



ROLE OF POST OFFICES IN FINANCIAL INCLUSION

Author:**Dr.K.BABY SARANYA ., M.Com., M.Phil.Ph.D**Assistant Professor, Department of Commerce (CS&IT),
VLB JANNAKI AMMAL COLLEGE OF ARTS AND SCIENCE,
Coimbatore, Tamilnadu.**Abstract**

Post office saving banks is the largest savings institutions in the country. With a view to mobilising savings of people with relatively small income and circulating in them a spirit of thrift and savings, the central Government has endeavoured to make the national savings movement popular by offering high returns than those given by scheduled banks. At present the POSB provides a wide range of products and services including POSB ordinary deposit accounts, time deposit recurring deposit, Monthly income plan, and national saving certificates. This micro level study aims to assess the post office saving behaviour among Coimbatore. The study drew an empirical understood that the low / middle income families living in Coimbatore region prefer to save money in post office savings bank for the minor children. And sensible as parents they prefer to protect their children's future and save money to meet their future educational expenses or marriage expenses. Most of sample found to park their hand earned money in the recurring deposits, with a thrift of Rs.200 to Rs.400.

Keys Words: Post Office Saving Bank, Middle Income Savers, Thrift Saving.

1.1 INTRODUCTION

Financial inclusion is the availability of banking services at an affordable cost to disadvantaged and low-income groups. In India the basic concept of financial inclusion is having a saving or current account with any bank. In reality it includes loans, insurance services and much more. In advanced economies, Financial Inclusion is more about the knowledge of fair and transparent financial products and a focus on financial literacy. In emerging economies, it is a question of both access to financial products and knowledge about their fairness and transparency. Other than banking and other financial institution the Indian post which partially do banking activity under the ministry of finance is doing a commendable job towards

providing easy financial services to the people throughout the country especially in the remote areas through its huge network.

The Indian post office offering a plethora of financial services throughout its all branches, this includes various post office savings schemes, postal life insurance, mutual fund, money remittance, forex services etc. As on March 31, 2011, there are nearly 25 crore postal savings bank account under various post office savings bank schemes. The Department of Posts has taken the responsibility to disburse the MGNREGA wages through Post Offices by opening savings bank accounts in the names of MGNREGA beneficiaries. Starting with Andhra Pradesh Postal Circle in 2005, the Scheme of disbursement of MGNREGA wages through Post Offices accounts is currently operational in the entire country excepting Delhi, Jammu & Kashmir and Tamil Nadu Postal Circles (Tamil Nadu and Pondicherry). The Department is also contributing to the efforts in financial inclusion by payment of benefits under various social security pension schemes viz. IGNOAPS (Indira Gandhi National Old Age Pension Scheme), IGWPS (Indira Gandhi National Disability Pension Scheme) and Indira Gandhi Matritva Sahyog Yojana (IGMSY Scheme), a Conditional Cash Transfer (CCT) Maternity Benefit Scheme. Such payments are being effected either through money orders or Post Office Saving Bank accounts.

1.2 STATEMENT OF THE PROBLEM

India post has been battling a number of challenges to establish its inclusion programs- shortage of trained staff, cost of implementation and a credit hungry rural India, with no lending programs as part of its roadmap, the post office has fallen behind in its customer acquisition to a number of rural regional banks. Apart from mail delivery, India post has been servicing India as a business logistics service provider and a trusted financial advisor. Its services range from basic financial services such as savings bank accounts, recurring and time deposit schemes as well as savings schemes for senior citizens other than that NSC. The Postal Savings System is a vehicle for promoting a more balanced economic development over a century among poor and lower-income people, with the advent of this the central Government introduced digital technology, to aim the India Post Payments Bank will strengthen the country's village system stronger.

1.3 SIGNIFICANCE OF THE STUDY

Small savings is an important and major source for financing the state plan and infrastructure development, The Directorate of Small Savings is mainly concerned with promotion of India post throughout Tamil Nadu state. The state Government implement the program through agents, Institutions and Local bodies. More over the Central Government has plans to use the digitalization exercise for data registration services via its postal network to enhance digital reach and establish phase 2 of financial inclusion, it has a set up a task force to leverage the postal network in India to enhance the role of India post in across the country to enhance financial inclusion services.

