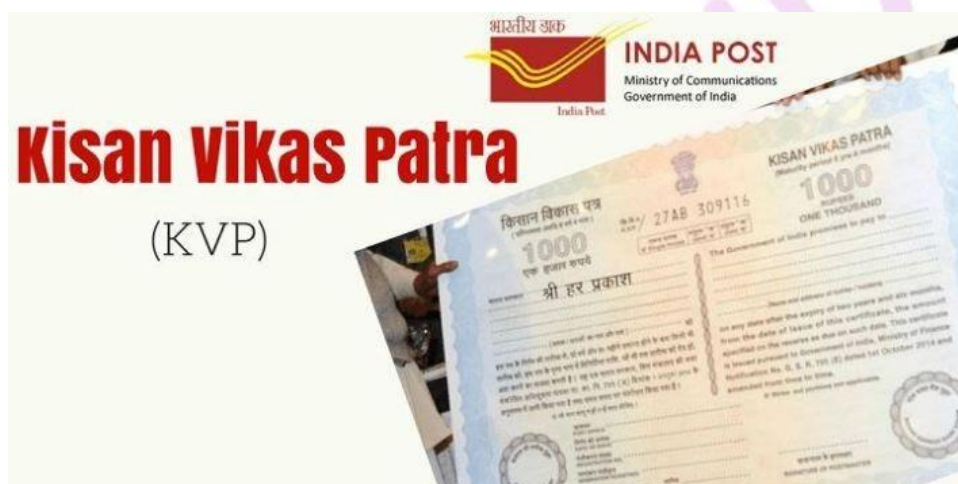


## UPSC Civil Services Examination

### UPSC Notes [GS-II]

#### Topic: Kisan Vikas Patra

The Kisan Vikas Patra was introduced by India Post in the year 1988. It is a saving certificate scheme that was launched to encourage long-term financial discipline. The scheme was closed in 2011 by the Government of India after a Government Committee suggested that this scheme can be misused for money laundering purposes. The Kisan Vikas Patra (KVP) was later relaunched in the year 2014. According to the 2014 amendment of Kisan Vikas Patra, the scheme provides a tenure period of 118 months with a minimum investment of Rs. 1000.



#### Types of Kisan Vikas Patra

Kisan Vikas Patra under the Ministry of Finance is a saving certificate which can be availed in the form of three categories:

- **Single Holder Type Certificate:** This certificate can only be issued individually to an adult for self or on behalf of a minor.
- **Joint A Type Certificate:** This certificate under Kisan Vikas Patra can be availed jointly by 2 adults. As per its condition, the amount will be payable to both of the owners or to the survivor.
- **Joint B Type Certificate:** This type of KVP is issued jointly to two adults and is payable to either of the owners or to the survivor.

[Government schemes](#) are an important part of the UPSC syllabus. Aspirants must be thorough with the objectives and the activities of these major schemes for the IAS exam.

## Benefits of Kisan Vikas Patra

Any individual who is an Indian resident can avail all the benefits provided by the Kisan Vikas Patra. However, Hindu Undivided Family (HUFs) and NRIs are not eligible to invest for the Kisan Vikas Patra. Initially, this scheme was developed for the farmers to enable them to save for long-term but now, this scheme can be availed by any Indian resident.

Some of the benefits provided by the Kisan Vikas Patra are mentioned below:

- The scheme provides flexible denominations which vary from Rs.100 to a maximum of Rs.50,000.
- Kisan Vikas Patra is a government scheme and hence, it provides guaranteed returns to the investors.
- KVP is a risk-free investment with the same interest rate throughout the year.
- The scheme provides no upper limit on the amount that is invested.
- KVP allows premature withdrawal with a lock-in period of 2 years and 6 months.
- Kisan Vikas Patra can be transferred to any other eligible individual. The new holder must submit all the required documents and should also get approval from the post office before availing the benefits.
- There is no TDS for money withdrawn from KVP after the expiry of the maturity date.
- The current interest rate provided by the scheme is 7.7% for 1st quarter of FY2019-20.

## Documents required for Kisan Vikas Patra

Apart from being an Indian resident, the applicants must also provide the following documents to be eligible for Kisan Vikas Patra:

- During the relaunching of the scheme, the Government of India made PAN Card proof compulsory for any investments above Rs. 50,000 to prevent the risk of money laundering.
- Submission of income prove such as salary slips, bank statement or ITR document is compulsory to deposit Rs.10 lakhs and above.
- ID proof copy such as PAN Card, Aadhaar Card, Voter's ID, Driving License or Passport.

Candidates should follow the latest developments in Current Affairs related to other government schemes for their [UPSC 2020](#) preparation.

