020**

SUKANYA SAMRIDDHI ACCOUNT

- ✓ By guardian in the name of girl child below 10 years of age (Resident Individuals)
- ✓ Only one account per girl child
- ✓ Maximum of 2 girls in a family – Relaxation for twins/triplets
- ✓ Initial deposit Rs 250
- ✓ Minimum deposit in a FY Rs 250 – Maximum Rs 1.50 lac either in one lumpsum or in instalments (minimum instalment Rs 50)
- ✓ Deposits can be made maximum upto 15 years from the date of opening the account

SUKANYA SAMRIDDHI ACCOUNT

- ✓ If minimum Rs 250 not made in a FY discontinued account
- ✓ To be revived before completion of 15 years from the date of opening the account with penalty of Rs 50 per financial year
- ✓ Sec 80 C of IT Act
- ✓ Interest as per MOF - Present 7.60% pa – Interest exempt from IT
- ✓ Interest will be credited at the end of FY
- ✓ Method of calculation like PPF

SUKANYA SAMRIDDHI ACCOUNT

- ✓ Account will be operated by guardian till the minor girl child attains majority

Withdrawal Permitted after girl child attains age of 18 or passed 10th standard whichever is earlier for the education of girl child

- ✓ Withdrawal may be taken up to 50% of balance available at the end of preceding FY
- ✓ Withdrawal may be made in one lump sum or in installments, not exceeding one per year for a maximum period of 5 years

SUKANYA SAMRIDDHI ACCOUNT

- ✓ **Premature Closure:**
- ✓ **Account may be prematurely closed after 5 years of account opening on the following conditions : -**
- ✓ **On the death of account holder.**
- ✓ **Life threatening decease of a/c holder.**
- ✓ **Death of the guardian**

SUKANYA SAMRIDDHI ACCOUNT

- ✓ **Closure on Maturity:**
- ✓ **After 21 years from the date of account opening.**
- ✓ **Or at the time of marriage of girl child after attaining age of 18years.(1 month before or 3 month after date of marriage).**
- ✓ **Number of nominees 4**
- ✓ **Transfer of account – charges Rs 100**

✓ **SENIOR CITIZEN SAVINGS SCHEME
(SCSS) 2019 (Earlier 2004) 153/2020**

SENIOR CITIZEN SAVINGS SCHEME

- ✓ **Eligibility:**
- ✓ **A Resident individual above 60 years of age.**
- ✓ **Retired Civilian Employees above 55 years of age and below 60 years of age, subject to condition that investment to be made within 1 month of receipt of retirement benefits.**
- ✓ **Retired Defense Employees above 50 years of age subject to condition that investment to be made within 1 month of receipt of retirement benefits.**

SENIOR CITIZEN SAVINGS SCHEME

- ✓ **Eligibility:**
- ✓ **Individual or joint with spouse only**
- ✓ **Both the spouses can open single account and joint accounts with each other with the maximum deposit of upto Rupees Fifteen Lakh in each account provided both are individually eligible to open the account.**

SENIOR CITIZEN SAVINGS SCHEME

Deposit:

Minimum deposit shall be Rs. 1000 and in multiple of 1000, subject to maximum limit up to Rs. 15 lakh in all SCSS accounts opened by an individual. – Terminal benefit or 15 lac less
SCSS is like Term Deposit

At any point of time maximum Rs 15 lac only can outstand in the name of an individuals in all the accounts put together

SENIOR CITIZEN SAVINGS SCHEME

Interest: Interest on the date of opening will be paid throughout

Interest shall be payable on quarterly basis

Interest is subject to Tax

Tax will be deducted at source if interest payment exceeds Rs 40,000/ 50,000 in a FY in all the accounts put together

Form 15 G / 15 H

SENIOR CITIZEN SAVINGS SCHEME

Maturity:

After 5 years from the date of opening

On the death of account holder within 5 years

Account holder can extend for another 3 years from the date of maturity

Account can be extended within one year of maturity

Interest as applicable on the date of maturity

SENIOR CITIZEN SAVINGS SCHEME

Premature Closure:

Any time from the date of opening

- ✓ If account closed before 1 year, no interest will be payable
- ✓ If account closed after 1 year but before 2 year from the date of opening, an amount equal to 1.5 % will be deducted from principal amount.