1.4 OBJECTIVES OF THE STUDY

The study focuses on the following objectives.

To examine the investors level of awareness and their preferences towards select post office savings schemes.

1.5 REVIEW OF LITERATURE

A few reviews on the study has been presented in the following part.

Juneja's(2017)¹research paper provides an overview of steps taken by the India Post towards modernisation. The study commented that India Post is the unique and most appropriate organisation of Central Government for leveraging ICT for empowering AamAadmi. Post Offices equipped with ICT will not only play crucial role in social and financial inclusion of rural masses throughout the country but also in National Integration and empowerment of AamAadmi. Progressive use of computers in post offices and their connected network on a single integrated platform presents an opportunity for India Post to take state services to village level and also to retail products and services of other service providers. Most of the technology led transformation plans fail because they lack focus on processes, people and resources. India Post has adopted a holistic approach to technology led transformation understanding the importance of reengineering process, skill development and enhancement and resource planning.

Patil and Chaudhari (2017)²study aimed to assess the Financial, Retail and Premium services by Indian Post. The result of the study found that services provided by Indian post plays an important role in financial, retail and premium services among all type individual income group.

Ramteke et al. (2016)³research article made an attempt has been made to check the hypotheses whether the working population of Chhattisgarh Postal Circle have prefer the whole LifeRisk coverage or the survival maturity returns. The study found that the Whole Life Insurance (Suraksha) policy provide the risk coverage for the insurer throughout the life (or a option of 80 years) in minimal premium amount but due to the lacking of earlier returns or non-survival benefits the working people of Chhattisgarh Postal Circles were not took more interests in this policy. The study concluded that the returns dominate the marketing of risk coverage in theworking population of Chhattisgarh Postal Circle.

Gulam Mohamed and Shajahan (2016) ⁴study examined the motivational factors encouraging investors to prefer post office savings schemes in Tiruchirappalli district. The findings of the study stated that tax benefits can be extended for many schemes,need to adopt advertisement strategy in wider range and also to implement latest technology should be incorporated in post office to serve the public in an efficient manner, thereby reducing the transaction time.

Thard and Barua (2016) ⁵research article made an attempt to identify the factors having impact on savings behaviour of an individual and to identify the factors influencing the investment behaviour of an individual. The study found that savings and investment behaviour is influenced by many factors such as

income stability, age, marital status, religion, psychological factors, demographical factors, risk and return etc.

Divyesh Kumar (2015) ⁶paper examined the postal office practices adopted in the developed countries, emerging economies and underdeveloped countries. The findings of the study revealed that larger the postal network in the rural areas will be better in the financial inclusion possibility. The result of the study concluded that women empowerment is possible only with making them financially strong; as an initiative they should have an easy access to the post bank services because of coalescence of transaction cost and transport time deters the women to access the postal services.

From the above reviews it is clear that the nature of household saving behaviour is currently practiced in India. The studies also depicted that postal savings funds play a significant role in financing public debt and in a number of countries, the funds are intermediated through a variety of policy based financial institutions with developmental objectives, returning the funds to the direct benefits of the community of savers.

1.6 THEORETICAL REVIEW OF INDIAN POSTAL SAVING

IMPORTANT SAVING PRODUCT OF INDIAN POST OFFICE

Some of the merits of post office saving schemes are:

- i. **Saving account scheme:** Post office saving bank account (POSB) is the oldest and most popular postal saving instrument. Any individual can open a POSB A/C with a minimum balance of Rs-50/
- ii. **Time deposit account:** Post office offers time deposit for one year, two year, three year and five year.
- iii. **Monthly Income Scheme:** under this scheme the savers make a lump-sum deposit, which gives him a monthly interest. The minimum deposit in case of single depositor is Rs 1000/ and in case of joint depositor it is Rs 1500/.
- iv. **National Savings Certificate:** This is a tax exempted certificate sold by post office with a minimum investment of Rs 100/ and having no maximum limit. Trust and HUF are not allowed to invest in NSC.
- v. **Public provident fund scheme:** This is a tax advantage 15 years scheme with a minimum deposit of Rs 500/ in a financial year and a maximum of Rs 70,000/ per year. Withdrawal is allowed after expiry of five years from the date of initial deposit.
- vi. **Postal Life Insurance:** besides above mention saving schemes the Indian post offering life insurance services since 1884. Initially the service was limited only to the employee of post & telegram department but due to its popularity the service was later on extended to the employees of some other departments and banks also. It was opened for all people in the year 1995.
- vii. **Rural Postal Life Insurance:** To extend the life insurance service to the rural public the post office extended the service to rural areas in 1995. The prime objective of the scheme is to provide insurance

