

# INVESTOR'S APPROACH AND SAVINGS PATTERN TOWARDS POSTAL DEPOSIT SCHEMES & ITS OPPORTUNITIES, CHALLENGES

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## ABSTRACT

*Postal services are the backbone of our country and it acting a central role for the economic growth. Investment is one of the major issues of our society citizens as their small savings of today are to meet the expenses of future. Rural and urban living people have a greater propensity to save and invest because of their independent earning capacity. They are also motivated by the investment behavior of their neighbors in their living soundings. Saving behavior analysis is a study made on the demographics and psychographics of the investor considering the parameters like age, gender and income groups and also some psychological parameters that will attract the investor towards that particular investment. Today the investor has wider choice of selecting his investment option with the advent of many financial institutions, The present study has been undertaken to analysis the postal saving schemes have gained importance among investors or not and it aims at bringing the Investors attitude towards Post Office Saving Schemes.*

*Key words: Postal services, economic growth, saving pattern, saving schemes.*

## I. INTRODUCTION

Savings have become a vital tool in poverty alleviation. People need savings to run their day to day life. Savings depends on the life manner of a person. Savings are meant to meet contingencies and raise the standard of living of an individual saver. Domestic savings play an important role in bringing about economic development of backward countries. In order to promote the economy of our country, a variety of post office saving schemes have been introduced by the post office. Post Office Saving Schemes are the one among the many savings plans available for the people. To valve money from public, there is a severe struggle among banks. India is a country of villages; hence the people are unable to be aware of the Post Office Saving Schemes. The Investors face a lot of obstacles while depositing money and receiving back their returns. Savings and investment are important factors for growth and development of an economy. Saving attitude is essential of every Indian whether they be inherent in in village or town. The Indian postal system facilitates the people to deposit their money in postal for those who do not have access to a bank in their area. The investment in postal generally associated with the attitudes, perceptions and willingness of individuals and institutions. Banks also offer deposit schemes, but still Post Office Saving Schemes have gained significance in rural areas. The main objective of this scheme is to facilitate the rural people to have the attitude of savings.

**Background:** India Post has the largest network of post offices in the world, 155,669 at the last count, with 89% located in rural areas. It has a history of opening new retail outlets even if income is projected to cover only 15% of costs. The post offices reach every 'nook and cranny' in virtually every town and village in India. This is their tradition and their strength. India Post is not currently profitable (its expenses grow as its revenues grow) but there are strong moves by management to try and turn things around. Before writing this article I spoke to a number of major mailers in India, helped by the fact that my company has an office in Mumbai. All expressed a preference to mail domestically at the second class rate in unsealed envelopes (Bookpost) since the service is cheaper for a 20gm-30gm package than first class by a factor of 40%. The mail is delivered by India Post reliably in two to three days to the major centres and within up to a week in rural areas. This is good enough, particularly given the current lack of mechanised handling outside the major centres

**About India post office:** Post Office has long served as the backbone of communication and small deposits. For more than 150 years the department of Posts has played a key role in facilitating communication during the nation thereby aiding in socio-economic development of the country. Post Offices offer varied services. Their work is not just limited to delivering mails. They accept deposits, provide retail services like sale of forms, bill collection etc, provide savings schemes, life insurance cover etc. The number of post offices was 23,344 when India became independent in 1947 and these were primarily in urban areas. The number increased to 155,015 in 2016 and 90% of these were in rural areas.

In the beginning of the 19th century, there were only a few banks and that too in big towns and cities. It was very difficult for the common man who wanted to save his small amount of money in the bank to go to a bank as he had to incur expenditure for the journey. Further, saving habit amongst the people was almost nil, and most of the people had their small savings in the form of gold and silver. On the other hand, the Government wanted to encourage savings because they were in dire need of money for various developmental activities, for strengthening military establishments and for carrying out administrative reforms.

These factors compelled the Government to start Savings bank through the Post Office. Government Savings Bank was started in the three Presidency towns of Calcutta, Madras and Bombay in 1833, 1834 and 1835 respectively. In 1860, the Secretary of state for India initiated steps for empowering the post offices to undertake savings bank operations in India, similar to that of the U.K. But the Government was under organized and not matures enough to take upon such banking business. Some changes took place subsequently in the management of Savings Bank. Between 1863 and 1865, the management of the Savings Bank was transferred from Government Treasuries to the Presidency Bank, and each Presidency Bank framed its management. The deposit allowed was Rs. 500 in a year up to a maximum of Rs. 3000 and the interest rate was fixed at 3.75 percent per annum. In practice, the SB counters were kept open twice in a week.

