

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.,

Open J-Gate, India [link of the same is duly available at Infilbnet of University Grants Commission (U.G.C.)],

The American Economic Association's electronic bibliography, EconLit, U.S.A.,

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 4255 Cities in 176 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	TREND AND GROWTH IN MARKET VALUE ADDED AND TOBIN'S Q MODEL OF SELECTED COMPANIES IN TAMIL NADU <i>M.C.T. SHANMUGAPRIYA & DR. C. VETHIRAJAN</i>	1
2.	INFLUENCE OF PROCEDURAL JUSTICE PERCEPTIONS ON COMMITMENT OF EMPLOYEES IN HEALTH SECTOR NON-GOVERNMENTAL ORGANIZATIONS IN KENYA <i>PATRICK M. GICHIRA, DR. SUSAN, M WERE & GEORGE O. ORWA</i>	7
3.	IMPACT OF JOB ROTATION ON EMPLOYEE COMMITMENT AND JOB INVOLVEMENT IN BANKING SECTOR OF SIVAGANGA DISTRICT <i>R. R. MAHALAKSHMI & DR. K. UTHAYASURIYAN</i>	12
4.	INSURANCE AS SOURCE OF INFRASTRUCTURE FINANCING IN INDIA: A STUDY <i>DR. S. HARI BABU & DR. K.V.V.MURALI SOMESWARA RAO</i>	16
5.	A STUDY ON NEW DIMENSIONS OF TDS ON FIXED DEPOSITS, RECURRING DEPOSITS ACCOUNTS PARTICULARLY ON COOPERATIVE BANKS OF INDIA <i>VIDYA SHREE D V & DR. PRALHAD RATHOD</i>	24
6.	GROWTH OF REAL ESTATE BUSINESS IN MYSORE (MYSURU): A TIME SERIES ANALYSIS <i>PRUTHVI K N, SRI RAJINI & DR. SRIDHARA MURTHY L</i>	28
7.	CUSTOMER SATISFACTION IN MARKETING <i>S. KANNADASAN & DR. D. ARAVAZHI</i>	33
8.	RELATIONSHIP BETWEEN DIVIDEND POLICY AND SHARE PRICE <i>FARHAT</i>	35
9.	PREFERENCE OF CUSTOMERS FOR BANKING SELF-SERVICE TECHNOLOGIES <i>TARANNUM</i>	41
10.	HR ANALYTICS: ITS USE, TECHNIQUES AND IMPACT <i>SHILPI NARULA</i>	47
11.	CONSTRAINTS AND OPPORTUNITIES FACING WOMEN ENTREPRENEURS IN DEVELOPING COUNTRIES <i>KINJAL PATEL</i>	53
12.	FOREIGN DIRECT INVESTMENT IN INDIA <i>VANDANA GOSWAMI</i>	56
13.	CONCERNS IN ORGANIZATIONAL CLIMATE: RESEARCH PERSPECTIVES OF INDIAN BANKING SECTOR <i>NEHA GUPTA</i>	60
14.	WOMEN ENTREPRENEURSHIP IN PALAKKAD DISTRICT <i>DEEPIKA C</i>	64
15.	CORPORATE SOCIAL RESPONSIBILITY PRACTICES IN INDIAN BANKING INDUSTRY <i>DAROGA MANJHI</i>	67
16.	A STUDY ON WORK STRESS OF SECONDARY SCHOOL TEACHERS IN VIZIANAGARAM CITY, AP, INDIA <i>ANURADHA. N, SWARNA LATHA. P & TAMMI NAIDU. G</i>	69
17.	RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND CONSUMER BEHAVIOUR <i>SHANU JAIN</i>	76
18.	FDI INFLOWS INTO THE GREECE DURING 1971-2013: TREND ANALYSIS <i>V.LEKHA</i>	79
19.	DEMAND AND SCOPE FOR GREEN MARKETING <i>SYED MOHD MURTUZA BUKHARI</i>	90
20.	A STUDY OF USE AND IMPACT OF INTERNET BANKING ON CUSTOMER SATISFACTION LEVEL (WITH SPECIAL REFERENCE TO UDAIPUR DISTRICT) <i>DR. ASHISH SHRIMALI</i>	92
	REQUEST FOR FEEDBACK & DISCLAIMER	95