cover to the rural public in general and to benefit weaker sections and women workers of rural areas in particular and also to spread insurance awareness among the rural population.

Post office, Commercial Banks and Financial Inclusion in India a Critical Look

Despite taking various initiative from the part of government, RBI and commercial banks the banking sector in India has so far not been able to provide complete coverage in the country especially in the rural areas. There are 171 commercial banks in the country. Out of the 93,080 Commercial Banks' branches only 36.10per cent are in rural areas and 24.76per cent in semi-urban areas. All India average population served by per branch is 13,503. On the other hand, out of 1.55 lakhs Post offices, 89.8per cent i.e. 1.39 lakhs are in rural areas covering an population of 5,682 per Post office in rural areas and 20,346 in urban areas, on an average 7,176 people are served by one post office as on March 2011. On an average, a post office serves an area of 21.23 sq. k.m. Further, only 5per cent of 6 lakhs villages have bank branches. Two hundred ninety six (296) districts in states are under banked, i.e. they have below-par banking services.

The Indian post office offering a plethora of financial services throughout its all branches. This includes various post office savings schemes, postal life insurance, mutual fund, money remittance, forex services etc. As on March 31, 2011, there are nearly 25 crore postal savings bank account under various post office savings bank schemes. The Department of Posts has taken the responsibility to disburse the MGNREGA wages through Post Offices by opening savings bank accounts in the names of MGNREGA beneficiaries. Starting with Andhra Pradesh Postal Circle in 2005, the Scheme of disbursement of MGNREGA wages through Post Offices accounts is currently operational in the entire country excepting Delhi, Jammu & Kashmir and Tamil Nadu Postal Circles (Tamil Nadu and Puducherry). The Department is also contributing to the efforts in financial inclusion by payment of benefits under various social security pension schemes viz. IGNOAPS (Indira Gandhi National Old Age Pension Scheme), IGNWPS (Indira Gandhi National Disability Pension Scheme) and Indira Gandhi Matritva Sahyog Yojana (IGMSY Scheme), a Conditional Cash Transfer (CCT) Maternity Benefit Scheme. Such payments are being effected either through money orders or Post Office Saving Bank accounts.

The Government's financial inclusion plan aims to provide banking services to 73,000 villages each having a population of 2000. This could be effectively and adequately provided by the PBI operating through postal network and thereby help to spread the savings habit. In this regard setting up of a Postal Bank will assist the Government in its plan for financial inclusion besides mobilizing deposits, especially in the under- served rural and semi-urban areas of the country.

1.7 FUTURE OF POST OFFICE SAVING IN INDIA

The expert committee on Harnessing the India Post Network for Financial Inclusion is of the opinion that “succeeding with universal access to financial services will require a considerable role for post offices. In parallel, and as some traditional functions of the postal network are being supplanted by new technologies such as email, India Post is also in the process of carving out a larger role for itself. Therefore, there is a remarkable coincidence of needs between the twin problems of (a) charting the future for India Post, and (b) resolving India's challenges of financial inclusion”. In terms of number of branches and customer the Post Office Savings Bank is already the largest bank in the country. There is no doubt of the fact that the Indian Post can lead the way in financial inclusion with its given network and reach. It can increase its importance and profit provided it can bring together all the stakeholders in to a single platform, bring the necessary reforms, adopt the innovation and take some policy appropriate with the situation. The Indian post has already adopt certain reform measures for innovation and technological up gradation. Government had approved IT modernization project for computerization of all the non-computerized post offices, establishment of required IT infrastructure and development of software. A pilot project on core banking solution and Information and Communication Technology (ICT) is going on in six circles. The project is supposed to be completed by 2014. Indian post also takes decision to establish 1000 ATMs throughout the country. I strongly believe if Indian post can make coordination with other stakeholders, infuse necessary human resource with proper training and technology, bring innovation and other appropriate measures the Indian post can reap the benefits of its huge network, extensive outreach and lower cost and at the same time it will able to contribute towards the national objective of financial inclusion. Establishment of Post Bank of India may be another strong decision to associate Indian post in financial inclusion. Indian post has already applied to the RBI for a banking license; if the license is given it will be a great achievement for Indian post which will enable post offices to perform full banking activities. Indian post can give a new dimension to the process of financial inclusion and can reach an extra mileage in the field of financial inclusion. Indian post can start the journey where Indian banking system stops.