Financial services of the post office form a profitable business today, although they were started as a supplementary income generating operation. Post offices render a plethora of agency services in addition to their basic duty of mail delivery. These services include savings Bank, Money Order, Postal Order and Postal Life Insurance. This helps the postal Department produce income to the extent of nearly 45per cent of its budget revenue. Savings bank work was undertaken by post offices on 1 April 1882 and the entire banking operations were kept under the supervision and management of postmasters. In Tamil Nadu, the introduction of POSB was confined to small places.

The object of establishing SB was to extend banking facilities to millions of poor and middle class people living in the farthest corners of the country and to accumulate and invest their savings, and to use the same for the economic development of the country and also to meet the administrative needs and requirements of the Government. It also aimed at encouraging thrift. India Post is committed to provide basic postal facilities throughout the country at an affordable price.

A network of 1.55 lakh post offices in the country, the largest in the world, of which more than 1.39 lakh are in the rural areas, is indicative of this commitment. Rapid introduction of information technology has not only changed the way post offices do business the world over, but also the business that post offices do. In this era of fast developing information and communications technology, large scale induction and assimilation has become vital for the sustenance and growth of India Post.

#### **DEFINITION OF CONCEPTS:**

**Savings:** A portion of income not spend on consumption of consumer goods, but accumulated or invested directly in capital equipment or in paying a home mortgage or indirectly through purchase of securities.

**Investor:** Investor a person or a company that places money in an account

**Post Office:** Post office is a place where mail is handled and where postage stamps, other materials are sold and services are provided

## **II. OBJECTIVES OF THE STUDY**

1. To give an overview about post office.
2. To identify the attitude of Investors towards post office saving schemes
3. To study the current scenario of various post office schemes.
4. To find out the benefit and opportunities of new investors while investing in post office.

## **III. RESEARCH METHODOLOGY**

### **Primary Source**

The primary data were collected with the help of Telephone interview. It was consulted with the research Supervisor, research experts, and the employees of post office and with experienced agents.

### Secondary Source

Secondary data were collected from various books, journals, published and unpublished documents. A number of discussions were held with the employees of postal departments and knowledgeable persons in the field.

## IV. NEED OF THE STUDY

The Indian economy is growing significantly and has various investment options. But the government of India has provided the oldest investment option. Still the postal saving schemes have not gained much importance. The changing postal environment presents an enormous challenge for traditional postal business. It also creates a vast array of new business options and opportunities, as the interest rate compared to other schemes provided by the postal schemes are higher. The present study has been undertaken to analyze whether the postal saving schemes have gained importance among the investors or not. So this study helps to know the depositor's attitude towards post office saving schemes

## V. REVIEW OF LITERATURE

**Report of the Congress Committee (1956)** states that the intention to save is important for human life especially for developing countries saving is necessary for the sake of both nation as well as an individual. Now-a-days, people are interested in making their investment in buying ornaments. In the changed context of things, some measure is needed for our people to give up these habits which are unproductive and also risky. Hence, there exists good scope for investment in small savings.

**The National Council of Applied Economic Research (NCAER) 1961** undertook a comprehensive study on the "Aggregate savings in India in 1958" with a view to provide detailed estimates of savings and investments in the major sectors of the economy, viz, the government, corporate and individual sectors. The study revealed that in comparison with individuals and the government, corporations have never played a substantial role in the Indian economy or in the aggregate savings.

**Desai (1967)**, in his study, "Social Aspects of Savings" has said that the social and cultural aspects of individuals, families and communities are the main factors for influencing savings. In these circumstances, it is easy to avoid compulsory savings and to create a good climate for socio-cultural aspects.

**The National Council of Applied Economic Research (1971)** conducted a survey on "Depositors Appraisal of Banking Services". The report revealed that 59 percent of the samples of depositors were keen to deposit their savings in non-banking companies, mainly because of the higher rates of interest offered by them.

**Narayanan (1979)** conducted a survey in Chittoor district to collect data on income, savings and investments of rural and urban households during the year 1973-74. In his survey report he has pointed out that the average saving – income ratio of the total rural households is 15 percent. In the case of the urban households, it is 16 percent. According to the survey report, the marginal propensity to save of rural households is 41.8 percent, as against 33.1 percent in the case of urban households.

