

A Study on Overview of Research on Government Schemes for Investment in India

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Abstract: *Saving plays a vital role in the betterment of any individual of the society. Saving needs to be converted into investments to get mobilise the funds optimally. There are various investment schemes available in the financial market. Schemes that are offered by private sector as well as by government. The study focuses on the investment schemes that are offered by government. The research is based on the secondary data collected through literature review based on the earlier research carried out. Initially the schemes that are offered by government in India are being highlighted and then the actual scenario is observed through the research on such schemes. The research considers the level of awareness, multiple investment options and the importance of the schemes. The research aims at reaching at the door of each needy person of the society and bring out the betterment of their life which can ultimately result into upliftment of the society.*

Keywords: Government Investment Schemes, Common People

1. Introduction

Investment :

Investment is committing money or resources with the expectation of generating future income or profit, growing wealth over time, and achieving financial goals like retirement or buying property, through assets like stocks, bonds, real estate, or funds, balancing risk for potential reward. It's different from saving (preserving capital) by taking on some risk for potentially higher returns, with common options including stocks, bonds, mutual funds, and real estate.

Investment in India :

Investment in India offers diverse options, from traditional FDs, PPF, bonds, Gold, Real Estate to market-linked ones like Stocks, Mutual Funds (Equity/Debt/Hybrid), ULIPs, and NPS, driven by strong GDP growth, rising consumption, and increasing FDI, catering to various risk appetites and financial goals. Key drivers include a large young workforce, structural reforms (PLI scheme), and high retail investor participation, making it a significant global investment destination.

India's investment landscape is robust, marked by strong Foreign Direct Investment (FDI) inflows, booming retail participation in stock markets, significant capital expenditure on infrastructure, and a generally positive economic outlook with high GDP growth forecasts for FY25-26, positioning it as a major global investment destination despite some quarterly FPI outflows. Key highlights include record FDI reaching \$81 billion in FY24-25, increased investor confidence from policy reforms, and rising investments in sectors like IT, services, and manufacturing.

Government Investment Schemes in India :

India's government offers diverse investment schemes, ranging from secure, low-risk options like Public Provident Fund (PPF) and National Pension System (NPS) for individual savings and retirement, to Production Linked Incentive (PLI) schemes encouraging large-scale manufacturing and export, alongside Startup India initiatives

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and MSME support, all designed to boost financial inclusion, long-term wealth creation, and economic growth through tax benefits, assured returns, and structured support.

Popular Government Investment Schemes

Public Provident Fund (PPF): The Public Provident Fund (PPF) scheme is a popular, government-backed, long-term savings tool in India, offering secure, tax-exempt returns with a 15-year maturity, ideal for retirement and tax planning, allowing deposits from ₹500 to ₹1.5 lakh annually, with benefits like Section 80C deductions and tax-free interest/maturity. Key features include compounding interest (currently 7.1% p.a.), loan/partial withdrawal options after a few years, and potential extension in 5-year blocks, providing a disciplined, risk-free investment avenue for Indian residents. **National Pension System (NPS):** Voluntary retirement scheme with tax benefits, aiming for pension income.

Senior Citizen Savings Scheme (SCSS): The Senior Citizens' Savings Scheme (SCSS) is a secure, government-backed Indian investment for retirees (60+) offering regular quarterly income, currently at 8.2% p.a., with a 5-year term extendable by 3 years, and tax benefits under Section 80C. Key features include a minimum deposit of ₹1,000, a maximum of ₹30 lakhs, quarterly interest payouts, and eligibility for those 60+, or 55+ for VRS retirees, and 50+ for defense retirees, available at banks or post offices.

Sukanya Samridhi Yojana (SSY): The Sukanya Samridhi Yojana (SSY) is a government-backed small savings scheme in India, launched under the Beti Bachao Beti Padhao campaign, designed to encourage parents to save for their girl child's education and marriage, offering attractive tax benefits and high interest (currently around 8.2%). Accounts can be opened for a girl under 10 years old in post offices or authorized banks, with deposits from ₹250 to ₹1.5 lakh annually, maturing in 21 years, allowing partial withdrawals for education after age 18 and full closure for marriage post-18.

