



ALL INDIA BHARAT SANCHAR NIGAM LIMITED RETIRED EXECUTIVES' ASSOCIATION

Central Headquarters

Registered under Societies Registration Act XXI of 1860 vide Govt. of NCT Delhi No. S/RS/SW/1161/2014

[Registered under Pensioners Portal vide DoP&PW letter No. 4(4)/2021-P&PW(H)7311 dated 04.01.2024]

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Awadesh Sharma
(M) 9968630008

No. AIBSNLREA/CHQ/2024/56

Dated 30th July 2024

To

Shri Sanjay Sharan,
Director General, Postal Services,
Department of Posts,
Dak Bhavan,
New Delhi 110001.

Sub: Difficulties caused to pensioners due to failure by Department of Posts to offer interest on Kissan Vikas Patra to tax every year

Sir,

It has been brought to our notice that interest on Kissan Vikas Patra is being offered by the Department of Posts in the year of its maturity, which appears in the AIS only in the year of maturity, resulting in the Depositor, in our case a pensioner, becoming liable to pay income tax on a higher slab, causing financial difficulty to him.

2. In a specific case, interest amounting to Rs.6,80,196/- was offered for tax at the time of maturity of all the KVPs together in FY 2023-24 and the assessee pensioner had to pay income tax at higher slab rates. Had the interest been offered to tax every year on accrual, he would have paid much lesser income tax. [copy of AIS attached]

3. We shall be thankful if the needful is done for offering the interest to tax every year on accrual basis in respect of time deposits like Kissan Vikas Patra, in order that the tax liability of the assessee is not unjustifiably inflated.

With kind regards,

Yours sincerely,

(R.R. Balasubramanian)
General Secretary

Encl: As stated

Copy to: 1. Ms.Vandita Kaul,
Secretary, Posts, DoP
2. Shri Manoj Kumar Yadav,
Director (FS & CBS), DoP