**Rajkumar. R. (1980)** in his thesis, "Household Savings Pattern Determinants' and Motivators" has identified that the use of long-term bank deposits seemed to be unattractive for rural salaried class. Rural salaried class also holds only a little part of their financial assets in post office savings deposits. In fact, only salaried household resort to post office among all household in urban area though the actual amount held was small.

**Arangasami (1992)** in his study, 'A Study of Small Savings Schemes in Tamil Nadu with Special Reference to Madras District' has observed that more and more dependence on mobilization of resources through small savings will ensure and promote self-reliance. He has concluded that the central government should give proper assistance and encouragement to the small savings agencies, which will be useful not only in mobilization of funds but also for the economic development.

**Kaboor (2010)** study entitled "Determinants of Investor's Financial Literacy" made an attempt to study the sources of investment information and investment behavior to investors and to measure the extent of financial literacy. The study found that the financial literacy is not uniform among different groups of investors. The socio economic profile, information seeking behavior and characteristics of investors causes such differences.

**Singh (2011)** research study aimed to analyze the saving and its investment pattern in rural areas. The study also tried to identify some of the important issues relating to the formal finance and investment development in rural measures taken by the Indian government for the economic development. The paper comes up with some of the suggestions which may improve the climate for savings and its investment in the state of Punjab and also across India.

**Dhiraj Jain and Ruhika Kothari (2012)** study made an attempt to identify the awareness, preferences, problem and attitudes of investor towards various deposit schemes offered by the Post Office among 100 respondents of the Udaipur District. The result of the study revealed that the level of awareness of the respondents about various Deposits schemes is very low except Recurring Deposits and Post Office Saving Bank A/C

**KoreShashikant and Teli (2015)** study examined the customer's attitude and perception towards post office savings schemes in Kolhapur district. The study found that Investor gives top priority to safety for their deposits hence next investment priority goes to nationalized bank. The result of the study concluded that there is a need

to increase financial awareness about postal schemes, competitiveness, fast decision making, marketing activities and strategic planning to fight against private institutions

**Rakesh and Nalina (2017)** study aimed to know and understand the individual investor behavior. The study found that portfolios of investors, investment preferences, risk perception, investment pattern, awareness level, problems affecting investment behavior and problems encountered by the investors. The result of the study concluded that diversification of financial sector will give different varieties of investment opportunities to the individual investors

**Bhatia and Tyagi (2018)** study aimed to examine the effects of Some Socioeconomic factors such as Income, Age, Level of Education, size of family on one's saving patterns. The study found that the level of savings is still poor due to low income, large family size or more number of dependents, joint family system and young working population

**Mathumitha (2015)** pointed out that a post office savings scheme gives a secure, risk free and more investment option for small investors. She suggested that latest technology be incorporated in post office to serve the public in an effective and efficient manner, through by reducing the transaction time and rate of interest offered by the post office should be increased

**Shashikant (2015)** pointed out that post office savings bank is the largest savings institutions in the country. There are number of attractive schemes designed to meet the individual requirement of different investors. Most of the customers are prefer post office investment because of strong support of union government, rare case of malpractices, frauds and satisfactory return.

**Mehta (2015)** examines that post office savings bank faces many challenges from financial institutions like bank and insurance companies. It faces the challenges from increasing competition and continuing advances in information and communication technology especially in mobile technology and advanced internet connections.

**Ravindran (2016)** revealed that post office is not only medium of sending letters to the public. It gives multiple financial services to the public like send money to foreign country, postal life insurance, mutual fund investment and small saving schemes. He also suggested that to attract women investors by providing right information and knowledge about the post office savings schemes through advertisement

**Bhagyashree Teli (2017)** Conducted a study from 50 respondents in Rajsamand district, stated that most of the respondents were aware about post office deposit schemes through their friends and relatives. Level of awareness of various post office schemes is very low expected recurring deposit and post office savings bank account. He also pointed out that post office in small savings schemes for rural area is good enough but if they want to increase deposit officials increase awareness through advertising and agents.

**Holosagi (2018)** said that investors motivational factor for investment in postal is to meet domestic purpose and to be secure at old age and their prefer regular and safety, local access ability and easy manageability. He suggest that government can create more awareness among rural people about the postal investment schemes and its benefits avail through it as it has not reached the people properly.