CHIEF PATRON

PROF. K. K. AGGARWAL

Chairman, Malaviya National Institute of Technology, Jaipur

(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)

Chancellor, K. R. Mangalam University, Gurgaon

Chancellor, Lingaya's University, Faridabad

Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi

Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON

LATE SH. RAM BHAJAN AGGARWAL

Former State Minister for Home & Tourism, Government of Haryana

Former Vice-President, Dadri Education Society, Charkhi Dadri

Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

FORMER CO-ORDINATOR

DR. S. GARG

Faculty, Shree Ram Institute of Business & Management, Urjani

ADVISORS

PROF. M. S. SENAM RAJU

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

PROF. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR

PROF. R. K. SHARMA

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

CO-EDITOR

DR. BHAVET

Faculty, Shree Ram Institute of Engineering & Technology, Urjani

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SANJIV MITTAL

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

PROF. ANIL K. SAINI

Chairperson (CRC), Guru Gobind Singh I. P. University, Delhi

DR. SAMBHAVNA

Faculty, I.I.T.M., Delhi

DR. MOHENDER KUMAR GUPTA

Associate Professor, P.J.L.N.Government College, Faridabad

DR. SHIVAKUMAR DEENE

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

ASSOCIATE EDITORS

PROF. NAWAB ALI KHAN

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

PROF. ABHAY BANSAL

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

PROF. V. SELVAM

SSL, VIT University, Vellore

PROF. N. SUNDARAM

VIT University, Vellore

DR. PARDEEP AHLAWAT

Associate Professor, Institute of Management Studies & Research, Maharshi Dayanand University, Rohtak

DR. S. TABASSUM SULTANA

Associate Professor, Department of Business Management, Matrusr Institute of P.G. Studies, Hyderabad

DR. JASVEEN KAUR

Asst. Professor, University Business School, Guru Nanak Dev University, Amritsar

FORMER TECHNICAL ADVISOR

AMITA

Faculty, Government M. S., Mohali

FINANCIAL ADVISORS

DICKIN GOYAL

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS

JITENDER S. CHAHAL

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT

SURENDER KUMAR POONIA

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** **anytime** in **M.S. Word format** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website ([FOR ONLINE SUBMISSION, CLICK HERE](#)).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR

IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF _____.

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled ' _____ ' for possible publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to their inclusion of names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

NAME OF CORRESPONDING AUTHOR :

Designation :

Institution/College/University with full address & Pin Code :

Residential address with Pin Code :

Mobile Number (s) with country ISD code :

Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No) :

Landline Number (s) with country ISD code :

E-mail Address :

Alternate E-mail Address :

Nationality :

NOTES:

- a) The whole manuscript has to be in **ONE MS WORD FILE** only, which will start from the covering letter, inside the manuscript. **pdf. version is liable to be rejected without any consideration.**
- b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail:**
New Manuscript for Review in the area of (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)
- c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.
- d) The total size of the file containing the manuscript is expected to be below **1000 KB**.
- e) **Abstract alone will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.
- f) **The journal gives acknowledgement w.r.t. the receipt of every email within twenty four hours** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.
- g) The author (s) name or details should not appear anywhere on the body of the manuscript, except the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.

