

Economic Sustainability through Postal Investment Schemes in Rural Areas: A Case Study of Tiruchirappalli

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ABSTRACT

Postal savings systems to provide depositors who do not have access to bank a safe, convenient method to save money and to promote saving among the poor. Investment culture refers to the attitudes, perceptions, and willingness of individuals, and institutions in placing their savings in various financial assets, more popularly known as investments or Postal Savings. A study on investor's attitude towards post office savings schemes in Tiruchirappalli district of T.N thus assumes a greater significance in the formulation of policies for the development and regulation of savings in general and protection and promotion of small and house- hold investors in particular. It is extremely important for the policy makers and regulatory authorities to understand the investors' perceptions and their preferences.

1. Introduction

In India, Post Office savings scheme provides a secure, risk free and attractive investment option for the small investors and offers the savings products across its 155000 Post offices. The post office savings bank in India was established by the British Colonizers. The Post Office savings bank is the oldest and by far the largest banking system in the country, serving the investment need of both urban and rural clientele. These services are offered as an agency service for the Ministry of Finance, Government of India. The post office savings bank is included in the union list side item No.39 of the seventh scheduled of the constitution of India. It provides various schemes framed by the central government under the following acts: (i) Government Savings Bank Act 1873 (ii) Government Savings Certificate Act 1959 (iii) Public provident fund 1968

Limitation: Tiruchirappalli district, TN

2. Review of literature

Y. Shafee & Mr. J.Prabakaran (2014) Technology now a day's occupying an important role in the recent trend of the modern world, usage of technology has been increased, every people wants the thing to be happen in a quick manner. The banks have understood the importance of the time of their valuable customer and implemented the Automatic Teller Machine (ATM) which enables the customer to access the bank's monetary transaction in a quick manner. This facility have not implemented by the postal department. Now only they have implemented the ATM service of postal department in this article we are going to discuss the implementation of ATM service of Postal department in an elaborate manner.

S. VijayAnand, & M. Selvaraj (2015) The position of financial organization would be increasingly decisive in the next decade in view of the frightening competition. With the increasing number of businesses and growing competitions today, each organization wants to be the customer's first choice and try to satisfy them for getting loyalty for their future endurance in the market. However, it is open to ask whether the organizations are satisfying their customers through quality in their service and this is the crucial hitch for every organization in today's context. In view of this, the author conducted an empirical study to investigate the role of service quality in

customer perception. For this purpose, they have considered India's Post Office Savings banking sector, a primeval fiscal sector and interviewed 106 customers through a self-administered questionnaire by convenience sampling method. Empirical results acquired through application of tools like Factor analysis, Weighing score method, and Chi-square test and it revealed that all the SERVQUAL factors are resulted with negative value, which indicated that the sector still not meet the expectation of the customers along with the minimum gap in Competence dimension and huge service quality gap in Tangibility factor. In addition, there is no significant association found between the demographic variables taken up for consideration. Standard deviation scores also showed that there is moderate deviation existing between customer perception and expectation concerning service quality.

Dr. Balu A & Muthumani K (2016) Post offices has since ages been viewed as an avenue for communication. This paper reveals the repositioning strategy adopted by post office as an investment avenue too. Further the various investment scheme offered have also been elaborated. The various types of savings account and its growth over the years and the percentage change in growth has been traced in this paper. Post office has for ages been a friendly place for the local people. Just like many organizations, the face of post offices as a communication avenue is slowly and steadily changing. It has not stepped back in grabbing the opportunities available to widen its horizons. By repositioning itself as solely as communication avenue, it has been successful in posing as an investment avenue too. In country such as India, where rural population is spread out, this repositioning strategy of post offices is apt and appreciable.

Ms. N. Kalaiarasi & Ms. S. Saranyadevi (2016) Post office saving schemes play an important role in the development of economy as it offers an opportunity for the poor and people belong to rural area to invest in the various saving schemes offered by post office. The primary objective of the study is to find out the extent of satisfaction among the depositors of post office saving schemes. The present study identified that for most of the depositors, to be financially secure in future was the major factor to make investment in the saving schemes offered by post office. The study found that depositors were very much satisfied with Recurring Deposit. The study revealed that all the

depositors were aware of the Savings Account, Monthly Income Scheme, Time Deposit Account, Senior Citizen Savings Scheme and Recurring Deposit Account.

3. Post Office Savings Schemes:

Several Schemes are offer to serve various investment requirements of the people in rural and in urban.