**Vembu (2018)** revealed that more of rural women are interested in investing their savings in investing their savings in post office because of proximity of post office situated in their residing location. He also stated that the officials create awareness to rural people for investing their money in post office it creates a growth of postal sector. Most of the investors are invest in post office savings schemes only for tax relief.

## VI. RESEARCH GAP

The focus of the earlier studies have been around range of issues like savings and factors influencing savings, significance of small savings and the weight of improving savings in rural areas, awareness about POSS and the attitude of the investors on investment pattern. It is noted that there is no study conducted focusing the attitude of depositors on POSS, level of satisfaction of depositors and amenities in post offices .Hence, this study is done in an effort to fill up this research gap

### Postal Saving schemes:

- Public Provident Fund (PPF)
- Post Office Monthly Income Scheme
- Sukanya Samriddhi Account
- Senior Citizen Savings Scheme
- Post Office Savings Account
- 5-Year Post Office Recurring Deposit Account
- Post Office Time Deposit Account
- Kisan Vikas Patra (KVP)
- Postal Life Insurance
- Rural Postal Life Insurance

**Benefits:**

- i. **Risk-free and reliable:** Regardless of any related parameters, all post office savings schemes are government-backed. Thus, they are considered risk-free investment options to park your funds.
- ii. **Attractive return generation:** The Ministry of Finance updates the interest rates of the post office saving scheme in every 3 months. Presently, the next interest review is due in March 2020. Nonetheless, the interest rate updates range between 4-9%, thus allowing investors to receive substantial returns.
- iii. **Simple investment process:** Minimal documentation and simple application procedures offered by the post office provide you with easy enrolment to any of the saving schemes.
- iv. **Long term investments:** Most of the post office saving schemes is long term investments which can run up to 15 years. A long tenure, such as with PPF, allows an investor to accumulate sizeable fund over time. Thus, they can be considered as effective plans for financial security as well as retirement benefits
- v. **Availability to investors across the economic strata:** Postal investments are designed to cover investors from every corner of the country and across different economic strata. With 1.55 lakh post office branches, from rural to urban, every Indian citizen can avail these schemes.
- vi. **Tax benefits:** Tax efficiency is another highly acknowledged feature of post office saving scheme. Some of the schemes such as National Saving Certificates come with tax exemptions on deposit amount under Section 80C. Also, some schemes like Kisan Vikas Patra offer tax deductions on the earned interest.

**Current Scenario:****(Interest rates on Post office deposit schemes)**

Post Office Saving Scheme for Senior Citizen – Senior Citizen Saving Scheme  
 Post Office Saving Scheme for Girl Child – Sukanya Samridhi Yojna

**Post Office Savings Account:**

This account is like a savings account with a bank, except that it is held with a post office. Only one account can be opened with one post office and can be transferred from one post office to another. You can also open an account in the name of a minor. The interest rate is 4% and is fully taxable. However no TDS is deducted on the same. Under the non-cheque facility, minimum balance which is required to be maintained is Rs.50/- However a deduction of Rs 10,000 per annum is available on your total savings account interest including post office savings interest under Section 80TTA of the Income Tax Act, 1961

**Post Office Monthly Income Scheme (POMIS):**

- Unique scheme which offers guaranteed fixed monthly income on the lump sum investment made by the investor
- Any resident individual can open the MIS account in a single or joint holding pattern. A minor can also invest in this scheme. If minor is of more than 10 years, then he can even operate the account
- Minimum limit for investment is Rs. 1500 and maximum investment limit is Rs. 4.5 lakhs in single holding account and Rs. 9 lakhs for joint accounts under the Monthly Income Scheme of Post Office
- Currently ,the MIS interest rate in post office is 6.6% per annum payable monthly with the maturity period of 5 years
- Investors can hold multiple accounts with maximum investment of Rs. 4.5 lakh by combining balances in all the accounts. Joint accounts will have equal shares from all holders. If we continue with the above example, Mr. Suresh would be able to open a joint account with his wife for a maximum amount of Rs. 2.5 lakh
- The scheme also offers liquidity by allowing investors to withdraw the deposit after 1 year. However, there will be a penalty of 2% on deposit if withdrawn between 1 year-3 years and 1% penalty on withdrawals after 3 years
- Accounts are transferable from one post office to another across the country

**Post Office Recurring Deposit:**

- Post office RD is basically a monthly investment for a fixed period of 5 years with an interest rate of 5.80% per annum (compounded quarterly).