1.8 POST OFFICE SAVING BANK OF INDIA

The post office saving Bank (POSB) of India is an institutions steeped in history. The POSB originated in the government saving bank Act of 1873 with the mandate of providing facilities for the general population to invest their saving. It opened its first branch on 1 April 1882, and by the end of 1883 the POSB was showing significant growth, registering 4,066 branches, 39,129 account, and deposits totaling Rs.2, 796,796. At that time the POSB was then open for transactions on all weekdays between 12 noon and 4P.M; however, a depositor could withdraw money only once a week. The rate of interest was 3.75 percent, subject to no higher monthly interest than Rs.9.6 being allowed on any account. By 1886 the success of the POSB had convinced the government to amalgamate the District treasuries bank with the post office saving banks. From that point on the post office savings banks really began to come into their own.

The POSB today has a country wide network of more than 154,551 post offices, of these, as many as 137,847 are located in rural areas of the country. The network is not only extensive, but also user- friendly and accessible to the general population. Currently it is the largest mobilizers of individual savings in the country. The fun fragmental role of the POSB is to encourage the habit of thrift and to provide all of India's people with facilities in which they can deposit their savings, no matter what the size. In a larger context, the POSB is also being views as a way to mobilize resources for financing the development programs of the government.

1.9 ORGANIZATION OF THE POSB

The POSB today is an agency function of India post operated on behalf of the Ministry of finance. All the savings mobilized by the POSB are credited to the public account controlled by the ministry finance. India post is remunerated on the basic of a fixed yearly rate based on the average number of transaction taking place per account and is adjusted periodically when the total number of transaction has changed.

The POSB is an important component of India post, and its organizational structure reflects both its units of command as well as its functional autonomy. The director general of India post is the chief executive of the POSB. However, POSB headquarters is under the control of the member of the postal services board is composed of a group headed by the deputy director general and assisted by the director who is responsible for saving bank operation is the country.

At the operational level India post territorial jurisdiction encompasses all post office functions, including savings banks; however, each head office has a staff dedicated to exclusively servicing POSB customers. This arrangement is also in place at most of the sub- post officers. Auditing and accounting functions however are carried out by specialised savings banks units, which consolidate accounts and cross check the veracity of each and every transaction.

1.10 PLACEMENT OF MOBILISED

As the POSB is an agency of the ministry of finance, all deposit are credited to the national exchequer. Currently, 100 present of these are used for long- term loans (twenty-five years) to the state government in proportion to funds collected within their respective jurisdictions. Prior to 1 April 2002, the union government utilised 20 present of the funds for budgetary purpose. The state governments are expected to utilize the loans for development purpose and pay interest at the rate of 12.5 present to the national exchequer of these loans.

Proposals are now being considered to make these loans market oriented under the proposed system, rather than offering equivalent long- term loans, the saving mobilized by the POSB in the concerned d states would be earmarked for the purchase of state securities. This change is expected to induce greater financial discipline among the states and at the same time prove benefits to the POSB in the long run as the new plan is designed to align the asset management of the POSB to the market.

1.11 THE SCALE AND SCOPE OF THE POSB

The POSB network of 154,149 branches is justified by the size of its clientele and business. The POSB had nearly 110 million account – holders and total deposit were over Rs. 1.8 trillion in 1999-2000. The average yearly collections of the POSB are Rs. 700 billion feature of the different savings plans so that the change of error is reduced.

