The government introduces new investment plans to increase its residents' income and financial status. These new government schemes are available to everyone who wants to participate, regardless of gender, marital status, socioeconomic status, location, etc. However, it is up to the residents to analyze several plans and select the one that best meets their requirements to maximize their income flow.

Investing in new government schemes provides the most significant benefit of being free of risk and easy. Post offices and banks all around India make it possible for anyone interested in signing up for any government program they want. Government investment schemes typically result in tax breaks for the government and the investor. Investors would be well to compare the various strategies before deciding on the one that promises the highest return.

What are Government Investment Schemes?

India's government and various public sector financial organizations have introduced Schemes as investment opportunities for Indian citizens. These plans were implemented to encourage responsible economic behavior among Indian citizens. Historically, Indians had a habit of hoarding their wealth, which led to low economic growth and stagnation. Indian people can profit from the development of their wealth through government investment schemes with high returns and other perks, such as tax exemptions.

List of Best Government Schemes to Invest in India

• Atal Pension Yojana (APY)

The Government provides employees in the unorganized sectors with the Atal Pension Yojana (APY), a social security plan. When it comes to helping the economically disadvantaged save aside money for their retirement, it is counted among the most significant investment schemes in the country. A monthly pension of Rs 1,000, Rs 2,000, Rs 3,000, Rs 4,000, or Rs 5,000 is paid out to subscribers of APY, depending on their age and participation. To enroll, you must be non-income tax paying and at least 18 years old, but not older than 40 years. The minimum contribution term is 20 years since it provides a pension beginning at age 60 years.

• Public Provident Fund (PPF)

Public Provident Fund (PPF) has developed into a significant vehicle for extended wealth creation for investors since its inception. Investors amass a nest egg by consistently putting money into their PPF accounts over many years. Due to its advantageous interest rate and tax advantages, the PPF has attracted a large customer base, particularly among younger depositors. At any time after the expiry of 1 year from the end of the year in which the initial subscription was made but before expiry of 5 years from the end of the year in which the initial subscription was made, the account holder may apply for obtaining a loan consisting of a sum not exceeding 25% of the amount that stood to credit at the end of the second year immediately preceding the year in which the loan is applied for.

• Sukanya Samriddhi Yojana (SSY)

Sukanya Samriddhi Yojana is a welfare plan backed by the government. It was devised as part of a 'Beti Bachao, Beti Padhao' campaign. This is the government investment schemes in India particularly tailored to the financial requirements of the female child. The plan was introduced in 2015 by the Honorable Prime Minister Narendra Modi. The program is designed to assist parents in saving up money for their daughter's higher education, marriage, and other life milestones.

Under the program, a girl under ten years can have an account opened in her name by her parents or legal guardians. The amount ranges from Rs 250 to Rs 1,50,000 per financial year for 15 years from its opening date. The program has a lock-in term of 21 years, even if the returns are better than comparable fixed-income schemes. However, when a girl reach at the age of 18 years, she can make a partial withdrawal. Any financial institution or PO will accept your application for an SSY account.

• National Pension Scheme (NPS)

The National Pension Scheme (NPS) is a retirement benefits program to ensure its members have a steady income once they retire. Each subscriber to the NPS is given a permanent retirement account number. An investor can divide their capital between stocks and bonds or other safe investments. In simple words, there is no upper limit for NPS contributions. Investments up to Rs 50,000 can avail of a tax relief or deduction under Section 80CCD (1B) of the Income Tax Act. Section 80C of the Income Tax Act allows for a tax deduction on investments of up to Rs 1,50,000.

• Sovereign Gold Bonds (SGBs)

On behalf of the Indian Government, the Reserve Bank of India (RBI) issues Sovereign Gold Bonds . Gold-backed government bonds are known as SGBs. The government created the SGB Scheme in November 2015 as an alternative to physical gold ownership.

The Gold Bond also provides a set interest of 2.5% yearly on the issue price, in addition to the price fluctuation gain. Half-yearly, the accumulated interest gets deposited into the investor's designated savings account. The SGB avoids the danger and expense of long-term storage because it is a paper-based instrument. Since early redemption is permitted after the fifth year, this investment choice is deemed liquid. Additionally, SGBs may be sold in a pinch or used for secured loans with them as collateral. They deliver a similar Loan to Value ratio as a loan secured by actual gold.