- On completion of the fixed tenure of five years, RD account with Rs. 10,000 invested every month will fetch you Rs. 3,256.48
- Post Account RD helps a small investor by allowing them to invest as little as Rs.10 per month and any amount in multiples of Rs.5. There is no upper limit for the investment.
- Joint accounts can also be opened by two adult individuals. Account can also be opened in the name of minor. Multiple accounts can also be opened.
- RD can be transferred from one post office to another.
- There is default fee of 5 paise for every 5 rupee in case if you miss on any monthly investment.
- The account offers flexibility by allowing a partial withdrawal upto 50% of the balance after a year.

#### Post Office Time Deposit:

Post Office Scheme	Interest Rate
Post Office Savings Deposit	4.00%
One-Year Time Deposit*	5.50%
Two-Year Time Deposit*	5.50%
Three-Year Time Deposit*	5.50%
Five-Year Time Deposit*	6.70%
Five-Year Recurring Deposit	5.80%
Five-Year Senior Citizen Savings Scheme	7.40%
Five-Year Monthly Income Scheme	6.60%
Five-Year National Savings Certificate	6.80%
Public Provident Fund Scheme	7.10%
Kisan Vikas Patra	6.90%
Sukanya Samridhi Account Scheme	7.60%

Source: India Post

The minimum amount that can be invested is Rs. 200. There is no upper limit. There is no restriction on the number of accounts one can hold. Accounts can be opened in single holding or joint holding pattern. An investment in the name of minor is also allowed. Accounts can be transferred from one post office branch to another across India. Once the time deposit is matured, it will automatically renew for the same tenure again with the prevailing rate of interest on the day of maturity. There is a tax benefit for the investment made in the 5 year post office time deposit. The investment qualifies for the deduction under Section 80C of The Income Tax Act, 1961.

#### Kisan Vikas Patra:

- KVP offers an interest rate of 6.9% compounded annually. It can be purchased from any post office. The invested amount doubles every 124 months (10 years and 4 months).
- Investment is available in denominations of Rs.1,000, Rs. 5,000, Rs.10,000 and Rs. 50,000. Investment comes with the minimum limit of Rs.1,000 and with no maximum limit. Certificates are easily transferable and can be endorsed to third person.
- Certificate is comparatively liquid in nature as it offers encashment facility after 2.5 years of investment

#### Senior Citizen's Savings Scheme:

- The minimum age of entry is 60 years for SCSS. Someone who has taken voluntary retirement after 55 years of age can also open this account within a month of receiving the retirement benefits. The amount invested in such cases should not exceed the value of corpus received on retirement.
- Maximum limit of investment allowed per individual (combined balances in all account) is Rs. 15 lakhs. The investment amount can be in multiples of Rs.1000

- Current rate of interest offered is 7.4 % per annum payable on the first working day of each quarter. The deposit has a maturity period of 5 years. For an instance, if you invest Rs. 12 lakh in this scheme today, you will be receiving quarterly interest of Rs. 94,800.
- The scheme also allows premature withdrawals of deposits after a year with a penalty of 1.5%. Penalty of 1 % is levied after 2 years of deposit
- Investments are eligible for tax deduction under Section 80C of The Income Tax Act. However, tax will be deducted at source if the amount of interest exceeds Rs.10,000 in a year.

#### **Public Provident Fund (PPF):**

PPF is a long-term investment for a period of 15 years currently offered at an interest rate of 7.1% per annum (compounded yearly). The maximum amount under this scheme is Rs. 1,50,000 in a financial year. Moreover, the deposit is qualified for deduction from income under Section 80C of the Income Tax Act.

- PPF is a long-term investment for a period of 15 years currently offered at an interest rate of **7.9%** per annum (compounded yearly).
- Investments are allowed with the minimum amount of Rs. 500 and maximum of Rs. 1.5 lakhs in a financial year. Investments can be made in lump sum or in 12 equal installments.
- PPF is a pure long term investment plan with premature closure facility allowed only after 5 years from account opening and only for serious ailments or higher education. Partial withdrawal is also permissible after the expiry of 5 years from the end of the year in which the account is opened.
- Investment in PPF account qualifies for tax deduction under Section 80C of The Income Tax Act. It also offers a tax efficient return as its interest is fully tax-free. However you have to report PPF interest in your income tax return.

