

## **Deposits FAQs**

### **What are the schemes of deposits available?**

Cumulative as well as Non-cumulative schemes are available for deposits.

### **What is the difference between a Non-cumulative deposit and a cumulative deposit?**

In a 'Non-cumulative scheme' the interest is payable periodically as per the scheme. The Scheme is convenient for investors seeking periodic interest payments (e.g. retired persons). In the "Cumulative deposit scheme", the interest is payable at the time of maturity along with the principal. This scheme is also be thought of as a money multiplier scheme.

### **What is the minimum deposit amount for the Cumulative deposit & the Non-cumulative deposit schemes?**

Rs 5,000 for cumulative deposit and Rs 10,000 for non-cumulative deposits, with multiples thereafter of Rs. 1000/- above the minimum investment.

### **How do I tender the amount for the deposit?**

By cheque drawn on "Shriram City Union Finance Ltd." with the amount of deposit

### **Is there a prescribed form for making deposit?**

Yes, an application for the deposit should be made on the prescribed form. Same can be downloaded from our website [www.shriramcity.in](http://www.shriramcity.in).

### **If parents for the minor are not alive, then who is to be deemed as the guardian?**

Only the person(s) who have been appointed as guardian(s) by the competent court may sign the application form. A copy of the Court Order has to accompany the application.

### **Can a deposit be made in the name of minor alone?**

Yes. A deposit may be applied for in the name of a minor provided such minor is represented by his natural or legal guardian and the Application Form for the deposit is signed by the natural/legal guardian on behalf of the minor. All communication in relation to the deposit shall be addressed to the guardian.

### **Can a power of the Attorney (POA) holder sign the deposit application form?**

Yes. A copy of the Power Of Attorney should accompany the deposit application form.

### **Is there an extra interest rate for the Senior Citizen?**

This will depend on the scheme(s) offered. Our deposit schemes carry a mention of additional interest rate for Senior Citizen, if payable.

### **Can a joint account be maintained?**

Yes, a maximum of three applicants may maintain a joint account which would be payable to "Anyone or Survivor" or "Former or Survivor". ANYONE OR SURVIVOR (A OR S) – On maturity, the deposit receipt can be discharged by anyone of the depositors. However, for a premature payment and loan all the depositors` signatures are required. In the case of

FORMER OR SURVIVOR (F OR S), on maturity, the deposit receipt can be discharged by the former / 1<sup>st</sup> investor. Even for a premature payment, the “Former’s” signatures are required. Only upon the death of the first holder certificate and documents can be discharged by the survivor.

### **How do I change my correspondence address & the other personal details?**

You need to fill the address change mandate, which is available on our website & send a written request to FD processing centre at different locations (Chennai, Delhi, Secunderabad, and Mumbai) with the proof of the same. On the receipt of same, the details will be updated within 7 working days. Also you need to submit a valid, self-attested Address Proof along with the address change mandate

### **Can a Trust invest in FD?**

Yes, a Trust may invest in our deposits.

If the trust is not registered OR not willing to be registered in future, a letter duly signed by Authorized Signatories stating the Trust is not registered & not willing to be registered in future is required.

Please note SCUF is not registered U/S 11(5) of income tax act, hence Charitable Trust may invest in the FD of the Company at THEIR OWN RISK

Please also note that all Trust investments are not exempted under the Indian Income Tax Act, 1961. There are different types of Trusts. Private trusts shall be treated like any individual for accepting deposits in our Company.

Some Trusts get specific tax exemption/lower tax rate on investments applicable to our Company, so such specific exemption letter from the Income Tax Department is needed along with the investment.

However, Charitable Trusts are those which have to register themselves u/s -12AA of the Income tax Act 1961. The income of such trusts is completely exempt from income tax provided that they strictly comply with the provisions of Sections 11 to 13 of the Income tax Act.

One of the conditions prescribed by the Act is in respect of the forms and modes of investing or depositing the funds as per Sec.11 (5). Deposits and debentures of Shriram City Union Finance Ltd. do not come under the various avenues of investment mentioned in Sec.11 (5). Any charitable trust which does not invest the funds in any form and mode mentioned in that Section will lose the exemption granted to them.