• Senior Citizens Savings Scheme (SCSS)

The Senior Citizen Savings Scheme (SCSS) is a well-known option and among the best government investment schemes. The program was established to secure the future of those aged 60 years and up. It has a 5-year term that may be extended by another three years, and its interest rate is more significant than other low-risk investing alternatives.

Top Government Investment Plans and Who is it for

Here is a comprehensive government schemes list:

Plan	Who is it For
Public Provident Fund	Interested in earning great returns on investment

Sovereign Gold Bonds	Anyone interested in locating other ways of holding actual gold for financial purposes may consider
Sukanya Samriddhi Yojana	Parent of a girl child on behalf of the beneficiary can open the account any time after the birth of the girl child until she turns ten years old.
Atal Pension Yojana	particularly for the financially weaker sections of society between the ages 18-40year (non-tax payee)
National Pension Scheme	Between 18 -70years
Senior Citizens Savings Scheme	Senior citizens aged 60 years and above

Conclusion

The Government of India provides various additional initiatives to safeguard its citizens' future financial stability. If you want to protect your family's financial future, consider any new government schemes or investments you could make.

Government Investment Schemes - FAQs

1. Which government scheme gives the highest rate of interest?

In India, there are various incentive programs for business owners from the government. Here are a few of the top government investment schemes with high returns options:

- National Pension Scheme (NPS)
- Senior Citizen Saving Scheme (SCSS)
- Public Provident Funds (PPFs)
- Sukanya Samriddhi Yojana (SSY)
- Kisan Vikas Patra (KVP)

2. What is the benefit of investing in government schemes?

Investing in a government savings program offers tax benefits under Section 80C of the Income Tax Act of 1961 and high profits. Government savings programs often provide better returns than traditional term deposits.

As these schemes are gaining popularity every passing day, here is a list of the best government schemes to invest in India in the year 2023 along with their features, benefits, and more.

Best Government-Backed Schemes to Invest in India

Here is the list of some of the best government schemes that an investor can look forward to in the year 2023.

Government-backed Scheme	Current Interest Rate	Lock-in period	Minimum Limit (Investment)	Maximum Limit (Investment)
Atal Pension Yojana (APY)	Variable	Till Retirement	Rs. 42	Rs. 1454
Kisan Vikas Patra (KVP)	6.90%	124 months	Rs. 1,000	No maximum limit
National Pension Scheme (NPS)	7.1%	65 years	Rs. 1,000	No maximum limit
National Savings Certificate (NSC)	6.80%	5 years	Rs. 100	No maximum limit
Public Provident Fund (PPF)	7.10%	15 years	Rs. 500	Rs 1.5 Lakhs in a financial year

Senior Citizens Savings Scheme (SCSS)	7.40%	5 years	Rs. 1,000	Rs 15 Lakhs

Let us see the features and benefits of each scheme in detail.

1. Atal Pension Yojana (APY)

A pension plan especially designed for the unorganized sector of the Indian society, Atal Pension Yojana is launched with the objective of providing financial corpus to the underprivileged senior citizens. Brought up in the year 2015, APY is completely regulated by the PFRDA (Pension Fund Regulatory and Development Authority).

The primary objective of the scheme is to focus on the unorganized sectors of the society like gardeners, helpers, workers, etc. so that they can take care of their basic daily expenses and have a sufficed future.

Eligibility Conditions and Other Restrictions

- The age of the employer should range between 18 to 40 years
- 1 employer can have only 1 APY account
- An existing savings account is mandatory both in bank or post office
- Contributions can be made on a monthly, quarterly, and semi-annually basis
- Tax benefits can be availed under Section 80CCD of the Income Tax Act, 1961
- Contributions to be made for 20 years (Minimum)
- Aadhar card needs to be linked with the bank account
- The minimum contribution of Rs. 42 to be made at the age of 18 to receive Rs. 1,000 as pension

    - Maximum contribution of Rs. 1,454 to be made at the age of 40 to receive Rs. 5,000 as pension

2. Kisan Vikas Patra (KVP)

Available only at the Indian post offices, Kisan Vikas Patra (KVP) is an excellent one-time investment scheme that doubles the investors' money in just 124 months (that is 10 years 4 months approximately). Launched in the year 1988, and revamped in 2014 to prevent money laundering possibilities, Kisan Vikas Patra Scheme can be bought with a minimum amount of Rs. 1,000.

Kisan Vikas Patra is a low-risk long-term savings scheme that guarantees safe returns as it is completely government-backed.