SENIOR CITIZEN SAVINGS SCHEME

Premature Closure:

Any time from the date of opening

- ✓ If account closed after 2 year but before 5 year from the date of opening, an amount equal to 1 % will be deducted from principal amount.
- ✓ Extended account can be closed after the expiry of one year from the date of extension of the account without any deduction.

SENIOR CITIZEN SAVINGS SCHEME

Maximum number of nominees 4

PAN or Form 60

If Form 60 is given PAN to be submitted within 6 months of account opening (applicable to all schemes)

Transfer charges Rs 100

IT Rate FY 2021-22 (AY 22-23)- Normal Rate

INCOME	TAX RATE
UPTO 2.50 LAC	Nil
>2.50 LAC UPTO 5 LAC	5%
>5 LAC UPTO 10 LAC	12,500 + 20% of the amt exceeding Rs 2.50 lac
>10 LAC	1,12,500 + 30% of amt exceeding Rs 10 lac

IT Rate– Sr Citizens (60 to <80 years) Normal Rate FY 2021-22

INCOME	TAX RATE
UPTO 3.00 LAC	NIL
>3.00 LAC UPTO 5 LAC	5%
>5 LAC UPTO 10 LAC	10,000+ 20% of amt exceeding Rs 5 lac
>10 LAC	1,10,500 + 30% of amt exceeding Rs 10 lac

IT Rate – Sr Citizens (80 yrs plus) Normal Rate FY 2021-22

INCOME	TAX RATE
UPTO 5.00 LAC	NIL
>5.00 LAC UPTO 10 LAC	20%
>10 LAC	1,10,000 + 30% of amt exceeding Rs 10 lac

IT Provision –For Normal Rate FY 2021-22

- ❑ **Surcharge on Income Tax**
- ❑ **Taxable Income Rate**
- ❑ **>50 lac upto Rs 1 cro 10%**
- ❑ **Rs 1 cro to Rs 2 cro 15%**
- ❑ **> Rs 2 cro to Rs 5 cro 25%**
- ❑ **>Rs 5 cro 37%**
- ❑ **Tax rebate of Rs 12500 if total income does not exceed Rs 5 lac**
- ❑ **Health and Education cess on Income tax 4% to be collected.**
- ❑ **Standard Deduction Rs 50,000 PA for salaried class.**

Special IT rates for FY 2021-22 without exemptions- For all Ages

INCOME	TAX RATE
Upto Rs 2.50 lac	NIL
> Rs 2.50 lac to Rs 5 lac	5%
>Rs 5 lac to Rs Rs 7.50 lac	10%
>Rs 7.50 lac to Rs 10 lac	15%
>Rs 10 lac to Rs 12.50 lac	20%
>Rs 12.50 lac Rs 15 lac	25%
>Rs 15 lac	30%

Surcharge for Special IT rate FY 2021-22

Taxable Income	Surcharge on Income Tax
Rs 50 lac to Rs 1 cro	10%
>Rs 1 cro to Rs 2 cro	15%
>Rs 2 cro to Rs 5 cro	25%
>Rs 5 cro to Rs 10 cro	37%
>Rs 10 cro	37%
Tax rebate of Rs 12500 if total income does not exceed Rs 5 lac Health and Education cess on Income tax 4% to be collected.	No Standard deduction and no other exemptions permitted.

TDS Rates for FY 2021-22-Other than Salary

Sec 194 A Interest on Term Deposit

- Other than Sr Citizen
- More than Rs 40000 10%
- Sr Citizen >Rs 50000 10%

TDS Rates for FY 2021-22 – Other than Salary

- Payment to Contractors – more than Rs 30,000 per single payment or aggregate amount of Rs 1 lac in a FY 1% - (194 C)**
- Payment of commission or brokerage > 15000 in a FY - 5% (194 H)**

TDS Rates for FY 2021-22 – Other than Salary

- Fee for professional /technical services >30000 in a FY (194J) 10% - If it is paid for services provided by call centers – 2%**
- Fees to a director of a company for any amount of payment 10% 194J**
- Sec 194 I(b) Rent >2.40 lac in a FY – L&B, Furniture and Fitting 10%. Sec 194 I(a) – P&M, Generator 2%**

