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"A STUDY OF RECENT GOVERNMENT SCHEMES FOR INVESTORS"

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Abstract
Today investment become risk because of frauds . Investment is a wealth of individuals. Person invest his money for future economical planning .But he has confuse about investing his money. In this case government schemes are proper and secured for investment. These schemes are useful for all types person and helping for saving income tax. This paper focus on current Government Schemes for Investment and study in brief about concept of Investment

Introduction
Now a days investment related frauds are increasing so investor education become essential part of investment. Every investor should have knowledge of investment. The best defense against frauds is precaution. Government schemes for investment are useful and protected schemes . These are also useful for saving tax.These schemes were introduced in order to provide financial support in the form of bank account,financial security for education,loans and for emergencies like death . This paper focus on current government investment schemes for investors .

Objectives of study:
1)To study investment concept.
2)T0 study investment sources .
3)To find out government schemes for investment.
4)To find out current interest rates of some saving schemes.

Title of Research Paper-"A study of recent government schemes for investors"

Research Methodology- The present study dependence upon secondary data which has been collected through books, journals,articles,internet etc.

Investment
Meaning-"invest is to allocate money the expectation of some benefit in the future." "Investment is purchase of goods that are consumed today but are used in future to create wealth"Saving is different from investment.Saving is simply idle cash while investment help your funds to grow over a period or time. Investment help to earn returns beyond inflation rate.

Objectives of Investment-
i)To generate an additional sources of income.
ii)To financing future needs i.e.buying home,building a retirement corpus,child's education and marriage legacy planning.
iii)To increase saving/inducing saving
iv)To reduce tax liability
v) To protect saving from inflation.

Types of Investment-1)Ownership Investment-When investor buy an ownership investment,he own asset-something that's expected to increase in value . It include stock,real estate,business etc. 2)Lending Investment- With lending investment , investor buy debt that expected to be repaid. He has sort of like a bank for this type investment.It include bonds,certificate of deposite and Treasury Inflation Protected Securities(TIPS). 3)Funds-Fund investment is a pool of money which is professionally managed to achieve the best possible return for investors.Their are different terms associate with funds i.e.Mutual Fund,Index Fund, Exchange Traded Fund,Hedge Fund etc.

Investment schemes of government of India for Investors
Investment are often made indirectly through intermediary financial institution. But investor facing problem of frauds and private institution's investment are taxable. At that time Government Investment Schemes are useful for all types of invester.These investments are secured investment.Some investment schemes of government of india are as following

Pradhan Mantri Jeevan Jyoti Bima

This is a life insurance scheme provided and supported by the Government of India. This scheme can be taken up by any individual between 18 to 50 years of age. It can be subscribed to at a minimum annual premium cost of Rs 330, with a death benefit of Rs 2 lakh to the nominee.

Atal Pension Yojana

This scheme is intended to provide pension benefits like social security, with a minimum contribution per month. Those who work in the private sector can opt for a fixed pension of Rs 1,000 to 5,000 that will start once they are 60 years old. Upon the death of the contributor, the spouse or the nominee can claim the pension money and the accumulated corpus. But this scheme is only for those who come under the low-income group or are not a part of the tax bracket. The scheme has been put into place to help people in the low strata of the society, like security guards, drivers or the house help.

Pradhan Mantri Jan Dhan Yojana

Under this scheme financial services like bank's savings and deposit accounts, remittance, credit, insurance, pension, and more, is provided to those who are from rural area and do not have access or does not have any bank account.The scheme also offers an overdraft facility of Rs 5000 along with a RuPay Debit card with in-built accident insurance cover of Rs 1 lakh and a RuPay Kisan Card. BEST INVESTMENT PLAN IN INDIAFinding out best investment plan in India is not an easy task. The best mutual fund for one person may not be best for another person. Every individual has different priorities and choices. One size does not fit all.But there is a similarity among all the investor. It is the desire of good return, better return and best return. The best investment plan would be on the basis of the investment preference of an investor. However, my primary objective would be to choose the investment plans which can give the best return for a class of investor.

Best Investment Plan For Long-Term Investor

The long- term investor understands the power of compounding. The investment for long duration can only give you the maximum return. The long duration investment can only face the changing mood of the financial environment.A long term investor can take a greater risk as he has time in his side.

Tax Saving Mutual Funds

Among the diversified equity mutual fund, there is a special class of mutual fund which also saves tax. These tax saving mutual fund are called as the equity linked saving scheme (ELSS). The ELSS enjoys tax benefit under section 80C of the income tax act. The investment in ELSS gives you the tax deduction. There is an upper limit of such deduction.So, to earn the maximum return from your investment with the benefit of tax saving,Investor hit 80C limit, he should go for the diversified equity mutual fund or good share. Gold BondThe Gold Bond is a new innovative investment. It is also a long-term investment. The value of gold bond linked to the rate of the gold. By investing in this bond, you will enjoy the profit of gold price rise. Along with this, you will also get the interest. The investment in gold bond is far easier than the physical gold. Sovereign Gold Bond- It will available both in demat and paper form.This bond can be used as collateral for loan. Capital gain tax arising on redemption of SGB to an individual has been exempted. Of course, it also carries the risk of gold price fluctuation. But, in the long term gold is also expected to rise. This has been the history of the gold. It rises with the inflation.