Eligibility Conditions and Other Restrictions

- The age of the scheme holder should be minimum of 18 years
- Can be bought even without any bank account
- The KVP scheme can be bought by
    - An individual
    - On behalf of a minor
    - Jointly by 2 adults
    - A trust
- Contribution to be made only one time
- The present rate of interest is 6.9% per annum
- Aadhar card is compulsory for investing in the KVP scheme
- PAN Card is mandatory for investments above Rs. 50,000
- For deposits above Rs. 10 lakhs, salary slips, bank documents, ITR, etc. are required of the investor
- It is a long-term investment scheme with guaranteed returns
- Returns are completely taxable under the scheme
- Premature withdrawals are not allowed unless the scheme holder passes away or under court orders

3. National Pension Scheme (NPS)

Launched by the Government of India keeping in mind the senior citizens of the country, the National Pension Scheme (NPS) is completely administered and regulated by the PFRDA (Pension Fund Regulatory and Development Authority).

Available to all Indians including NRIs (Non-Resident Indians) between the age of 18 to 60, NPS also offers a tax exemption of Rs. 1,50,000 under Section 80CCD of the Income Tax Act, 1961.

Eligibility Conditions and Other Restrictions

- The age of the scheme holder should range between 18 to 60 years
- Any Indian resident, as well as NRIs, can avail of the benefits of the scheme
- A unique PRAN (Permanent Retirement Account Number) is required for investment under Tier-I and Tier-II accounts
- NPS offers flexibility in asset allocation choices (Auto choice and Active choice) to the holders
- A ceiling of Rs. 1.5 lakh can be exempted from taxation under this scheme
- Contributions made towards the scheme are also flexible
- The scheme holder should be KYC compliant
- NPS account is mandatory to carry on the transactions

4. National Savings Certificate (NSC)

National Savings Certificate is a complete government-backed scheme launched keeping in mind the lower and middle sections of the society. The scheme can be bought from the nearest post office with a minimum contribution of Rs. 1,000. The current interest rate for National Savings

Certificate (NSC) is 6.8% per annum and the maturity period is of 5 years or 10 years.

Eligibility Conditions and Other Restrictions

- There is no age limit for the scheme holder
- The scheme holder should be an Indian citizen
- The minimum contribution made towards the scheme is Rs. 100 and maximum has no limit
- Minor can be added as a nominee by the scheme holder
- Tax benefit up to Rs. 1.5 lakhs can be availed under Section 80C of the Income Tax Act, 1961
- The current rate of interest is 6.8% which is revised quarterly
- Premature withdrawals are not allowed in general conditions

5. Public Provident Fund (PPF)

One of the most popular investment schemes, the Public Provident Fund (PPF) is famous for its flexible nature. A famous savings plus investment plan, PPF was launched with the aim to promote small investments by providing reasonable returns.

Currently, the interest rate of PPF is 7.1% and it offers a tax exemption of up to Rs. 1.5 lakhs per annum.

Eligibility Conditions and Other Restrictions

- Public Provident Fund account can be opened by any Indian resident above the age of 18
- The account can be opened on behalf of minor as well
- PPF account can be operational online as well
- The current rate of interest is 7.1%
- Premature withdrawals can be made but with some regulations
- Aadhar card needs to be linked with the bank account to open a PPF account

- It comes with a lock-in period of 15 years
- Partial withdrawals can be made starting from the 7th year

6. Senior Citizens Savings Scheme (SCSS)

Senior Citizen Savings Scheme is a retirement benefit program that is completely government-backed. Specially designed to safeguard the retirement future of Indian citizens, the scheme is for 60 years and above people.

Senior Citizens Saving Schemes have a tenure of 5 years and can also be extended up to 3 years.

Eligibility Conditions and Other Restrictions

- Indian citizens at the age of 60 years can avail the scheme benefits
- NRIs are not eligible the buy this scheme
- The current interest rate of the SCSS is 7.4% per annum
- The account can be opened at any bank or post office
- Premature withdrawals are allowed with some restrictions
- Only a one-time investment is allowed per account
- Maximum of Rs. 15,00,000 can be deposited under the scheme
- The account can be transferred from post office to bank or visa versa as per convenience
- Tax benefit of up to Rs. 1.5 lakhs can be availed under Section 80C of the Income Tax Act, 1961

In The End!

There are many other schemes offered by the Government of India to protect the financial future of the residents of their country. An investor needs to analyze all the aspects before making any kind of future investment to safeguard the finances of themselves and their family.