

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3599
ANSWERED ON:14.12.2012
TAX FREE BONDS
Pratap Narayanrao Shri Sonawane

Will the Minister of FINANCE be pleased to state:

(a) the details and number of tax free bonds introduced by Government during the last three years that comes under saving limits of Rs. 1,00,000 in terms of tax exemption u/s 80C along with lock in period; and

(b) the number and details of tax free bonds likely to be introduced till March, 2013 by Government which comes under additional savings of Rs. 1,00,000 in terms of income tax exemption?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

Part (a): (i) Under section 80C of the Income-tax Act, 1961, deduction can be claimed upto a limit of Rs. 1,00,000 in respect of certain amounts paid or deposited towards specified items/schemes prescribed in sub-section (2) which, inter alia, includes in clause (xxii), bonds issued by the National Bank for Agriculture and Rural Development as the Central Government may, by notification in the Official Gazette, specify in this behalf.

(ii) No bonds have been notified by the Central Government under this provision during the last three years.

Part (b): No new tax free bonds to come under the additional savings of Rs. 1,00,000, are likely to be introduced till the next union budget of 2013-14.