2. **MANUSCRIPT TITLE:** The title of the paper should be **bold typed, centered and fully capitalised**.
3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name, designation, affiliation (s), address, mobile/landline number (s), and email/alternate email address** should be given underneath the title.
4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
5. **ABSTRACT:** Abstract should be in **fully italicized text**, ranging between **150 to 300 words**. The abstract must be informative and explain the background, aims, methods, results & conclusion in a **SINGLE PARA. Abbreviations must be mentioned in full.**
6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations.
7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aeaweb.org/econlit/jelCodes.php, however, mentioning JEL Code is not mandatory.
8. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER. It should be free from any errors i.e. grammatical, spelling or punctuation. It must be thoroughly edited at your end.**
9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
11. **MAIN TEXT:**

THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:**INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESIS (ES)****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****LIMITATIONS****SCOPE FOR FURTHER RESEARCH****REFERENCES****APPENDIX/ANNEXURE****The manuscript should preferably range from 2000 to 5000 WORDS.**

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR, centered, separately numbered & self explained, and titles must be above the table/figure. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.**
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, horizontally centered with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word should be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section: Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. **The author (s) should mention only the actually utilised references in the preparation of manuscript** and they are supposed to follow Harvard Style of Referencing. **Also check to make sure that everything that you are including in the reference section is duly cited in the paper.** The author (s) are supposed to follow the references as per the following:
- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use **(ed.)** for one editor, and **(ed.s)** for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parenthesis.
 - **Headers, footers, endnotes and footnotes should not be used in the document.** However, **you can mention short notes to elucidate some specific point**, which may be placed in number orders after the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

UNPUBLISHED DISSERTATIONS

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

**A STUDY ON NEW DIMENSIONS OF TDS ON FIXED DEPOSITS, RECURRING DEPOSITS ACCOUNTS
PARTICULARLY ON COOPERATIVE BANKS OF INDIA**

**VIDYA SHREE D V
RESEARCH SCHOLAR
DEPARTMENT OF STUDIES & RESEARCH IN COMMERCE
TUMKUR UNIVERSITY
TUMKUR**

**DR. PRALHAD RATHOD
ASSOCIATE PROFESSOR
DEPARTMENT OF P.G. STUDIES IN MBA
VISVESVARAYA TECHNOLOGICAL UNIVERSITY
JNANASANGAM**

ABSTRACT

Income Tax Department has introduced the provision of TDS deduction on the Interest of Fixed Deposits of Co-Operative Banks in the Financial Budget of 2015-16. As Union Budget 2015 presented by Finance Minister Arun Jaitley has made amendment to Section 19A of Income Tax Act, 1961 w.e.f June 1, 2015, which stated that the exemption from TDS on payment of interest to members by co-operative societies and banks would be withdrawn. Through this, the Government will collect more Taxes and Tax Evasion will be avoided. It may be one of tool to garner revenue. There are many Co-operative Banks in function all over India from Small Towns to Big Cities. Persons of every hierarchy in the society have Accounts in the Co-operative Banks. Generally, due to no TDS deduction and more Interest Rate on Deposits in Co-operative banks than the Nationalized Banks, many prefer deposits in the Co-operative Banks in rural areas. But due to this stringent provision of TDS, Cooperative Banks and Depositors have to face the change. The present research paper focuses on impact of changes in TDS provisions on depositors and Co-operative banks.

KEYWORDS

Co-operative banks, Income Tax.

INTRODUCTION

Most of the co-operative banks in India are paying interest on Rs 10,000 or above on FDR (fixed deposit receipt/or time deposit receipt) without deducting TDS on the assumption that if the interest is payable to the member, the TDS provisions are not applicable. Actually, if the interest Rs 10,000 is paid by any co-operative society engaged in the banking has to deduct the TDS like other banks governed by Banking Regulation Act 1949. That the effective or charging provision regarding the TDS on time deposits is dealt in clauses (vii) & (viii) of 194A(3) which is extracted as under : " The provisions of sub-section (1) shall not apply -

(vii) : to such income credited or paid in respect of deposits (other than time deposits made on or after the 1st day of July, 1995) with a banking company to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act); (viii) : to such income credited or paid in respect of, (a) deposits with a primary agricultural credit society or a primary credit society or a co-operative land mortgage bank or a co-operative land development bank; (b) deposits (other than time deposits made on or after the 1st day of July, 1995) with a co-operative society, other than a co-operative society or bank referred to in sub-clause (a), engaged in carrying on the business of banking"

