What is National Savings Certificate (NSC)?

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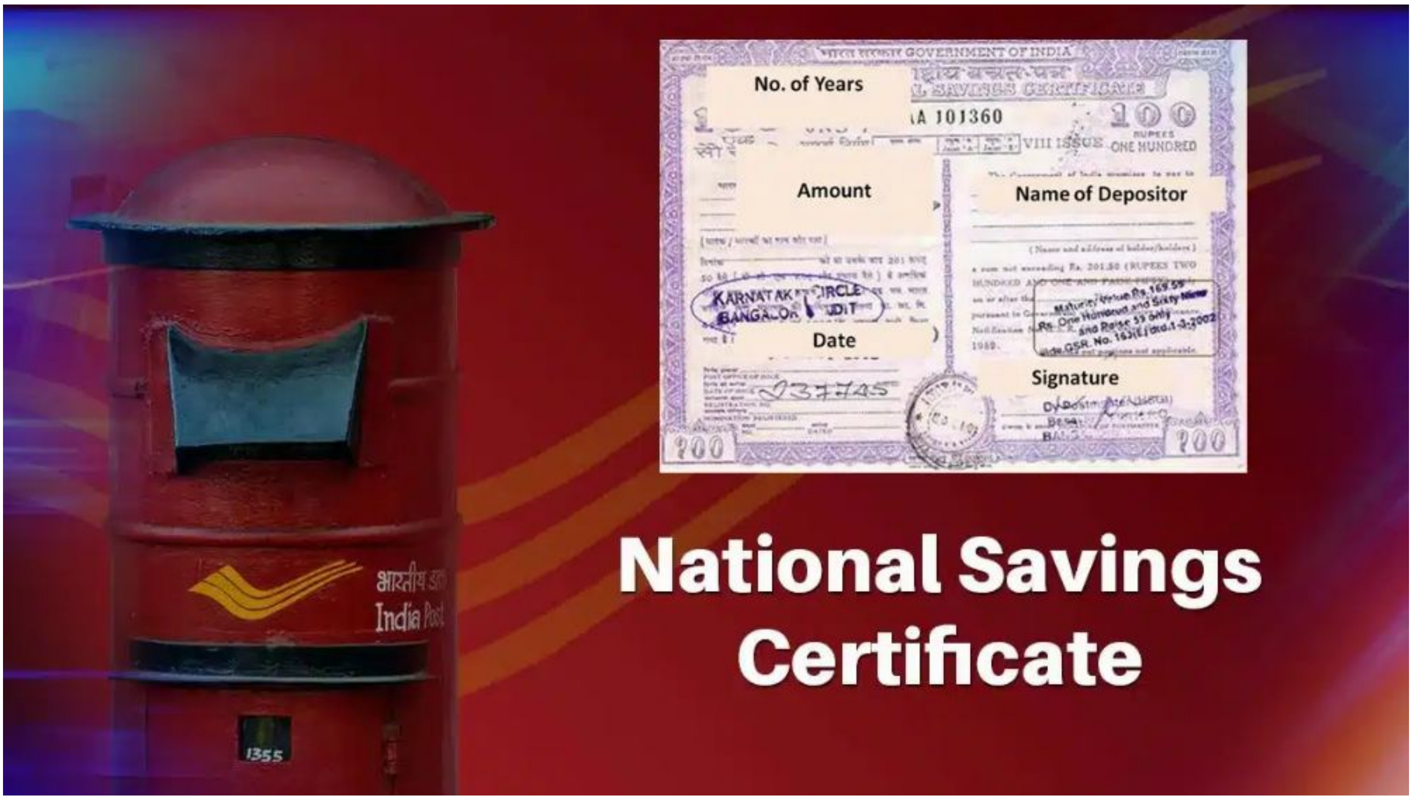

About National Savings Certificate (NSC):

- It is a **fixed-income investment** scheme launched by the **government of India**.
- It aims at **encouraging users,** who are **primarily low- to mid-income investors**, to invest as well as save taxes.
- You can **invest in NSC from** the **nearest post office in your name**, **for a minor or** with another adult **as a joint account.**
- **Features**:
    - **Interest Rates**: The certificates earn an **annual fixed interest**, which is **revised every quarter** by the government, thus guaranteeing a regular income for the investor.
    - **Maturity Period: Five years.**
    - The **amount of NSCs** that can be purchased has **no upper limit**.
    - **Tax Saver:** As a government-backed tax-saving scheme, the principal invested in NSC **qualifies for tax savings under Section 80C** of the Income Tax Act **up to Rs. 1.5 lakhs annually.**
    - **Accessible**: It can be **easily bought from any post office** on submission of the required KYC documents. Also, it is **easy to transfer** the **certificate from one PO to another,** as well as **from one person to another,** without impacting the interest accrual/maturity of the original certificate.

    - **Loan Collaterals:** NSC certificates are **accepted as collateral** or security **for secured loans** in Banks and NBFCs.
    - **Nomination**: The investor **can nominate** any **family member** (even a minor) so that **they can inherit** it **in the** unfortunate event of the **investor's demise.**
    - **Premature Withdrawal**: Generally, one **cannot exit the scheme early** except on the death of an investor, on a court order, or on forfeiture by a pledgee who is a Gazetted Government Officer for it.
- **Eligibility Criteria for NSC:**
    - Hindu Undivided Families (**HUFs**), **Trusts, and Private** and **public limited companies** are **not eligible** to invest in NSC.
    - The individual **must be a resident Indian citizen**. Non-resident Indians (**NRIs**) are **not eligible** to invest in NSC.
    - There is **no age limit** for individuals to purchase an NSC.

Q1 What is Section 80C of the Income Tax?

Section 80C of the Income Tax Act allows for certain expenditures and investments to be exempt from income tax.

Source: PM Modi Invests In This Post Office Scheme: Check All Major Schemes At Post Offices

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