Online help is integrated with the program to assist the post office staff in using the software. The software integrates front and back office operations so that ledger agreements, balance sheet, and other accounting requirement are accurately maintained without any time lag. Customer- specific information can be retrieved easily. Post office having bank control and audit offices have been computerized to enable more effective monitoring of these operations. The net result of the introduction of new technology has been the streamlining of account transaction and verification procedures. The previous system of multiple cross checks and benches that dominated manual transactions has been replaced by automatic online verification processes which has considerably aided the work of the internal; audit department.

India post is currently in the process of established a dedicated VSAT the first phase of its fourteen thousand urban post office. It is expected that in the near future the VAST network , could with computerization of post office saving bank services, will facilities the introduction of online banking and other new services to customers. The VAST network is also Bering used to transmit money order among more than 687 post offers throughout India.

The POSB has introduced on a pilot basis a smart card that contains an encrypted electronic computer chip. The smart card functions as a passbook, permitting tractions to be considered from multiples post office. As the modernization process gathers momentum, India post office plans to increase new facilities for its customers.

1.12 MARKETING PRODUCTS AND SERVICES

In order to maintain steady collection, POSB products and services are marketed using diverse strategies at different levels. Overall, the national savings organization under the ministry of finance is responsible for promoting POSB business, and it does so using both electric as well as print media particulars attention is being paid to target group such as women and workers. At the, state level Government and are responsible for marketing postal saving products. These organizations function under the guidance of state level advisor boards, which have both official as well as n on official members. At present the POSB provides a wide range of products and services including POSB ordinary deposit accounts, time deposit recurring deposit, Monthly income plan, and national saving certificates. Some of these product and services target the requirement of specific group such as women farmers, and senior citizens. The POSB also disburses pensions to Government employees as well as to the indigent aged under the social security's programs of the government recent agreement with the employee provident fund organization provides for disbursement of pensions through twenty –six thousand post offices. Under this service agreement the

monthly pension is credited to the beneficiary post office saving banks account. The post office received a present transaction remuneration which is a percentage of the total amount handled.

TABLE 1.1 TOTAL VALUE OF POST OFFICE SAVING SCHEMES

Year	Number of Accounts (Values in Numbers)		Outstanding Balance (Values in Rs. Crores)	
	Value	Index	Value	Index
2011	264456655	100	405712.77	100
2012	287431078	109	396664.37	98
2013	312070823	118	410082.56	101
2014	349136167	132	433188.10	107
2015	399319009	151	448875.38	111
2016	400054521	151	486264.66	120
2017	356714046	135	539275.51	133
2018	371240229	140	597294.84	147
Mean	342552816.00		464669.77	
SD	50231270.31		71656.67	
CV (%)	14.66		15.42	
GCR	65.95		5.92	

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

Table: 3.2 exhibits total value of post office saving schemes at the beginning of the year 2011 it is registered that number of accounts 264456655 with the index of 100 and it shows a positive growth of the following years and it increased to 371240229 with the index value of 140 by the end of the 2018. It also registered the CV 14.66 per cent and 65.95 GCR value. It is found that in the year 2011 the outstanding balance had `405712.77 crores with the index value of 100 and it had gradually increased in the following years by `597294.84 crores in the year 2018 and the highest index value of 147 with the 15.42 per cent of the CV and 5.92 GCR value.

TABLE 1.2 SAVING ACCOUNTS OF POST OFFICE SAVING SCHEMES

Year	Number of Accounts (Values in Numbers)		Outstanding Balance (Values in Rs. Crores)	
	Value	Index	Value	Index
2011	96476627	100	30099.83	100
2012	115825520	120	34068.42	113
2013	125323400	130	37792.78	126

2014	133501670	138	42959.01	143
2015	165968186	172	46847.59	156
2016	163030431	169	55082.35	183
2017	186200705	193	85168.93	283
2018	99451789	103	86304.98	287
Mean	121623408.50		52290.49	
SD	54838384.88		22029.61	
CV (%)	45.09		42.13	
GCR	5.48		6.94	

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

It is revealed from the above table: 3.2 saving account of post office saving schemes at the beginning of the year 2011 it is registered that number of accounts 96476627 holders with the index of 100 and it shows a positive growth of the following years and it increased to 99451789 account holders with the index value of 103 by the end of the 2018. It also registered the CV 45.09 per cent and 5.48 GCR value. It is found that in the year 2011 the outstanding balance had `30099.83 crores with the index value of 100 and it had gradually increased in the following years by `86304.98 crores in the year 2018 and the highest index value of 287 with the 42.13 per cent of the CV and 6.94 GCR value.

