

# संचय SANCHAYA

रा ब सं  
जनसेवा में 50 वर्षों से अधिक  
NSI

Over 50 Years in Service of People

मासिक प्रकाशन

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Shri Anil Bhattacharya, Director, NSI (centre) addressing the Regional Directors during the Workshop on "Designing of product for Youngsters & Agriculturists" at Nagpur on 19th January 2009. Also seen, Shri Mir Azmat Ali, Joint Director, NSI, New Delhi (L) and Shri S.K.Tripathi, Joint Director, (HQ) NSI, Nagpur (R).

## NSI Conducts Workshop on Designing of product and Mid Term Review Meeting of Regional Directors

NSI conducted a 2 day workshop on Designing of product for 'Youngsters & Agriculturists for the Regional Directors during 19-20 January 2009 at Nagpur as there is a tremendous demand for these two products in the financial market. The objective of conducting the workshop on designing of products was to enable NSI to meet new challenges in the financial market. During the workshop, the Regional Directors designed the product for Agriculturists and Youngsters on the basis of the samples collected through questionnaire from different agencies viz. agents, Post Offices, banks & investors. NSI will be sending the final design of the products to the Ministry of Finance for their approval before the end of the current financial year.

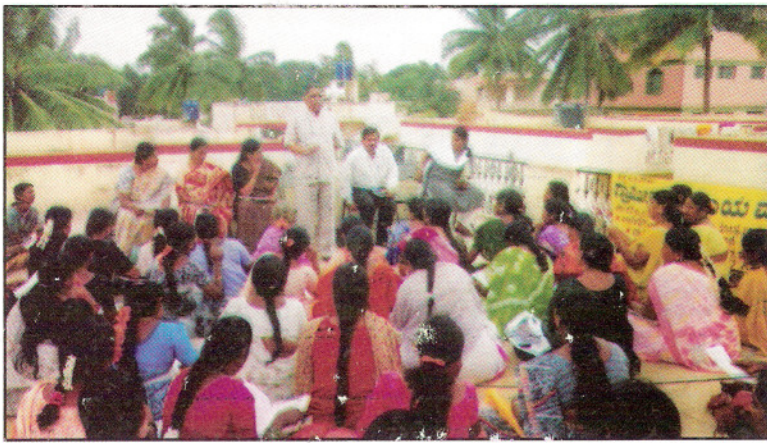
NSI also conducted a Mid Term Review Meeting of RD's. The Regional Directors presented the progress of the activities undertaken by them in their regions viz. conducting training programmes for Agents, Postal Officials and Bank Officials, Conducting Rural Savings Campaigns with the help of Self Help Groups for opening of new accounts in the rural areas and strategy for Jan - March 2009 for achieving the targets fixed by the Ministry of Finance for NSI for the year 2008-09.



राष्ट्रीय बचत संस्थान  
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Shri B.S. Mukkanwar, Regional Director, NSI, Bangalore, seen addressing the Anganwadi workers at Kanakpura (Bangalore) during the rural savings campaign organised by NSI, Regional Center, Bangalore for opening of accounts involving Self Help Groups in the Kanakpur area. Also seen Shri J.V. Jorapur, Assistant Director, NSI, and other office bearers of Anganwadi Unit.

## INCOME TAX AND TAX SAVING INSTRUMENTS OF NATIONAL SAVINGS

February and March are very crucial months for taxpayers, as during this period the taxpayers make maximum investment to reduce tax burden. A prudent investor has three objectives in mind for investment (i) Maximum return (ii) Safety (iii) Liquidity. The National Savings Instruments meet these objectives and also offer tax concessions. According to Finance Act 2008, any individual whose annual taxable income exceeds Rs. 1,50,000/- is required to pay income tax. The rates of the income tax for the financial year 2008-09 (Assessment year 2009-2010) are given below :-

Annual Income	Rate of Income Tax
Where total income does not exceed Rs. 1,50,000/-	NIL
Where total income exceeds Rs. 1,50,000/- but does not exceed Rs. 3,00,000/-	10% of the amount by which the income exceeds Rs. 1,50,000/-
Where total income exceeds Rs. 3,00,000/- but does not exceed Rs. 5,00,000/-	Rs. 15000/- plus 20% of the amount by which the income exceeds Rs. 3,00,000/-
Where the total income exceeds Rs. 5,00,000/-	Rs. 55,000/- plus 30% of the amount by which the income exceeds Rs. 5,00,000/-

However, the basic exemption limit for women (under the age of 65 years) is Rs. 1,80,000/- i.e. a woman tax payer need not pay any tax upto Rs. 1,80,000/- For the income between 1,80,001/- to Rs. 3,00,000/- the tax rate will be 10%, between Rs. 3,00,000/- to Rs. 5,00,000/- 20% and above Rs. 5,00,000/- 30%.



Shri Ranjan Chatterji, I.A.S., Chief Secretary, Govt. of Meghalaya, seen receiving a house magazine of NSI, 'Sanchaya', from Shri Nasir Sajjad, Regional Director (Sr), National Savings Institute, Guwahati Center during his visit to Shillong.

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Similarly, the basic exemption limit for Senior Citizens (over 65 years) is Rs. 2,25,000/- i.e. a senior citizen need not pay any tax if his income is Rs. 2,25,000/-. For the income between Rs. 2,25,001/- to Rs. 3,00,000/- the rate will be 10%. Between Rs. 3,00,001/- to Rs. 5,00,000/- 20% and for Rs. 5,00,000/- and above it will be 30%.

