

## About Kisan Vikas Patra 2018

Kisan Vikas Patra is a saving certificate scheme under the National Small Savings Fund. It was first launched in 1988 by India Post.

It was successful in the early months but afterwards the Government of India set up a committee under supervision of **Shyamala Gopinath** which gave its recommendation to the Government that KVP could be misused.

Hence the Government of India decided to close this scheme and KVP was closed in 2011 and the new government relaunched it in 2014.

### Kisan Vikas Patra 2018 can be purchased by :

- An adult in his own name, or on behalf of a minor
- A Trust
- Two adults jointly

On 16th February, 2016, *it was notified by the Government that instead of annual resetting of interest rates for the upcoming financial year*, the interest rates would be reset every quarter based on the G-Sec yields of the previous three months.

This is the reason, as per the interest rates, *the double period of Kisan Vikas Patra varies time to time.*

### Features of Kisan Vikas Patra 2018

- The rate of interest is **7.7% from 1st October, 2018.**
- The amount (Principal) invested in **Kisan Vikas Patra 2018 would get doubled in 112 months .**
- KVP certificates are available in the **denominations of Rs 1000, Rs 5000, Rs 10000 and Rs 50000.**
- The **minimum amount that can be invested is Rs 1000.**
- However, **there is no upper limit on the purchase of KVPs.**
- Kisan Vikas Patras have unique liquidity feature, where an investor can, if he so desires, encash his certificates after the **lock-in period of 2 years and 6 months** and thereafter **in any block of six months on pre-determined maturity value.**
- Kisan Vikas Patra does not offer any income tax benefits to the investor.
- No deduction u/s 80C is allowed on investment and the interest received upon maturity/withdrawal is fully taxable.
- However, **withdrawals are exempted from Tax Deduction at Source (TDS) upon maturity.**