#### **National Savings Certificate (NSC):**

- The NSC has a maturity period of 5 years. The NSC rate of interest is 6.8% per annum compounded half-yearly but payable at maturity. That means, your investment of Rs. 100,000 will yield you Rs. 1,38,949 after 5 years.
- There is no maximum limit on investment with a minimum amount of investment of Rs.100. Investments can be done in denominations of Rs.100, Rs. 500, Rs. 1,000, Rs. 5,000 and Rs.10,000.
- Investment in NSC is tax deductible under Section 80C of The Income Tax Act. Interest on NSC is deemed to also be reinvested under Section 80 C and hence tax deductible, except interest in the final year of the NSC.

#### **Sukanya Samridhi Scheme:**

- ♣ Sukanya Samridhi is a scheme introduced for the benefit of the girl child. It currently offers an attractive interest rate of 7.6% per annum compounded annually.
- ♣ The minimum amount of investment is Rs.1000 and maximum of Rs.1,50,000 in a financial year. You have to invest at least the minimum amount every year for 15 years from the date of account opening. Thereafter the account will continue to earn interest till maturity
- ♣ Investment in the Sukanya Samridhi Account is tax deductible under Section 80 C up to Rs 1.5 lakh per annum. The interest on the Sukanya Samridhi Account is also tax free and the maturity amount is tax free.
- ♣ Investment will mature after the completion of 21 years from the date of opening the account or upon marriage of the girl child after attaining the age of 18. The account will also have to be closed if the girl child becomes an NRI or loses her Indian citizenship
- ♣ Sukanya Samridhi account can be opened only in the name of girl child by her parents or legal guardians. Girl's age should be 10 years or less on the date of opening the account
- ♣ Premature closure can only be done by a girl child on attaining the age of majority that is 18 years for the purpose of marriage or higher education.
- ♣ Girl can also avail partial withdrawal facility (not more than 50% of the balance) after attaining the age of 18 years
- ♣ Parents/guardian can avail a tax benefit for the invested amount under Section 80C of The Income Tax Act. Maturity proceeds are paid to the girl child and are completely tax free in her hands

**Performance Analysis in various schemes:****Saving Bank Scheme: Profile as on 31-03-2019**

Name of The Scheme	No. of Accounts	Outstanding Balance (in crores)
Savings Accounts (including MGNREGA with balance)	189800753	105599.56
RD Accounts	118752677	102407.03
TD Accounts	21250457	124290.8
MIS Accounts	15326652	192655.98
NSS Accounts (87 &92)	271331	3118.76
PPF Accounts	2604498	78525.34
Sr. Citizens Savings Scheme (SCSS)	1724424	55706.69
Fixed Deposits	390	17.72
MSY Accounts	149505	1.53
Sukanya samridhi Account	14103406	34647.69
<b>Total</b>	<b>363984093</b>	<b>696971.10</b>

**Savings Certificate:**

NSC VIII Issue		98484.55
KVP		19305.35
KVP-2014		93626.05
Total		211415.95
<b>GRAND TOTAL</b>		<b>908387.05</b>

*Sources: India post Annual Reports 2019-20*

**Opportunities:**

- ♣ Post Office in India is becoming high tech today. Post office is not only medium of sending letters. It avail multiple financial services at Post Offices. Government has already announced that post office will be converted to bank and it will be known as Post Bank of India. Today we will go through various financial services offered by Post office.
- ♣ Send Money to Foreign Country: Sending domestic money order using post is old story. Now we can send money to foreign country using post. This outward remittance money will be credited in to the bank account of beneficiaries in foreign country. Maximum limit of outward remittance is 5000 USD.
- ♣ Life Insurance: postal life insurance using post office. Premium of postal life insurance is very low compare to private insurance companies. Regular postal life insurance provides risk coverage from 20 thousand to 50 Lac
- ♣ Mutual Fund Investment: Post offices are also involved in selling mutual funds. Only few selected mutual funds schemes are available for investment through post office. Principal, SBI, UTI, Franklin Templeton and Reliance Mutual are some of them. Post office is providing this service in association with IDBI bank
- ♣ ATM: Some selected post office also offers ATM services. we can withdraw cash or carry out money transfer using this ATM services. Postal department is issuing separate ATM card to customer for this services. Postal department is planning to extend this facility to every city.
- ♣ Small Saving Schemes: We invest in small saving schemes using post office. NSC, MIS and Sukanya Samriddhi Account are most popular small saving investment option offered by post office