### **Can a company invest in FD?**

Yes. A company can invest in our deposits.

### **Is there any brokerage/incentive for deposits?**

No. There is no brokerage/incentive for deposits.

### **What are the modes by which the interest is paid?**

Interest is paid by ECS/NEFT/ACH.

### **What happens if the prevalent interest rates come down or go up?**

There will be no changes as the Company is obliged to pay the contracted rate till its maturity as per the current rules.

### **When is Income Tax deducted at source from interest?**

If the estimated annual interest paid/credited or likely to be credited/paid on the deposit/s exceeds or is likely to exceed Rs.5000/- during the financial year, it is obligatory on the part of the deductor of tax to deduct income tax at source. However, the investors in applicable cases can furnish self-declaration in Form 15G/H or by submitting the Exemption certificate from the respective authorities for every financial year. In such cases, submission of PAN details is mandatory.

### **What is Form 15G and Form 15H and where do I get it from?**

Form 15G/15H is a self-declaration by the depositor which can be obtained from the Company. It needs no attestation by anybody except in the case of Left Hand Thumb impression which needs to be attested by a Gazetted Officer/Bank Official. One copy has to be sent to the Income Tax Department. It is required to be furnished in duplicate.

Preprinted Form 15G/15H declarations are sent in the month of March to the existing depositors and the depositors are required to return the same in duplicate duly completed and signed. Form 15G/15H is sent to the depositor on the basis of the estimated interest payable for the full financial year.

### **What is the difference between Form 15G and the Form 15H?**

Declaration in the Form 15G can be made by an individual or a person (not being a company or firm). Hence, a company or Firm cannot submit declaration in Form 15G or Form 15H. Form 15G is meant for Resident Individuals below 60 years of age. 15H is meant for Senior Citizens i.e. Individual who are of 60 years of age or more during the financial year.

*Form 15G:* The Individual should be less than 60 years of age at the time of furnishing the declaration. The total income during the financial year should not exceed the basic exemption limit as per income tax .If the total income during the financial year exceeds or is likely to exceed said limit then the individual cannot submit Form 15G.

*Form 15H:* If the individual is 60 years but less than 80 years of age, then the total income during the financial year should not exceed the basic exemption limit as per income tax .If the individual is 80 years of age or more, then the total income during the financial year should not exceed the basic exemption limit as per extant regulations.

*Eligibility for 15G if in case of persons other than Individuals:*

15G can be submitted by a HUF, Association of persons, Body of individuals & Artificial Juridical Persons, if the total income during the financial year does not exceed the basic exemption limit as per the income tax.

### **Is it not enough to furnish the Form only once at the time of placing the deposit?**

Yes. Form 15G/H will have to be submitted at the beginning of each financial year covering all the existing deposits and if the deposits are made during the year then a new Form 15G/H will

have to be submitted. However, if there are any changes in the Income Tax laws, then a new form 15G/H would be required to be submitted.

**What type of certificate do you get for the Tax deducted at source and how is the certificate generated?**

For the tax deducted at source ,Tax deduction certificates in the prescribed form 16A,giving details of the interest remitted to Govt .etc. will be sent on quarterly basis if the deposit is under quarterly scheme , half yearly basis for deposit under half yearly scheme and at the end of the year in case of cumulative deposits.

TDS certificate in form NO.16A are generated quarterly on the basis of details provided in the quarterly TDS statement filled by the deductor of Tax in TIN (Tax Information Network). TDS certificate in Form 16A will be generated by the company through TIN central system and which is downloaded from TIN website with a unique TDS certificate number and shall be authenticated by using the digital signature.

If the investor has registered his mail ID with us against his investments, we shall arrange to mail them the soft copy of form 16A.

**In case of salaried person, if the Income Tax is deducted at source from salary, can he /she furnish 15G/15H?**

Yes.

**Can you open more than one account in the same order of names?**

No, All deposits held in the same name ,or in the same order of names (in case of joint deposits) are required to be clubbed together for the purpose of calculation of income tax.

