

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

FM TO RELAUNCH KISAN VIKAS PATRA (KVP); AVAILABLE TO THE INVESTORS IN THE DENOMINATION OF RS. 1000, 5000, 10,000 AND 50,000, WITH NO UPPER CEILING ON INVESTMENT; INVESTMENT MADE IN THE KVP WILL DOUBLE IN 100 MONTHS

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The Union Finance Minister Shri Arun Jaitley will re-launch the Kisan Vikas Patra (KVP) here tomorrow in the presence of Shri Ravi Shankar Prasad, Union Minister of Communication and IT and Shri Jayant Sinha, Minister of State for Finance among others. Increasing savings rate in the economy was one of the priorities of the new Government on assuming charge. In view of the popular demand and to revitalize Small Savings, the Finance Minister in para 27 of his Budget Speech announced that “Kisan Vikas Patra (KVP) a very popular instrument among small savers will be reintroduced. The instrument will encourage people, who may have banked and unbanked savings to invest”. Accordingly, it is decided to reintroduce Kisan Vikas Patras (KVPs). KYC norms regarding all National Savings Schemes (NSS) are now applicable in post offices and banks w.e.f. January, 2012.

The re-launched Kisan Vikas Patra (KVP) will be available to the investors in the denomination of Rs. 1000, 5000, 10,000 and 50,000, with no upper ceiling on investment. The certificates can be issued in single or joint names and can be transferred from one person to any other person / persons, multiple times. The facility of transfer from one post office to another anywhere in India and of nomination will be available. The certificate can also be pledged as security to avail loans from the banks and in other case where security is required to be deposited. Initially the certificates will be sold through post offices, but the same will soon be made available to the investing public through designated branches of nationalised banks.

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. The investment made in the certificate will double in 100 months.

Reintroduction of Kisan Vikas Patra (KVP) is a welcome step not only in the direction of providing safe and secure investment avenues to the small investors but will also help in augmenting the savings rate in the country. The scheme will also safeguard small investors from fraudulent schemes. With a maturity period of 8 years 4 months, the collections under the scheme will be available with the Govt. for a fairly long period to

be utilized in financing developmental plans of the Centre and State Governments and will also help in enhancing domestic household financial savings in the country.

Kisan Vikas Patra (KVP) – a certificate savings scheme was launched by the Government on 1st April, 1988. The scheme provided facility of unlimited investment by way of purchase of certificates from post offices in various denominations. The maturity period of the scheme when launched was 5 ½ years and the money invested doubled on maturity. The scheme was very popular among the investors and the percentage share of gross collections secured in KVP was in the range of 9 % to 29 % against the total collections received under all National Savings Schemes in the country. Gross collections under the scheme in the year 2010-11 were Rs. 21631.16 crores which was 9 % of the total gross collections during the year. In the year of its closure, the scheme secured gross collections of Rs. 7575.95 crores (April 2011 to November 2011).