Best Investment Plan For Short Term Investor

Investment For Short term excludes those investment plans which go through the ups and down. Because, Investor can be trapped in a downward cycle at the time of the redemption. Therefore, for a short term investor the best investment plan should be one which can give a constant return.

Senior Citizen Saving SchemeThis Investment Plan is safe and rewarding. The senior citizen saving scheme is a small saving scheme by the government of India. The money remains with the government, therefore, it is considered very safe.The scheme is only for the people who are above the age of 60. Retired defence personnel can join this scheme before the age of 60.There are other government saving schemes as well, but this one gives a higher return. As of now, it gives 9.3% interest rate. This rate is not given by any bank fixed deposit or saving schemes.The scheme is for 5 years but, the interest is paid half yearly. It is also eligible for tax deduction under section 80C Investor can open senior citizen saving account in a post office or designated branches of banks.

National Saving Certificate (NSC)It is another small saving scheme by the government of India. The scheme is open for every citizen of India. The maturity period of this scheme is 5 and 10 years.The 5 year maturity period deposit gives the interest rate of 8.5%. The interest of this deposit paid at the time of maturity. There is no upper limit of investment.The national saving certificate is also eligible for tax deduction under section 80C. The interest is taxable, but it is not subject to TDS.

Diversified Mutual fundMutual funds are the organised way of investing. If you find the share market overwhelming, you must go for the equity mutual funds. These mutual funds invest your money into the shares. But it has the professional investment manager (fund manager). The fund manager is learned person and he/she can take better investment decision than a common investor.The mutual funds invest in many stocks to mitigate the risk of an individual share. This diversification of portfolio decreases the risk. The investment in mutual fund is transparent and you can monitor the value of your investment on a daily basis. However, mutual funds are also subject to market behaviour. There would be ups and down in the value of a mutual fund. Hence, you have to keep patience for the long term. You can expect 15-20% annual return from an equity mutual fund.For the first time investor, it is better to choose large cap equity diversified mutual funds.

Tax-Free BondsSometimes Being a long-term investor doesn't mean a risk taker. The investment into the shares doesn't suit to some people. These people can stay in an investment for the long term, but they do not want any thrill or adventure with their money. They want 100% safety. The Tax-Free Bond is suitable for such investors. It is issued by the government owned companies. The tax-free bond are for long term 10-year, 15-year and 20-year. It gives interest at a fixed rate. the interest is paid every 6 months. The interest is not subject to tax.

PPF Account The public provident fund account is a retirement saving by the government of India. It gives you good interest rate. The rate is linked to the yield of 10-year government bond. As of now it is giving 8.7% interest rate.The PPF matures in 15 years. Investor can also partially withdraw from the PPF balance from the sixth year of deposit.This scheme inculcates the habit of regular deposit. Minimum Rs 500 deposit is the must in this scheme. Investor can deposit 12 times in a year.The PPF also enjoys the tax deduction under section 80C. The maturity amount and interest are also exempted from tax.Investor can open a PPF account in SBI and other nationalized banks. Post offices also open this account.

Best Investment Idea For Child The best investment plan for the children should give good return along with some safety. Since education inflation is increasing faster than the general inflation, your investment for child education should also give more than the normal return. I have shortlisted 3 investment plan for child education. For those who can takeFor those who can take a slight risk, the mix of share and bond is suggested. But if you want to keep away from the shares, the Sukanya Samriddhi Account and PPF is a good choice. Since, I have told about the PPF, I will not elaborate again in this section.

Balanced Mutual fund Balanced mutual funds are the hybrid mutual funds. They invest into the shares as well as into the government and private bonds. The shares give these fund required high return while bonds give stability. These funds give the return in the range of 12-16%.The equity-oriented balanced mutual funds are free from long-term capital gains tax.

Sukanya Samriddhi Account This is also a government scheme. It is dedicated to the girl child. This scheme is -designed for girl education. The parents of a girl child can open Sukanya Samriddhi account for her daughter till the age of 10 years.The Sukanya Samriddhi account matures once the girl attains the age of 21. If the need arises, the partial money can be withdrawn after the age of 18.The interest rate of Sukanya Samriddhi Account is one of the highest among all the small saving schemes. It is 9.2% per year. It is 0.5% more than the PPF.Sukanya Samriddhi account is also tax deductible under section 80C of the income tax act. Small schemes of investment of government of India-Government investment schemes are important instruments of government securities. There are Post office term deposite,recurring deposite,PPF,Senior Citizen Saving Schemes, NSC,Sukanya samriddhi Account etc.

Conclusion- Financial institutions provide various types investment schemes . Investor invest his money for different objectives i.e,generating income,financing future needs,saving,reducing tax etc.There are different sources for investment 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 deposite,PPF,EPF,Sukanya Samriddhi Account, Senior citizen saving schemes are essential schemes of investment money for all types persons.And these are secured and safe for investment.

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