Kisan Vikas Patra (KVP): Kisan Vikas Patra (KVP) is a savings scheme of the Government of India available through post offices and authorized banks, where with a minimum investment amount of ₹1,000 you can double your deposit in a fixed period, currently it is 115 months (9 years 7 months) and it offers 7.5% annual compound interest, it is a safe investment and there is no upper limit, and loan can also be taken by mortgaging it.

Sovereign Gold Bonds (SGBs): The Sovereign Gold Bond (SGB) Scheme, issued by the RBI, allows residents to invest in gold digitally, offering 2.5% fixed annual interest, sovereign guarantee, tradability on exchanges, and capital gains tax exemption, serving as a safe alternative to physical gold, though it faces potential discontinuation due to government fiscal burdens from rising gold prices. Bonds mature in 8 years with a 5-year exit option, held in demat or paper form, and are denominated in grams, with limits for individuals and entities.

Atal Pension Yojana (APY): The scheme is available to any Indian citizen between the ages of 18 and 40. Upon reaching age 60, subscribers will receive a fixed minimum pension of ₹1,000 per month, ₹2,000 per month, ₹3,000 per month, ₹4,000 per month, and ₹5,000 per month.

Mahila Samman Savings Certificate (MSSC): The Mahila Samman Savings Certificate (MSSC) was a one-time government scheme for Indian women and girls, offering a 7.5% fixed interest rate for two years on deposits up to ₹2 Lakh, with partial withdrawal options, but it was discontinued for new investments from April 1, 2025, though existing accounts continue to operate. Designed for financial empowerment, it provided a safe, government-backed savings avenue with attractive returns, available at post offices and participating banks until its closure.

Objectives of the Study:

To analyse different government investment schemes available in India.

To understand the importance of various government investment schemes.

To find out the awareness of government investment options among investors.

Hypothesis of the Study:

Ho : People are aware of different government investment schemes operating in India.

H1 : People are unaware of different government investment schemes operating in India.



Research Methodology:

The research is based upon secondary data. The data is collected through literature review. Around 06 research papers were reviewed for the study. Research based upon different investment schemes offered by government were considered under literature review.

Research GAP:

The study highlights on the research carried out by research scholars on various government schemes in India. Here before the research was carried out on various investment options but this study is based upon the conclusions drawn under various studies related to government investment options.

Literature Review on Government Investment Schemes in India:

Aman Kumar Chandrakishor Singh through his research on “A Study on Government of India Schemes and Initiatives: A Policy Perspective” interpreted that government programmes and initiatives play a significant role in socio-economic growth of India by resolving regional inequalities, reducing poverty and fostering economic growth. But certain factors like budgetary restrictions, ability to deliver on promised advantages and requirement of ongoing process improvement are some of the issues seen under the operation of schemes. However it emphasises how crucial it is to deal with policy issues in order to ensure that the programmes prove to be beneficial influence on the people of the country.

Manish Soreng and R S Meena through their study on “Assessing the Impact of Government Schemes on Financial Inclusion in India : A Bibliometric Review” highlighted on Pradhan Mantri Jan Dhan Yojana (PMJDY). It was observed that in comparison with other countries, various research gaps predominantly which are related to financial inclusion such as inclusion of technology adoption in this field. The authors have employed co-citation analysis, bibliographic coupling and co-occurrence of keyword analysis with the help of a VOS viewer in the study.

Amol Kadam and Vinod Patil carried out a research on “Evaluating Awareness and Impact of Government Schemes in India : A Comprehensive Study”. It was observed through the study that government periodically and continuously implements several schemes that each aim to benefit different categories of people based on their demographic features. Due to numerous plans, its publicity becomes difficult and hence does not reach among everyone. The author highlights on the platform that is created for providing information on various schemes which can enable any user to judge the best courses of action for their improvement.

