



NRI

NEWS BULLETIN

DECEMBER 2023





FROM THE DESK OF **GENERAL MANAGER**

Dear customer, it's my immense pleasure to reach you through December 2023 NRI News Bulletin.

Highlights of this edition are as under:

- Capital Gain account
- NRI rate of interest (NRE, NRO, FCNR, Domestic, RFC)

We wish to inform that NRE Non-Callable Term Deposits is made available for our NRI Customers, at present the maximum Rates of interest on **NRE Non-Callable deposit for 444 days is 7.40% (Annualised Interest Yield is 7.61%)** for deposits above Rupees One Crore to less than Rupees Two Crore. Our Bank's Rates of Interest on **FCNR(B) deposits for one year in USD is at 5.50%**. The above mentioned rates will benefit you in earning higher returns on your investment by remitting your foreign currency funds and placing the deposits with us.

We request you to ensure that your recent Passport and Visa details, Tax Identification Number (TIN) are updated in your NRE account with us in order to enjoy hassle free services. **Kindly update your details like Mobile number, Email ID, Present address in our Bank's records** to stay connected with you in providing any kind of information, updates, offers etc.

We thank you for being a part of Canara Bank, being a customer you are family members of ours. It is our privilege and we will do our best to make your banking experience very special. We will assure our reliability and will serve you with the best services. For any inquiries or concerns regarding our products or services, please feel free to contact us or send us an email.

Sincerely,

Mahesh M Pai

General Manager
Strategy & Resources Wing



CAPITAL GAINS ACCOUNTS SCHEME, 1988.



In exercise of the powers conferred by Section 54(2), sub-section (2) of Section 54B(2), Section 54D(2), Section 54F(2), Section 54G(2), Section 54GA(2) and Section 54GB(2) of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby frames the following Scheme, namely

1. (i) This Scheme may be called the Capital Gains Accounts Scheme, 1988.
(ii) It shall come into force on the date of its publication in the Official Gazette.
(iii) It applies to all assesses who are eligible for exemption under Section 54, 54B, 54D, 54F, 54G, 54GA or 54GB of the Income-tax Act, 1961 (43 of 1961).
 2. There shall be two types of deposit accounts, namely
 - (i) "Deposit account-A (Savings Deposit)"; and
 - (ii) "Deposit Account-B (Term Deposit)".
- (a) "Savings Bank-Capital Gains Account Scheme-A, 1988" shall be in the form of Savings deposit and subject to the other provisions of this Scheme, withdrawals under this account can be made from time to time by the depositor.
 - (b) "Term Deposits--Capital Gains Account Scheme-A, 1988" shall be in the form of Term Deposit with an option to the depositor to keep the deposit as cumulative (KDR) or non-cumulative deposit (FDR).



3. Except under circumstances specifically permitted for the purpose, withdrawals under this account can be made only after the expiry of the period for which the deposit under this account has been made and accepted.
4. Such deposits may be made in one lump sum or in instalments at any time on or before the due date of furnishing the return of income under sub-section (1) of Section 139 of the I T Act, 1961 as is applicable in the case of the depositor.

DETAILS OF THE CAPITAL GAINS ACCOUNTS SCHEME

Who can open the CGA:

An Income Tax assessee who is eligible to make a deposit under Section 54, 54B, 54D, 54F, 54G, 54GA or 54GB of Income Tax Act 1961 (43 of 1961) can open a deposit account under the scheme. The assessee opening the Capital Gains Account may be an individual or an individual on behalf of a minor or a Hindu Undivided Family or a Firm or a Company or an Association of persons or a Body of individuals.

Types of Deposits:

A. Saving Bank- Capital Gains Account (SB-CGA)

This deposit is in the nature of the Savings Bank Deposit. Subject to the other provisions of this scheme, withdrawals under this account can be made from time to time by the depositor.

B. Kamadhenu Deposit – Capital Gains Account – Cumulative (KDR-CGA- Cumulative-Account-B)

This deposit may be opened with an option to the depositor to keep the deposit as a cumulative deposit.

