

**F. No. FS-13/7/2020-FS  
Government of India  
Ministry of Communications  
Department of Posts  
(Financial Services Division)**

**Dak Bhawan New Delhi-110001**

**Dated: 22.11.2021.**

To,

All Head of Circles/Regions,

**Subject: - Deduction/Non-deduction of TDS in SCSS accounts in post offices reg.**

Sir/Madam,

Reference is invited to this office even letter no. dated 15.09.2021, in which the detailed guidelines were issued for configuration of TDS related parameters in Finacle in respect of SCSS accounts.

2. This office is receiving representations from the SCSS account holder(s) that TDS amount has been deducted from their interest payments even after submission of form 15G/15H for the current Financial Year.

3. I am directed to say that Circles should take necessary action for configuration of TDS/Form 15G/15H/NOPAN status in all SCSS accounts and CIFs.

4. The updated guidelines are again reiterated in respect of configuration of TDS/15G\_15H/No PAN in respect of Senior Citizens Savings Scheme (SCSS) accounts in Finacle for necessary action: -

- i. Whenever the SCSS account holder submits form 15G/15H, the concerned post office shall ensure that the details in customers CIF and SCSS account as prescribed in the table below.
- ii. All CBS post offices shall ensure that all form 15G/15H already received are updated in Finacle, as TDS deduction is based on the information available in CIF and Account level.
- iii. CIF of SCSS account holders should be seeded with valid PAN.
- iv. TDS code is configured in **CIF** level for SCSS account holders. It should be **TDSNR/TDSNS** only and not as NOTAX
- v. Tax liability will be calculated based on the age of customer and interest payable for the financial year
- vi. **Tax exemption is applicable only if the account is seeded with 15G/15H**
- vii. TDS code NOTAX/TDSNR will be converted as TDSNS on the date of customer reaching 60 years of age, by a batch process.
- viii. If PAN is invalid, TDS code will be converted as NOPAN/NOPNS by the batch process in Finacle.
- ix. Updating of form 15G/15H should be done on the date of receipt of form from the account holder.
- x. 15G/15H should be updated using **CSCAM** menu and verified without fail.

- xi. Once 15G/15H is entered, tax category at account level will get updated to 'No Tax'.

5. The following configuration should be made by all the CBS post offices for configuration of TDS or non-deduction of TDS or NO PAN in all existing SCSS accounts or at the time of opening of new account in SCSS as the case may be: -

Age of SCSS Account holder	Status	Configuration to be made at CIF of account holder	Configuration to be made in SCSS account.	Rate of TDS	Conditions for deduction of TDS
If first Account holder's age is less than 60 years	If form 15G is submitted by the account holder.	TDSNR	Tax Form = 15G or 15H	No Tax	if annual interest/ interest paid is more than Rs. <b>40,000</b> per annum in all SCSS accounts of an account holder in a financial year.
	If form 15G is not submitted by the account holder.	TDSNR	TDS	10%	
	IF PAN number is not provided by the account holder or if the PAN entered by POs is invalid.	NOPAN	TDS	20%	
If first Account holder's age is 60 years and above.	If form 15H is submitted by the account holder.	TDSNS	Tax Form = 15G or 15H	No Tax	if annual interest/ interest paid more than Rs. <b>50,000</b> per annum in all SCSS accounts of an account holder in a financial year.
	If form 15H is not submitted by the account holder.	TDSNS	TDS	10%	
	IF PAN number is not provided by the account holder or if the PAN entered by POs is invalid.	NOPNS	TDS	20%	

6. Government of India has amended Section 194A of Income Tax Act, 1961 and accordingly the total aggregate interest income in a Financial Year payable in case of all SCSS account holders, who has not attained the age of 60 years has been revised and configured in Finacle from Rs. 10,000/- to Rs. 40,000/- for the purpose of TDS deduction.

7. Non-CBS post offices shall also deduct the TDS from the SCSS account holders aged below 60 years in accordance with the above revised limit.

8. It is the responsibility of concerned CBS post office for updation of form 15G/15H (if submitted) in every financial year and update correct PAN number. Quoting invalid PAN /wrong PAN number may attract penalty u/s 272B of Income Tax Act-1961.

9. It is requested to circulate these guidelines to all Post Offices for information, guidance and ensure necessary action.

10. This is issued with approval of the competent authority.

Yours Sincerely

  
22/11/2021.

(Devendra Sharma)  
Assistant Director (SB-II)

Copy to: -

1. Sr. PPS to Secretary (Posts)
2. Sr PPS to Director General Postal Services.
3. PPS/ PS to Addl. DG (Co-ordination)/Member (Banking)/Member (O)/Member (P)/ Member (Planning & HRD)/Member (PLI)/Member (Tech)/AS & FA
4. Addl. Director General, APS, New Delhi
5. Chief General Manager, BD Directorate / Parcel Directorate / PLI Directorate
6. Sr. Deputy Director General (Vig) & CVO) / Sr. Deputy Director General (PAF)
7. Director, RAKNPA / CGM, CEPT / Directors of all PTCs
8. Director General P & T (Audit), Civil Lines, New Delhi
9. Secretary, Postal Services Board/ All Deputy Directors General
10. All General Managers (Finance) / Directors Postal Accounts / DDAP
11. Chief Engineer (Civil), Postal Directorate
12. All recognized Federations / Unions / Associations
13. The Under Secretary, MOF (DEA), NS-II Section, North Block, New Delhi.
14. The Joint Director & HOD, National Savings Institute, ICCW Building, 4 Deendayal Upadhyay Marg, New Delhi-110002
15. GM, CEPT, Mysuru - for uploading the order on the India Post website.
16. ADG (OL) for information and Hindi Translation of SB Order.
17. Guard File