**Services:**

- Speed post
- Business post

- Direct post
- Post office pass port seva kendra (popsk)
- Retail post
- E-post
- E-payment
- E-commerce portal
- Aadhaar updation & enrolment facility in post offices
- Parcel network

#### **Challenges:**

##### **India post payments bank:**

- i. During the Budget Speech 2019-20, the Finance Minister announced setting up of a Payments Bank by Department of Posts to promote financial inclusion and increase access of the people to the formal financial system. The Government (Cabinet) accorded approval for setting up of India Post Payments Bank (IPPB) on 1st June 2016 with a total project outlay of ` 800 cores and mandated the roll out of 650 branches across the country located at district headquarter post offices with all post offices in a district linked to the respective IPPB branch.
- ii. Below the district level there is a complete integration with the post offices so that each post office functions both as a Postal outlet and also an access point for the Payments Bank. Consequent to Cabinet approval, IPPB got incorporated as a Public Limited Company with 100 % GOI equity under Department of Posts on 17th August, 2016.
- iii. Two pilot branches were launched on 30th January, 2017 at Ranchi in Jharkhand and Raipur in Chhattisgarh in collaboration with Punjab National Bank. Prime Minister of India inaugurated PAN India operations of 650 IPPB branches with 3250 Access points on 01.09.2018 from Talkatora Stadium. As on 30.11.2019, 650 IPPB branches and 136078 Access Points have been rolled out across the country.

##### **Cyberspace:**

- i. India Post's recent initiatives, which include slotting itself in cyberspace through the ePost Office, are pointers to the manner in which the world's largest postal network can be better leveraged to strengthen the financial and communication infrastructure.
- ii. The Internet and other affordable alternatives have hit the basic function of post offices: delivering letters and other mails. In India, as an answer to a question raised in the Lok Sabha reveals, the volume of mail traffic fell from 6,677.18 million pieces in 2006-07 to 6,391.15 million in 2007-08, and rose marginally to 6,540.90 million in 2008-09.
- iii. That the figure for 1997-98 was 15,749.30 million points to the severity of the fall. Internationally too, there are clear signs of the Internet eating into postal systems. Developed economies, in particular, saw postal businesses slump further with the onset of the recession. Statistics provided by the Universal Postal Union (UPU) show that between 2008 and 2009 domestic mail volumes were down 12 per cent globally (translating to about 13 billion pieces).
- iv. Although there are signs of recovery now, particularly in the parcel and express segments, fundamental challenges posed by the emergence of alternatives to the post remain.

##### **India's expansion of telephone services:**

- i. The number of telephone subscribers increased from 76.54 million in 2004 to 764.77 million in November 2010 and the growth of broadband are important developments that could further eat into the letter-post. Against this backdrop, the e-Post Office, through which customers can carry out some basic services such as Money Order transactions, marks the beginning of what could be a new chapter for India Post.
- ii. Its agreement with the Unique Identification Authority of India (UIDAI) to work more closely in socio-economic areas with the provider of unique identity ID cards will be watched with interest round the world.
- iii. An excellent way of strengthening India Post's finances would be to build on its biggest strength as the world's largest postal network whose reach extends to all households in the country and take a range of services closer to Indian residents: financial services and insurance products, for a start. Optimism over economic growth offers India Post an opportunity to correct its deficit-ridden balance sheets and also play a larger role in development by strengthening business-to-business and business-to-consumer segments.

## **VII. CONCLUSION**

India post played a crucial role to support Indian economy. There are various financial activities introduced and encourage the people to invest their money to fulfilling their future needs. The present study examine to know various financial service schemes, also the study focused investor's Attitude with various investment avenues available in the post bank. The study identify that investors were overall satisfied with the post office financial

saving schemes like post office saving deposit, Post office Recurring Deposit and Post office Monthly Income Scheme and they were one of the best investment schemes for middle class when compare to other investment schemes. Perhaps investors have a great faith and positive attitude towards post office savings schemes because of there is no complicated procedure in making investment, Easy accessibility, Secure and Safety investment, premature closure etc.

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