Fixed Deposit – Capital Gains Account – Non-Cumulative (FDR-CGA- Non-Cumulative- Account:

This deposit may be opened with an option to the depositor to keep the deposit as non-cumulative deposit. Interest is payable only at quarterly or longer intervals or on maturity. The interest is to be credited only to SB-CGA account.

The minimum period of a term deposit under 2.3 is 7 days (single deposit of Rs.5 lac and above), otherwise the minimum period is 15 days.

The maximum period of the term deposit (including Overdue period) as per the CGA Scheme is –



- a) 2 years in case of outright purchase/ acquisition of new asset (Section 54/54F) or
- b) 3 years in case of construction of a residential house (Section 54/54F) or
- c) 2 years for purchase of any agricultural land (Section 54B) or
- d) 3 years for purchase of any land or building or any right in any other land or building or constructed a building for the purposes of shifting or re-establishing the said undertaking or set up another industrial undertaking (Section 54D) or
- e) 3 years for purchase of new machinery or plant or acquired building or land for the purpose of business or transferred the establishment to any area (other than urban area) or incurred the expenses as per scheme of Central Government (Section 54G) or
- f) 3 years for purchase of new machinery or plant or acquired building or land for the purpose of business or transferred the establishment to any Special Economic Zone(SEZ) or incurred the expenses as per scheme of Central Government (Section 54GA) or
- g) 1 year for the company (from the date of subscription in equity shares by the assessee), for purchase of new asset (Section 54GB)

Tax Provisions:

1. The amount of Capital Gains deposited with the Bank will be treated as any other deposit with the Bank and will be exempt from Wealth Tax Act.
2. Interest on the Capital Gains deposited in the Bank will also be treated on the same lines as interest paid to any other deposit with the Bank. Applicable TDS has to be deducted on the interest earned on CGA (FDR/KDR accounts). Eligible depositors, who submit Form 15G/15H, are exempted from TDS on interest, as per extant guidelines. After filing of e-TDS returns, Form 16A is to be downloaded from NSDL website and issued to the depositor.
3. The long term Capital Gains arising out of sale or transfer of any Capital Asset will qualify for tax exemption only if the same is invested in the financial assets specified under the Income Tax Act, 1961. Thus the Capital Gains accounts are only transitory in nature pending investment in the specified assets. Mere depositing of the money in Capital Gains accounts will not entitle the depositors to tax exemption.



CAPITAL GAINS - VARIOUS EXEMPTIONS DETAILS

Section	Nature of Asset Transferred	Eligible Assesses	Period of holding of original Asset	Capital Asset to be purchased
54	House Property used for residential purpose	Individual & HUF	3 years	Purchase of Residential House within 1 year prior to date of transfer or 2 years thereafter or construction of residential house within 3 years from the date of transfer.
54B	Land used for agricultural purposes for 2 years prior to date of transfer	Individual & HUF	2 years	Purchase of Agricultural Land within 2 years from the date of transfer.
54D	Compulsory acquisition of Land and Building or any right therein used by an industrial undertaking	All	2 years	Purchase/ construction of land, building, or any right there in within 3 years from the date of compulsory acquisition for the purpose of shifting/re- establishing/ setting up another industrial undertaking.
54F	Any long term capital asset other than residential house	Individual & HUF	1 year for Shares, Listed Securities, Units of UTI/ Mutual Fund specified u/s 10(23D), Zero-coupon bonds 3 years for other capital assets.	Purchase of Residential House within 1 year prior to date of transfer or 2 years thereafter or construction of residential house within 3 years from the date of transfer.
54G	Land or Building or any right therein or Plant or Machinery in Urban Area used for the business	Industrial undertakings in urban area shifting to an area other than urban area	One year before or three years after the date on which the transfer took place.	Acquire similar assets & incur expenses on shifting original asset, within 1 year before, or 3 years from the date of transfer.
54GA	Land or Building or any right therein or Plant or Machinery in Urban Area used for the business	Industrial undertakings in urban area shifting to any Special Economic Zone	No period specified	Acquire similar assets & incur expenses on shifting original asset, within 1 year before, or 3 years from the date of transfer.
54GB	Long term Capital asset Residential property (a house or plot of land) owned by eligible assesses	Individual or HUF	3 years	Invest in equity shares of an eligible company & the company has within one year from the date of subscription in equity shares utilize this amount for purchase of new asset.