**Surcharge :** There is no surcharge for individual having a taxable income up to Rs. 10 lacs. Where the taxable income exceeds Rs. 10 lacs, the Surcharge will be 10% on net tax payable.

**Education Cess :** 3% Education Cess (including surcharge) on Income Tax is payable by all Income Tax payers.

**Professional Tax :** Professional Tax paid by an assessee is allowed to be deducted under section 16 (I) of the Income Tax Act. Professional Tax (tax on employment) shall be allowed as a deduction in computing the income under the Head 'Salary'.

## NATIONAL SAVINGS INSTRUMENTS OFFER VARIOUS TAX CONCESSIONS

**Section 10 :** The entire amount of interest earned on National Savings Instruments viz. post Office Savings Account, Public Provident Fund Account, is exempted from income tax under Section 10 of Income Tax Act.

**Section 80-C :** The Section 80-C of Income Tax Act provide for deduction from taxable income upto maximum of Rs. 1,00,000/- if the investment is made in any of the specified savings scheme. The specified savings schemes of NSI are 15 year Public Provident Fund Account and 6 years National Savings Certificate (VIII issue).

The Taxpayers should therefore invest in these instruments to reduce tax liability and also earn good return. The salient features of PPF & NSC are as below :-

### a) 15 Year Public Provident Fund :

i) 8% completely tax free interest ii) Free from court attachment. Iii) An account can be continued beyond maturity for further blocks of five years. Iv) Minimum Rs. 500 and Maximum Rs. 70,000/- in a financial year. v) Loan and partial withdrawals permissible vi) Rs. 1000/- becomes Rs. 30324/- at the end of maturity i.e. after 15 years if Rs. 1000/- is contributed every year and no withdrawals are made. vii) Deposits qualify for deduction u/s 80-C of Income Tax Act.

### b) 6 year National Savings Certificate (VIII issue) :

i) Investment in NSC VIII issue earns tax concession under Section 80-C of T.T. Act. ii) Interest accruing annually but deemed to be reinvested will also qualify for tax concession under Section 80-C of I.T. iii) Interest compounded half yearly and payable at maturity. Rs. 100/- be comes Rs. 160.10 on maturity.

# SMALL SAVINGS COLLECTIONS FROM APRIL TO OCTOBER 2008

(Rs. in Crore)

Sr. No.	Region	Gross	Net	Gross	Net
		Upto October 2007		Upto October 2008	
1.	Andhra Pradesh	5088.98	-263.95	5855.52	-279.23
2.	Arunachal Pradesh	48.45	14.26	52.10	11.62
3.	Assam	889.00	-380.21	923.62	-172.34
4.	A&N Island	13.45	1.52	15.90	3.75
5.	Army Post Offices	150.96	-48.65	195.88	-364.96
6.	Bihar	3062.22	448.20	3326.51	600.13
7.	Jharkhand	999.30	-15.93	1314.83	142.10
8.	Chandigarh	193.48	-114.27	245.63	-64.40
9.	Daman & Diu	243.79	-124.74	235.78	-17.15
10.	Delhi	2420.04	-934.31	2526.04	-1003.56
11.	Goa	186.99	-1.46	216.39	-6.32
12.	Gujarat	6555.33	-1088.83	7487.92	-405.37
13.	Haryana	2466.09	-317.42	2499.52	-321.34
14.	Himachal Pradesh	1321.71	28.91	1317.31	80.62
15.	Jammu & Kashmir	866.90	-64.29	729.00	-24.79
16.	Karnataka	2826.79	-681.96	2953.15	-526.95
17.	Kerala	2236.19	-300.25	2486.60	-485.28
18.	Lakshdweep	0.89	-0.02	1.31	0.00
19.	Madhya Pradesh	2201.31	-297.84	2373.41	-195.62
20.	Chhattisgarh	758.16	-23.78	800.74	-54.00
21.	Maharashtra	6927.34	-1200.11	7025.36	-66.12
22.	Manipur	38.40	-10.47	35.30	-11.77
23.	Meghalaya	87.47	-2.46	87.90	5.80
24.	Mizoram	43.95	-6.14	45.85	-10.38
25.	Nagaland	18.89	-4.45	21.68	-1.92
26.	Orissa	1401.10	42.32	1457.41	132.78
27.	Pondicherry	54.20	-24.75	51.17	-17.06
28.	Punjab	4596.07	-590.70	4155.41	-488.42
29.	Rajasthan	3761.63	-952.10	4503.73	-911.00
30.	Sikkim	27.57	-11.69	30.43	-5.99
31.	Tamilnadu	4405.48	-641.41	4606.02	-674.08
32.	Tripura	209.43	-12.81	237.48	-16.54
33.	Uttar Pradesh	8462.94	117.71	8628.38	443.65
34.	Uttaranchal	1175.50	66.80	1267.45	110.60
35.	West Bengal	8573.91	-146.31	9867.30	653.67
	<b>Total</b>	<b>72313.90</b>	<b>-7541.61</b>	<b>77578.02</b>	<b>-3939.88</b>

Note : THE FIGURES RECEIVED FROM DEPARTMENT OF POSTS, NEW DELHI ARE SUBJECT TO RECONCILIATION. THE FIGURES DO NOT INCLUDE PPF & SCSS (BANK) COLLECTIONS.