"The provisions are very clear that co-operative banks have to deduct TDS on payment of interest Rs 10,000 on FDR whether it is paid to member or non-member & if the same is not done the expenditure of interest paid may be disallowed u/s. 40(a)(ia) & also liable for interest & penalties," The applicability for deducting TDS on interest Rs 10,000 or above was since July 1, 1995. Since 20 years, Government did not pay any heed or issued any clarification although, co-operative banks and societies were liable to deduct TDS. Instead of taking any action on co-operative banks and societies, just by overlooking the actual provisions of the Act, prospective amendment has been made effective from June 1, 2015.

OBJECTIVES

1. To understand the concept of new provisions relating to TDS on FD and RD account.
2. To study the effect of TDS provisions on Co-operative Banks and Account Holders.
3. To know the attempt of Government in making income tax systems strengthen.

RESEARCH METHODOLOGY

The present study is based on descriptive study which includes secondary data. The secondary data is based on incometax department reports, newspaper and magazines.

TAX DEDUCTED AT SOURCE

TABLE 1

TDS Rate Chart				
Assessment Year : 2015-2016 Financial Year : 2014-2015				
Particulars		Individual / HUF	Domestic Company / Firm	Criteria for Deduction
Nature of Payments	Section Code	Rate	Rate	Payment in excess of
1. Salary	192	As per the prescribed rates applicable to Individual / Women & Senior Citizens		
2. Interest other than Interest on Securities	194A	10	10	Banking Rs. 10,000/- p.a. Others Rs. 5,000/- p.a.
3. Winning from Lotteries & Puzzles	194B	30	30	Rs. 10,000/- p.a.
4. Payment to Contractors	194C	1	2	Rs. 30,000/- per contract or Rs. 75,000/- p.a.
4.1 Payment to Adverting / Sub Contractors	194C	1	2	
5. Insurance Commission	194D	10	10	Rs. 20,000/- p.a.
6. Commission & Brokerage	194H	10	10	Rs. 5,000/- p.a.
7. Rent - Land & Building	194I	10	10	Rs. 1,80,000/- p.a.
7.1 Rent - Plant & Machinery	194I	2	2	
8. Professional Fees & Technical Services	194J	10	10	Rs. 30,000/- p.a.
9. Immovable Property other than Agricultural Land	194IA	1	1	Rs. 50,00,000/-

According to Section 194A of Income Tax Act, if interest on the deposit exceeds Rs. 10,000/- in a year then the Bank has to deduct TDS @10% on such Interest. This provision has an exception before 1st June, 2015 that no TDS will be deducted on the Interest if deposit were made in Co-operative Bank and if the depositor is the Member of Bank. But now from 1st June, 2015 the provision of TDS deduction on the interest of cooperative banks is being introduced by the Government. E.g. If fixed deposit of amount Rs.1 lakh is kept in Co-operative Bank for tenure of 1 Year or more having interest rate 12% then the Interest will be Rs. 12,000/- and TDS @ 10% will be Rs. 1,200 that means Interest will be credited Rs 10,800 in the Bank Account of depositor after deducting TDS of Rs.1,200.

TDS ON INTEREST INCOME FROM RECURRING DEPOSIT

TDS rules for Fixed Deposit have changed. Till now people were playing smart to avoid TDS deduction. They used to open FD in different branches of the same bank. To avoid TDS, FD interest at each bank branch was intentionally kept below Rs.10000 in a financial year. Depending on ROI and tenure, FD amount was reverse calculated so that FD interest should be below Rs. 10000. With PAN in place, it is not difficult for banks to find out cumulative interest income from FD's across the bank branches.