TDS Rates for FY 2021-22 – Other than Salary

- TDS on cash with drawal exceeding Sec 194 N.**
- TDS on Cash with drawal depends on whether the customer is ITR complaint or not.**
- He is ITR complaint if he has filed ITR for any of the three previous FYs for which the time limit for filing ITR is over.**
- Eg – the time limit for filing ITR for FY 2020-21 is 31th DEC 2021**
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TDS Rates for FY 2021-22 – Other than Salary

- Hence in the current FY ie in the year 2021-22 till 31th Dec 2021 he is deemed to be ITR complaint if has filed ITR in any of the previous three years for which time for filing ITR is already over – ie 2017-18 or 2018-19 or 2019-20**
- From 1.1.2022 he is ITR complaint had he filed ITR for any of the previous three FYs for which time for filing ITR is over ie 2018-19 or 2019-20 or 2020-21**

TDS Rates for FY 2021-22 – Other than Salary

- For ITR complaint account holder TDS on cash with drawal in the FY 2021-22 is as under:**
- Upto Rs 1 cro in the FY – Nil**
- >Rs 1 cro – 2% on the amount exceeding Rs 1 cro**

TDS Rates for FY 2021-22 – Other than Salary

- If ITR is not filed for all the previous three financial year for which time line for filing ITR is already over - ITR non complaint account. TDS rates for 2021-22**
- Upto Rs 20 lac in the FY – Nil**
- >Rs 20 lac upto Rs 1 cro – 2% on the amount exceeding Rs 20 lac**
- > Rs 1 cro – 5% on the amount exceeding Rs 1 cro.**

TCS Rates for FY 2021-22

- TCS (Tax collection at source)- Foreign remittance under LRS above Rs 7 lac in a FY other than for sale of overseas tour package and remittance for higher studies other than out of bank loan wef 1.10.2020 – 5% - Sec 206C(1G)**
- Remittance out of bank loan for higher studies -0.50%.**

TCS Rates for FY 2021-22

- TCS for Sale of Scrap – 1% 206C(1)**
- If PAN not provided – twice the rate or 5% which ever is higher.**

IT Provisions

- ❑ **15G and 15H not to be obtained without PAN**
- ❑ **TDS is 20% or the rate of TDS which ever is higher in the absence of PAN.**

IT Provisions

- ❑ **Form 15G /15H to be preserved for a period of 7 years**
- ❑ **Form 16 obtained to be preserved for a period of 6 years from the end of the FY in which it is obtained.**
- ❑ **DDs of Rs 20,000 and above to be issued A/C payee crossing only**
- ❑ **Less than Rs 20,000 to be issued at the discretion of the customer**

IT Provisions

- ❑ **Non compliance of provision of PAN -fine Rs 10,000**
- ❑ **Failure to file ETDS Fine Rs 200 per day
Maximum TDS amount deducted**
- ❑ **Failure to file Statement of Financial Transaction Fine Rs 100 each day**
- ❑ **TDS not deducted – Interest 1% PM(12% PA) from the date deductible till deducted**
- ❑ **Delay in remitting tax to Govt Interest 1.50% PM (18% PA)**

Due dates for IT returns (etds)

24 Q	Salary	31st JUL, OCT, Jan & May
26Q	OTHER EXCEPT NRI	----- SAME AS ABOVE-----
27Q	TDS FOR NRIs	----- SAME AS ABOVE-----
FORM 16	SALARY	31ST MAY
FORM 16A	OTHERS	15TH AUG, NOV, FEB & JUN
FORM 15 G & 15 H		15TH JUL, OCT, JAN & 30th Apr

With Best Wishes From L Jagennath

Due dates for IT returns (etds)

FORM 61	DECLARATION RECEIVED IN FORM 60	31 OCT & 30 APR
FORM 61 A	STATEMENT OF FINANCIAL TRANSACATION	31 MAY
26QAA	INT PAYMENT WITHOUT TDS	31 JUL, OCT, JAN AND 30 JUN