Kisan Vikas Patra (KVP)

Doubles your money in a fixed number of months, simple and guaranteed.

7.5% p.a. – doubles in 115 months | No 80C; interest taxable

What is KVP?

Kisan Vikas Patra is a post-office certificate with one simple promise: your money doubles in a fixed number of months. At the current 7.5% rate that's 115 months (9 years 7 months). There's no upper limit and the capital is government-backed, but, unlike NSC or PPF, it offers no tax deduction and the interest is taxable, so it's best seen as a safe, no-frills doubling instrument rather than a tax-saver.

In brief

Suits	A simple, government-backed way to double a lump sum over a fixed period.
You get	7.5% a year; money doubles in 115 months at today's rate.
Your money	Can be encashed after 2 years 6 months, at a lower value.
Tax	No deduction on the deposit; interest is taxable.
Watch for	The doubling period changes when the government revises the rate.

Key facts

Interest rate	7.5% p.a. (compounded yearly)
Doubles in	115 months (9 years 7 months)
Investment	₹1,000 minimum · no maximum (PAN for ₹50k+)
Tax	No 80C deduction; interest fully taxable
Liquidity	Premature encashment allowed after 2.5 years

What's new

Sep 2026 KVP stays at 7.5% for October–December 2026, so money still doubles in 115 months.

Questions and answers

THE BASICS

What is Kisan Vikas Patra?

KVP is a post-office savings certificate with one simple promise: your money doubles in a fixed number of months. Despite the name ("Kisan" = farmer), it's open to everyone, not just farmers. It's a no-frills, capital-safe, government-backed way to grow a lump sum predictably.

How does the "doubling" work?

The government publishes a doubling period for each quarter's rate. At the current 7.5%, an investment doubles in 115 months (9 years 7 months). Buy a ₹1 lakh certificate today and it becomes ₹2 lakh after 115 months, guaranteed, the rate on a certificate is locked at purchase.

Is the rate/doubling period fixed once I buy?

Yes. The rate and the corresponding doubling period are locked for your certificate at the time of purchase. If the government later changes the rate, only new certificates are affected, yours keeps its original terms.

WHO CAN BUY & HOW

Who can invest in KVP?

Any resident adult individual, singly or jointly. It can also be bought on behalf of a minor, or by a minor above 10 in their own name. HUFs and NRIs cannot invest in KVP.

Where do I buy it, and what are the limits?

From any post office and several public-sector banks. Minimum ₹1,000, in multiples of ₹100, with NO maximum limit. It's available in denominations you can buy multiple certificates of.

Is PAN or documentation required?

For investments of ₹50,000 and above, PAN is mandatory. For ₹10 lakh and above, income proof (like ITR, bank statement or salary slip) is required, in line with anti-money-laundering rules.

TAX TREATMENT

Does KVP give any tax benefit?

No, this is its main drawback. KVP does NOT qualify for a section 123 (earlier 80C) deduction, and the interest is fully taxable at your slab. There is no TDS, so you must declare the interest yourself (either yearly on accrual or in full at maturity).

LIQUIDITY & TRANSFER

Can I encash KVP early?

Yes, after a lock-in of 2 years 6 months (30 months), at pre-set encashment values published for each completed period. Before 30 months, premature encashment is allowed only on the holder's death or a court order.

Can I transfer or pledge a KVP?

Yes on both. A KVP can be transferred from one person to another under specified conditions, and it can be pledged as security to obtain a loan from banks/institutions.

HOW IT COMPARES

KVP vs NSC, which should I choose?

Both are safe post-office certificates. NSC has a shorter 5-year term AND an 80C tax deduction, so it's usually the better pick if you want a tax break. KVP has no tax benefit but no upper limit and a simple "doubling" structure, better when you've exhausted 80C and just want predictable, safe growth of a large sum.

Who should actually consider KVP?

Someone who wants a simple, capital-safe, government-backed certificate, doesn't need liquidity for years, has already used up their 80C limit, and prefers guaranteed doubling over market-linked options. For long-horizon goals, equity has historically outgrown KVP, but with volatility KVP doesn't have.

GOOD TO KNOW

Can I add a nominee?

Yes, nomination is allowed at the time of purchase or later, so the proceeds pass smoothly to your chosen beneficiary. For a minor's certificate, nomination rules differ slightly.

What happens on the holder's death?

The certificate is paid to the nominee or legal heir, who can either encash it or continue holding it to maturity. Premature-encashment restrictions are waived in the case of death.

Sources: Ministry of Finance notification of 30 Sep 2026 – small-savings rates, Oct-Dec 2026; Business Standard / Business Today on the MoF notification, 30 Sep 2026.

Educational information prepared by Trustner from official sources. It is not investment, tax or insurance advice. Rates and rules change; confirm the current position with the bank, post office, insurer or your tax consultant before acting.

Trustner Asset Services Pvt. Ltd. · AMFI-registered Mutual Fund Distributor · ARN-286886 · merasip.com/guides/kvp