Dr. Ashok Ramchandra Shinde through his research study on “A Financial Analysis of Government Schemes for Investors and concerned with National Small Saving Fund” interpreted that, “Financial Institutions provide various types of investment schemes where investor invest his money with an objective of generating income, financing future needs, reducing tax, etc. There are different sources for investment of money but all sources are not safe. So government schemes provide security and exemption from tax. Short term and long term investment plan, NSC, Recurring deposit, PPF, EPF, Sukanya Samriddhi Yojana, Senior Citizen Saving Scheme are essential schemes of investment of money which is considered to be safe and secured mode of investment.

Jhanak Moteelal Uprade and colleagues carried out a research on Investment in Government Schemes highlighted on two schemes viz Sukanya Samriddhi Yojana and Public Provident Fund. Based on the literature survey and analysis of the various government schemes, it can be concluded that these schemes have played a significant role in promoting savings and investment among general public. But there are some limitations that need to be addressed, such as lack of awareness, slow pace of automation and limitations in terms of withdrawal and investment options. The government needs to create more awareness about these schemes and their benefits to encourage more people to participate. There is also a need to address the limitations of these schemes to make them more accessible and flexible for the investors. Authors have concluded that the government schemes have made a positive impact on promoting savings and investment in India, and with the right measures, these schemes can continue to contribute to the financial growth and well being of the country's citizens.



Dr. T Christy Chanchu and Dr. T Christy Cresida conducted a research on A Study on Awareness Towards Post Office Saving Scheme and observed that the investors are highly interested and satisfied in depositing their savings in post office saving scheme. The main reason for this is the risk free investment and tax benefits. There are only few saving schemes offered by post office for the benefit of children and it should be increased in the coming future. New schemes for children should be introduced by post office in order to remove difficulties in the path of investors in meeting educational and marriage expenditure of their children. The major problems faced by the investors while depositing money in post office deposit schemes were lengthy formalities and delay in processing. In order to overcome the delay in processing the latest technological advancement should be introduced and thereby the transaction time can be reduced. The study plays a vital role in knowing the mindset of investors in post office schemes.

Hypothesis Testing:

Based on above literature review which consists of research carried out through different research papers it is seen that majority people in India are aware of majority of the government schemes that are currently in operation. That means as far as hypothesis testing is concerned H_0 is proved.

Findings:

It is found that government has come with motivational schemes of investment for different age groups.

The scheme usually covers common people, women, children, senior citizen and so on.

It was observed that people do feel more safe and secured while opting for government based schemes at the time investing their valuable money.

The schemes are observed to be facing certain issues like budgetary restrictions, ability to deliver on promised advantages and requirement of ongoing process improvement.

It was seen that a step towards introduction of investment schemes by government has improved in the financial inclusion in the society.

As Government has introduced various investment schemes for different categories of age group it is observed that due to lack of publicity because of too many schemes it keeps people unaware about them.

It is analysed that exemption from tax become one of the vital factor in attracting investors towards government schemes.

It was observed that the schemes should be made more accessible and flexible so as to encourage more people to participate in the same.

Limitations:

The study is limited to secondary source of data. Literature Review considered in the research is limited. Research could have considered the actual benefited figures from the available government schemes.

2. Conclusion:

The research highlights on government schemes which was observed to be coming across certain benefits as well as limitations. As far as benefits are concerned it was observed that government has come up with different investment schemes for different age group of people with an intention of betterment of life of every individual of the society. Limitations that are seen from the above study includes lack of awareness about some of the government schemes, not easily accessible, lack of publicity of some of the schemes and inflexibility.

Suggestions:

The details of investment schemes that are implemented by government has to be made available on one digital platform. Hence it would be easily accessible for all common people of the society. As the number of participants increases for the schemes it will ultimately result in upliftment of the weaker sections of the society.



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