Many rural taxpayers may come in trouble due to this provision of TDS. By this Provision, income tax department will have the information of taxpayers' fixed deposit. While filling income tax return, taxpayer has to mention the details of deposits, interest on it and has to claim TDS credit on it. Further the taxpayer who never files income tax return has to file return by showing interest income so as to claim refund of TDS. The Biggest difficulty will arise to the taxpayer who has never shown the deposits in the books of accounts of previous year and has to show it in the current year. Further on Income tax departments enquiry justification of source of the income will have to be given. e.g. If the taxpayer has a Deposit of Rs. 10 lakh and it is not shown in the books of accounts of the previous year then he has to show that in the books of the current year and also has to give Explanation for the source of Income of the deposit.

TDS ON INTEREST INCOME FROM RECURRING DEPOSIT

Interest Income from Recurring deposit is taxable. From, 1st June, 2015 if the interest income from RD is more than Rs 10,000 then TDS @ 10% will be deducted. Interest Income will be cumulative interest from all the Recurring Deposits with the Bank. Therefore, if you have 3 RDs with 3 different branches of the same bank and cumulative interest is more than Rs 10,000 then TDS will be deducted proportionately. This is one of the major change in TDS rules as the recurring deposit is most popular savings scheme in small towns.

In case, the depositor has not provided PAN then TDS @ 20% will be deducted. Let's see after TDS deduction what will be additional tax liability of people in various income tax brackets.

NON-TAXABLE INCOME

TDS deducted will be refunded. Alternative you can submit form 15G (Non-Senior Citizens) or Form 15H (For Senior Citizens) with the bank. Bank will not deduct TDS if Form 15G / Form 15H is submitted. *Please note that these forms should be submitted at each and every branch where the deposits are being maintained.* Normally people submit at one branch assuming the bank will consider the same for all the deposits across branches.

TDS ON DEPOSITS WITH CO-OPERATIVE BANKS

There was also a situation wherein investors who were members of a cooperative bank did not have TDS deducted on the interest on their deposits. This segregation has been done away with and it has been clarified that the cooperative banks would have to make the TDS on all their depositors. This will bring a lot more of the investors under the TDS fold and they can expect to get a net receipt of their earnings which will require them to make the necessary adjustments at the time of filing their income tax returns. The other option is to actually submit Form 15G/Form 15H if their income is below the taxable limit and no TDS needs to be deducted.

RATE OF TDS

As per section 194A read with Part II of First Schedule to Finance Act, tax is to be deducted @ 10% from the amount of interest. However, if the payee does not furnish his Permanent Account Number (PAN), then the payer has to deduct tax at the higher of following:

- At the rate specified in the relevant provision of the Income-tax Act.

- At the rate or rates in force, i.e., the rate prescribed in the Finance Act.
- At the rate of 20%.

TABLE 2

Income Tax on Interest income of RDs & FDs		
Income Slab	TDS Rate levied by Banks	Tax Beyond TDS (that you have to pay)
Below Rs 2.5 Lakh	10%	0% (Can claim Refund of TDS)
Rs 2.5 Lakh to Rs 5 Lakh	10%	Nil
Rs 5 Lakh to Rs 10 Lakh	10%	10.30%
Above Rs 10 Lakh	10%	20.60%

TDS ON AMOUNT INVESTED IN A BANK

There is also a change that has been made on the manner in which the limit of interest earned would be calculated for seeing whether TDS has to be made applicable to the investor. Earlier this was done if the interest earned was Rs 10,000 or more in a particular branch. Now this restriction of branch has been removed and it includes the entire bank and hence if there are multiple deposits at different branches then this would be considered together for the purpose of calculating whether there has to be a TDS made on the interest. This will impact all those who have spread around their money into different branches to get around the earlier guidelines.

