AU SMALL FINANCE BANK

INFORMATION ABOUT TDS FROM INTEREST ON TERM DEPOSITS*

1. TDS will be deducted from interest paid / compounded on term deposits as per the applicable rates.
2. As per Income tax law, tax is required to be deducted at source on interest paid/compounded as follow:

a) In case of resident @10%, if the interest paid/compounded during financial year exceeds Rs.50,000/.

b) In case of a resident senior citizen whose age is 60 years or more tax shall be deducted @10%, if the interest paid/compounded during financial year exceeds Rs.1,00,000/-.

c) If PAN is not provided by a resident, then tax shall be deducted at higher rate of @20%.

d) If PAN is inoperative (PAN is not linked with Adhar) tax shall be deducted at higher rate of 20%.

e) In case of non-resident individual deposits, tax shall be deducted 31.20%** (in case of NRO fixed deposit and saving account);

*** Please note that this rate can be further subject to applicable surcharge and cess*

STATUTORY INFORMATION ABOUT Form 121 (Formally known as Form 15G / 15H)

1. With effect from 01.04.2026, Form 15G and Form 15H will be replaced by a single Form 121.
2. If the customer including sr. citizen (other than a company and a firm) is tax resident in India and eligible for non-deduction of tax at source from interest on fixed deposits under Section 393(6) of the Income Tax Act 2025, he / she can submit declaration in Form 121.
3. If the interest income (paid or compounded) on term deposits exceeds the maximum exemption limit (Rs. 12,00,000/- in the case of senior citizen or Rs. 4,00,000/- in case of other than sr. citizen in a financial year), TDS shall be deducted even if Form 121 is submitted.
4. In case of customer is having Inoperative PAN (PAN is not linked with Aadhar) then benefit of Form 121 is not granted and TDS will be deducted at higher rate @ 20%.
5. Separate declarations in Form 121 (subject to eligibility criteria as enumerated above) are required to be submitted for each financial year preferably at the commencement of financial year. Further, separate Form 121 is required to be submitted for new term deposits created during the year.
6. Tax deducted prior to submission of Form 121 shall not be refunded under any circumstances. Therefore, the customers are requested to submit the forms at the commencement of financial year for term deposits which were created in earlier years and at the time of every new term deposit created during current year.
7. Form 121 submitted without furnishing PAN shall be invalid and not be accepted.
8. Customer will need to declare his ITR details (Acknowledgement no & Return Income) for previous 2 years (If any).

NOTICE AND STATUTORY INFORMATION ABOUT PAN

1. Section 262 of Income Tax Act 2025 and Rule 159 of Income Tax Rules make it mandatory for furnishing of PAN for opening of term deposits exceeding amount INR 50,000/- or aggregating to more than INR 5,00,000/- during a financial year. 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 claim by the tax authorities.

**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*