**In case there is an urgent need of money, can a withdrawal be made from deposits?**

According to the direction of the RBI, no withdrawal of deposit can be made within three months from the date of Deposit/ renewal of Deposit.

**Can a withdrawal be made from the deposit after 3 months?**

Yes. Premature withdrawal can be made after 3 months from the date of deposit/renewal as per the Directions of Reserve Bank of India and the terms and conditions of the Company. The terms & conditions are also available / mentioned on the application form.

**Can a premature proceeding be paid favouring the second/third Depositor?**

No. Premature payments will be made to the first depositor only.

**Will a certificate be generated even if no tax has been deducted?**

If tax has not been deducted, Form 16A cannot be issued against it

**What will be the address printed on the TDS Certificates?**

The address printed on the TDS certificate will be the address registered with PAN card authorities at the time when you had made an application for PAN.

**What to do if there is change in the address?**

If your current communication address is different from the address given for PAN card application then please change the address through NSDL or UTITSL.

### **How to view the credit of the Tax Deducted (TDS) by the company?**

You can view /receive the TDS information from NSDL website (in Form 26AS) by simply registration on NSDL website, please visit the site for further details <https://www.incometaxindiaefiling.gov.in>.

### **What is the significance of furnishing Permanent Account Number?**

As per the provision of income tax, every person receiving any sum or income from which tax would be deducted should furnish his PAN to the person deducting the tax. Please note if PAN is not furnished then form 15G/H & other Exemption Certificate submitted will be invalid and tax will be deducted at the higher rate as applicable.

In the absence of PAN, no credit of the tax deducted shall be available in Form 26AS on the NSDL website. Also if PAN is not submitted, no TDS certificate will be generated form TIN website for the tax deducted by the company.

### **Will the deposit be paid back in cash?**

No

### **Can you send the payments directly to the depositor's bank?**

Yes, provided the correct Bank account no. is updated with the Company

### **What is the process of taking premature withdrawal?**

Same as maturity withdrawal, subject to the completion minimum period of holding as per terms of the acceptance /renewal of the Deposit

- A.** Sole or First Applicant - In case of pre-closure, mandate is required to be provided by first name investor (first name holder has to discharge the certificate and documents if any).
- B.** Anyone or Survivor -- In case of pre-closure, joint mandate is required (all the holders have to discharge the certificate and documents if any).
- C.** Former or Survivor -- In case of pre-closure, former have to discharge the certificate and documents if any, and only upon the death of the first holder the certificate and documents can be discharged by the survivor.

### **Will you allow loan on deposit?**

Yes, but only to individual deposit holders.

### **If the sole depositor dies, what are the documents required?**

Copy of Death certificate, Term Deposit Receipts, Will or testamentary disposition, if any, or an attested copy of Legal Heirship Certificate issued by Tehsildar/corporations, KYC documents, and NOC from other legal hirers.

**Do you accept NRI deposits?**

No

**Can I apply online?**

Yes. [http://shricos.shriramcity.me/scufcos/cos.ui/COS\\_investment.aspx#](http://shricos.shriramcity.me/scufcos/cos.ui/COS_investment.aspx#)

**How can I renew the deposit?**

Deposit can be renewed from the date of maturity only if renewal instructions along with existing deposit receipt are received by the Company within 6 months from the date of maturity. In such case the rate prevailing on the date of maturity will be applicable. Otherwise same will be renewed prospectively and in such cases interest ceases on the date of maturity. For detailed renewal process refer Terms & conditions under the head Deposits.

**Whether renewal/refund of deposits is done automatically on maturity without submission of the original certificate?**

Yes, 2 options are available,

- A.** Auto renewal: If this is opted for during investment, then on maturity, the deposit will be renewed with same information and per extant schemes.
- B.** Auto refund: If this is opted for during investment, then on maturity, refund will be made to the investor's account as mentioned in the application.

For E-receipt: Investor has to select any one of the 2 options mandatorily.

For Physical Certificate: If none of the option (option A / B) have been selected on application, then physical certificate is mandatory for maturity payment process.