ACCOUNT HOLDERS/ TAXPAYERS' RESPONSIBILITY

The Taxpayer should submit a copy of PAN Card to Bank because in TDS return PAN of the Taxpayer is mentioned and through this the taxpayer gets tax credit. If depositor does not have PAN then TDS will be deducted @ 20%. It is the responsibility of Taxpayer to file Income Tax Return after Year end. While filling Income Tax Return Taxpayer should verify form 26 AS for TDS and Interest Income on Deposit. Income Tax Department has given following options to Taxpayer for no deduction or low deduction of TDS:

- **Form 15 G/H:** If Taxpayer has no Taxable Income that means the Interest and other Income is below the Basic Exemption limit of Income Tax slabs then he should submit Form 15 G/H to the Bank in which his deposits were kept. On the basis of this Form, Bank will not deduct TDS on the Interest of the depositor. e.g. If in the financial year 2015-16 interest of taxpayer is Rs. 150,000 and that means below Basic Exemption Limit of Rs. 2, 50,000 then he can submit Form 15 G to Bank and no TDS will be deducted on his Interest.

TABLE 3

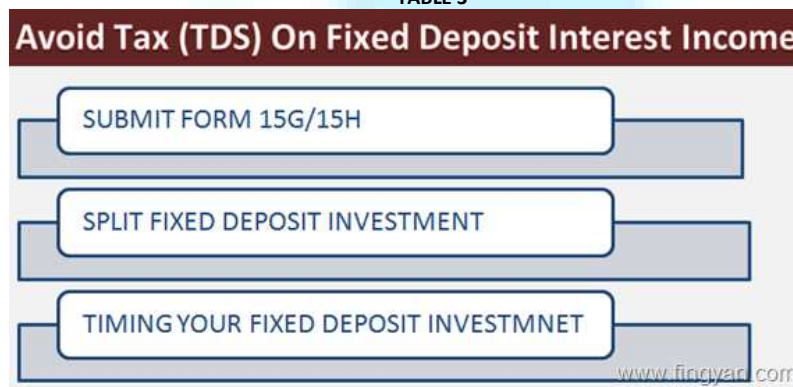


TABLE 4

Find out if you are eligible to file 15G or 15H

The penalty for filing wrong information to save TDS is stiff. You can be jailed and fined.

AGE	INTEREST INCOME	OTHER INCOME	DEDUCTIONS	TAXABLE INCOME	ELIGIBILITY
BELOW 60 YEARS	₹3 lakh	+ ₹1 lakh	- ₹1.5 lakh	= ₹2.5 lakh	✗ 15G is not allowed as interest income is above exemption limit of ₹2.5 lakh
	₹2.5 lakh	+ ₹1.6 lakh	- ₹1.5 lakh	= ₹2.6 lakh	✗ 15G is not allowed as taxable income is above exemption limit of ₹2.5 lakh
	₹2.5 lakh	+ ₹1.5 lakh	- ₹1.5 lakh	= ₹2.5 lakh	✓ 15G is allowed as both conditions satisfied
ABOVE 60 YEARS	₹2.5 lakh	+ ₹2 lakh	- ₹1.5 lakh	= ₹3 lakh	✓ 15H is allowed as taxable income is within ₹3 lakh
	₹2.5 lakh	+ ₹2.5 lakh	- ₹1.5 lakh	= ₹3.5 lakh	✗ 15H is not allowed as taxable income is above exemption limit of ₹3 lakh
ABOVE 80 YEARS	₹4 lakh	+ ₹2.5 lakh	- ₹1.5 lakh	= ₹5 lakh	✓ 15H is allowed as taxable income is within ₹5 lakh
	₹4 lakh	+ ₹3 lakh	- ₹1.5 lakh	= ₹5.5 lakh	✗ 15H is not allowed taxable income is above ₹5 lakh

- **Certificate of section 197 of Income Tax Act:** If expected tax on the income of the taxpayer is less than 10% then before start of a year he can file an application to income tax department for less deduction of TDS and if the application is accepted by department then Income Tax department will give Certificate in which TDS Rate is mentioned. So bank will deduct TDS at the rate mentioned in the certificate. E.g. If Income Tax of any Taxpayer is 5% of Income then the Taxpayer may submit an Application consisting Details of Income and Tax calculations on it to Income Tax Department along with the Application and if it is accepted then Bank will deduct TDS at low rate as mentioned in the Certificate.

