

Jaitley relaunches Kisan Vikas Patra

Union Finance Minister Arun Jaitley and Communication Minister Ravi Shankar Prasad relaunched the Kisan Vikas Patra (KVP) investment scheme on Tuesday to tap household savings for funding infrastructure development in the country and to lure them away from ponzi schemes.

The savings instrument will be available in the denomination of Rs. 1000, Rs. 5,000, Rs. 10,000 and Rs. 50,000. There will be no upper ceiling on investments an investor can make in them. However, no tax benefits would be available on these investments.

Banks will accept these certificates as pledged security for loans.

To begin with, the certificates will be available only at post offices. Over time, however, designated branches of nationalised banks will also sell them.

The certificates will carry a lock-in period of 2 years and 6 months after which they will become encashable on pre-determined maturity value. Investments made in the certificate will double in 8 years and 4 months.

Government will deploy the collections under the scheme to finance development plans of the Centre and State Governments.

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