1. Savings Bank account (SB): Serves the need of regular deposits and withdrawals. Cheque facility is also available.
2. Recurring Deposit account (RD): Offers a monthly investment option with a handsome return at the end of five years with option to extend the account period. Insurance cover facility is also available with some conditions.
3. Monthly Income Scheme (MIS): offers a fixed investment option for five years with monthly interest payment facility. The facility of automatic credit of interest to SB account available.
4. Public Provident Fund (PPF): Offers intermittent deposits subject to certain limits for a 15 year period coupled with income tax exemptions subject to certain conditions, on the investment. Loan and withdrawal facilities also available.
5. Time Deposit (TD): Fixed deposit option for periods ranging from one, two, three to five years with facility to draw yearly interest offered at compounded rates. Automatic credit facility of interest to SB account.
6. Deposit Schemes for Senior Citizen Offers fixed investment option for senior citizens for a period of five years, which can be extended, at a higher rate of interest that are paid in quarterly installments.
7. National savings certificates (NSC) with a fixed investment for 5 years on certificate of varied denomination. Pledging facility available for availing loan from Banks. Fixed investment tenure of 10 years. Post Office also offers Insurance product through Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI) schemes with low premium and high bonus. of the country.
8. Kisan vikas patra Amount Invested doubles in 100 months (8 years & 4 months). It is one of the safest investment schemes.
9. Sukanya Samridhhi Account (SSA) Sukanya Samridhhi Account (SSA) is officially launched by honorable Prime Minister Narendra Modi on January 22, 2015 as a part of "Beti Bachao- Beti Padhao (BBB)" Initiative. Sukanya Samridhhi Account is a special scheme for girl child. This scheme is specially design for girl"s higher education or marriage needs.

4. Statement of the problem

The strength of India post its long tradition of handling financial services and its creditability and trust. Post office reform the important role of banker to collect the surplus money from village people. The general criticisms levied against post office savings schemes by investors are: Everything is maintained in paper register in rural areas. If the investors lose it even by mistakes, he has to run from pillar to post to get their money back, the changes are high that one may be duped by the agents of the post office schemes. There is no identity proof

for such people issued by the post offices. Even if they do issue, there is no way to verify it, The post offices are manned and operated with single employee in many villages. He takes the posts, speed posts, registered post, deposits, withdrawals and the like. Apparently, he handles everything. Consequently, an investor has to wait for the employee for long time.

5. Analysis of primary data

Gender wise Classification of Male and Female respondents

Gender	No. of Respondents	Percentage
Male	51	42.5
Female	69	57.5
Total	120	100

Table shows that out of the 120 respondents, 69 (57.5%) sample respondents are female , they are more interested in investing in post office savings schemes and 51 { 42.5%} sample respondents are the male respondents.

Percentage of the Income level saved by the Respondents

Percentage of Saving	No. of Respondents	Percentage
Below 10%	44	36.7
10%-15%	49	40.8
15%-20%	11	9.2
20%-25%	14	11.7
Above 25%	02	1.7
Total	120	100

It is noticeable from the table out of the respondents 120, 49 (40.8%) of the respondents save 10% -15% of the income in post office savings schemes, 44 (36.7%) of the respondents make their savings below 10 % of their income..14 (1107%) of the respondents save their income in 20%- 25%. 11 (9.2%) of the respondents percentage of the savings is15%-20%.2 (1.7%) of the respondents percentage of savings is above 25%.

Postal Savings Schemes of the sample respondents

Postal Savings Schemes	No. of Respondents	Percentage
Savings Bank account (SB)	41	34.1
5 Yrs Recurring deposit(RD)	45	37.5
Monthly Income Scheme (MIS)	15	12.5
Senior Citizens Savings scheme	6	5
Years public provident fund	2	1.6
Kisan vikas patra	2	1.6
National savings certificate	2	1.6
Time Deposit(TD)	5	4.1
Sukanya samariddhi Accounts(SSA)	2	1.6
Total	120	100

Table shows that out of the 12 respondents, 47(39.15%) sample respondents are preferring Recurring Deposit, 41 (34%) of the respondents are preferring Savings bank account, 15 (12.5%) of the sample respondents are preferring Monthly Income Savings Schemes, 6 (5%) of the respondents are preferring Senior Citizens Savings Schemes, 5 (4.1%) of the respondents are preferring Time Deposits, 2 (1.6%) of the

sample respondents are preferring public provident Fund, Kisan Vikas Patra and national Service Scheme.

Table shows that out of 120 respondents, 43 (35.8%) respondents like the tax free interest feature. 35 (29.2%) of the respondents prefer the Premature Enhancement feature 22 (18.3%) of the respondents prefer the regular Income as their feature, 20 (16.7%) of the respondents prefer the lead facility. These features are provided by in post office savings schemes.

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6. Conclusion

The post office has traditionally served as a financial institution for millions of people in the rural areas. It plays a vital role in rural areas. It connects these rural areas with the rest of the country and also provides banking facilities in the absence of banks in the rural areas. If the above mentioned suggestions are implemented by the postal Department, it will increase the number of postal savings investors in Tiruchirappalli district of T.N and vice-versa across India.