INTEREST RATES



FCNR [B] DEPOSITS

RATE OF INTEREST WITH EFFECT FROM 12.11.23

PERIOD OF DEPOSIT	CURRENCY OF DEPOSIT				
	USD	GBP	EURO	CAD	AUD
1 year & above but less than 2 years	5.50	5.00	2.50	4.50	3.60
2 years & above but less than 3 years	4.30	3.00	2.00	4.00	3.50
3 years & above but less than 4 years	4.00	2.50	1.50	3.85	3.00
4 years & above but less than 5 years	4.00	2.50	1.50	3.50	3.00
5 years only	4.00	2.50	1.50	3.50	3.00

RFC DEPOSITS

RATE OF INTEREST WITH EFFECT FROM 12.11.23

PERIOD OF DEPOSIT	CURRENCY OF DEPOSIT				
	USD	GBP	EURO	CAD	AUD
SAVINGS BANK	0.10	0.10	NIL	NIL	NIL
1 month & above but less than 3 months	0.10	NA	NA	0.10	0.10
3 months & above but less than 6 months	0.10	NA	NA	0.10	0.10
6 months & above but less than 1 year	0.10	NA	NA	0.10	0.10
1 year & above but less than 2 years	5.50	5.00	2.50	4.50	3.60
2 years & above but less than 3 years	4.30	3.00	2.00	4.00	3.50
3 years only	4.00	2.50	1.50	3.85	3.00

T&C Apply



DOMESTIC/NRO TERM DEPOSITS

RATE OF INTEREST WITH EFFECT FROM 16.11.2023

SLABS	PERIOD OF DEPOSIT	RATE OF INTEREST (% P.A.)			
		Callable Deposits		Non-Callable Deposits	
		Less than ₹2 Crore		Above ₹1 Crore to less than ₹2 Crore	
		General Public	Sr. Citizen	General Public	Sr. Citizen
1**	7 Days to 45 Days	4.00	4.00	NA	NA
2	46 Days to 90 Days	5.25	5.25	5.35	5.35
3	91 Days to 179 Days	5.50	5.50	5.60	5.60
4	180 Days to 269 Days	6.15	6.65	6.25	6.75
5	270 Days to less than 1 Year	6.25	6.75	6.35	6.85
6	1 Year Only	6.85	7.35	7.00	7.50
7*	444 Days	7.25	7.75	7.40	7.90
8	Above 1 Year to less than 2 Years	6.85	7.35	7.00	7.50
9	2 Years & above to less than 3 Years	6.85	7.35	7.00	7.50
10	3 Years & above to less than 5 Years	6.80	7.30	NA	NA
11	5 Years & above to 10 Years	6.70	7.20	NA	NA

** Rates are applicable only for single deposit of Rs.5 Lakh & above. For Single deposit of below Rs.5 Lakh, the Minimum tenor of deposit is 15 Days.

Senior citizen's benefits are not available for NRO deposits.

*Special Retail Term Deposit Scheme of 444 days for Domestic/ NRO/NRE Retail Term deposits of below Rs.2 Crore without automatic renewal facility for both Callable and Non-callable deposits.

NRE RETAIL TERM DEPOSITS

RATE OF INTEREST WITH EFFECT FROM 16.11.2023

Period of Deposit	Rate of interest (%) per annum			
	CALLABLE DEPOSITS		NON-CALLABLE DEPOSITS	
	Less than Rs. 2 Crore	Rs. 2 Crore to less than Rs.10 Crore	Above Rs.1 Crore to less than Rs.2 Crore	Rs. 2 Crore to less than Rs.10 Crore
	General Public	General Public	General Public	General Public
1 year only.	6.85	7.40	7.00	7.45
444 Days	7.25	NA	7.40	NA
Above 1 year to less than 2 years.	6.85	6.80	7.00	6.85
2 years & above to less than 3 years.	6.85	6.25	7.00	6.30
3 years & above to less than 5 years.	6.80	5.00	NA	5.05
5 years & above to 10 years.	6.70	5.00	NA	5.05

T&C Apply



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