RESPONSIBILITY OF BANKS

Cooperative banks will have to collect PAN of the deposit holder before 1st June 2015. Due to this KYC documents of many account holders will have to be collected and so many defaulters will come to notice. Every Month Banks have to Deduct TDS on the Interest on Deposits in all branches. The Bank will have to file TDS return after paying TDS to Government. Banks have to give form 16A (TDS Certificate) to all the Depositors and have to submit Form 15 G/H to Income Tax department.

MISCONCEPTIONS OF TDS ON FD AND RD ACCOUNT

There is a change in TDS Rules for RD (Recurring Deposit) and FD (Fixed Deposit) from 1st June, 2015. Not many people are aware of the change in TDS rules. First biggest misconception in India that if the TDS (Tax Deducted at Source) is not deducted then the tax liability is NIL. It's a huge tax leakage for Income Tax Department.

The second misconception is contrary to 1st i.e. if the TDS is deducted then there is no further tax liability. This is true for taxpayers in 10% income tax bracket but not for taxpayers in 20% and 30% tax bracket.

The third misconception is that interest from Fixed Deposit and Recurring Deposit is clubbed under deduction of Rs 10,000 available u/s 80TTA. To clarify, only the **cumulative interest on savings account/s** of up to Rs 10,000 is allowed as a deduction u/s 80TTA. The interest earned over and above Rs 10,000 is taxed as per the income tax slab of the taxpayer.

The main reason for this confusion is that on Fixed Deposits, TDS @ 10% is deducted only if the interest earned on FDs is more than Rs 10,000. The taxpayer gets confused between deduction of Rs 10,000 on Savings Account Interest and TDS relaxation on FD interest of up to Rs 10,000. Let me clarify that the interest earned from Recurring Deposit and Fixed Deposit is **FULLY TAXABLE** whether TDS is deducted or not. It is taxed as per the income tax slab of the taxpayer. If the total interest income from FD/RD is below Rs 10,000 and TDS is not deducted on the same. In this case, the taxpayer has to include it in Income from other sources & pay tax on the same.

FINDINGS

- ❖ The responsibility of Cooperative banks has increased in filing the returns.
- ❖ There is a chance of decrease in deposits in Co-operative banks.
- ❖ Government has taken one more step in strengthening its income tax system by making new provisions of TDS on bank accounts.
- ❖ The tax payers cannot avoid tax. Tax avoidance and evasion became difficult.
- ❖ Many rural customers are affected due to less returns on interest from FD and RD account.
- ❖ PAN acts as an effective tool in knowing the account details of a customer in all the branches so that TDS can be properly implemented.

SUGGESTIONS

- There is a need to improve the awareness and correct knowledge of TDS on bank accounts among the customers.
- The Bank employees and Government has to take more steps in bringing the transparency of these deductions particularly to rural customers.
- Many rural customers are not aware of filling the forms 15H to get exemption from TDS if their income is below taxable rate. Hence awareness is to be created.
- Many rural customers are not having PAN card hence steps to be taken to make PAN to all the citizens.
- The Co-operative banks have to equip its employees and itself to the changes and want to bring other technological services to retain its customers.

CONCLUSION

Law is same for all. Earlier the provision of interest on TDS was applicable only to the Nationalized Banks but now it has become applicable to Co-operative Banks too. Many taxpayers, for saving income tax were making deposits in Co-operative Banks under different names. But now this will not be possible. All money will be exposed due to this provision. The tax evader will now have to give justification for the source of income of such deposits. Rural depositors and tax payers may be affected due to this provision.

REFERENCES

1. Sanjay Kumar Varma, "TDS is not Tedious", Edition 2010.
2. Taxman's, "How to meet your obligations with TDS", An amendment of finance act 2014.
3. The hitavada the peoples newspaper July 17th 2015.
4. www.incometax.gov.in
5. www.rbi.org.in

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail infoijrcm@gmail.com for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-
Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