TABLE 1.3 RECURRING DEPOSIT OF POST OFFICE SAVING SCHEMES

Year	Number of Accounts (Values in Numbers)		Outstanding Balance (Values in Rs. Crores)	
	Value	Index	Value	Index
2011	84305060	100	61251.42	100
2012	85921440	102	62662.47	102
2013	93898145	111	67964.08	111
2014	110599553	131	74150.81	121
2015	122938104	146	74515.26	122
2016	122189563	145	76181.88	124
2017	122703759	146	84455.58	138
2018	121403354	144	92322.97	151
Mean	107994872.25		74188.06	
SD	17216577.77		10537.79	
CV (%)	15.94		14.20	
GCR	6.41		5.68	

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

The recurring deposit of post office saving schemes in all pertaining to the first year 2011 had registered as number of accounts 84305060 with the index of 100 and it shows a positive growth of the following years and it increased to 121403354 with the index value of 144 by the end of the 2018. It also registered the CV 15.94 per cent and 6.41 GCR value. It is found that in the year 2011 the outstanding balance had ₹. 61251.42 crores with the index value of 100 and it had gradually increased in the following years by ₹. 92322.97 crores and the highest index value of 151 in the year 2018 with the 14.20 per cent of the CV and 5.68 GCR value.

TABLE 1.4 TIME DEPOSIT ACCOUNT OF POST OFFICE SAVING SCHEMES

Year	Number of Accounts (Values in Numbers)		Outstanding Balance (Values in Rs. Crores)	
	Value	Index	Value	Index
2011	9355825	100	28443.62	100
2012	9424638	101	27389.37	96
2013	11199050	120	33007.20	116
2014	14246320	152	40712.21	143
2015	16238903	174	51755.12	182
2016	16749513	179	70632.28	248
2017	16669195	178	79655.46	280
2018	18742881	200	99289.07	349
Mean	14078290.63		53860.54	
SD	3636153.55		26644.05	
CV (%)	25.83		49.47	
GCR	9.64		8.59	

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

From the detailed analysis it has been inferred that time deposit account of post office saving schemes in the year 2011 the time deposit account of post office saving schemes had registered as number of accounts 9355825 with the index of 100 and it shows a positive growth of the following years and it increased to 18742881 with the index value of 200 by the end of the 2018. It also registered the CV 25.83 per cent and 9.64 GCR value. It is found that in the year 2011 the outstanding balance had ₹. 28443.62 crores

with the index value of 100 and it had gradually increased in the following years by ₹.99289.07 crores and the highest index value of 349 in the year 2018 with the 49.47 per cent of the CV and 8.59 GCR value.

TABLE 1.5 MONTHLY INCOME SCHEME OF POST OFFICE SAVING SCHEMES

Year	Number of Accounts (Values in Numbers)		Outstanding Balance (Values in Rs. Crores)	
	Value	Index	Value	Index
2011	26936680	100	218672.67	100
2012	24260438	90	205286.61	94
2013	22886520	85	201785.52	92
2014	22017179	82	202083.60	92
2015	21073808	78	200555.35	92
2016	19543130	73	193805.89	89
2017	16680673	62	180063.61	82
2018	15376218	57	81688.06	37
Mean	21096830.75		185492.66	
SD	3832281.20		43316.60	
CV (%)	18.17		23.35	
GCR	-200.92		-201.19	

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

It is informed that the monthly income scheme of post office saving schemes stated that the number of accounts in the year 2011 had 26936680 with the 100 index number and it suddenly decreased to 15376218 with the index of 57 and also had CV 18.17 per cent and negative GCR value -200.92. The outstanding balance had ₹.218672.67 crores with the index value of 100 in the year 2011 and it showed the decreasing growth in the ₹.81688.06 crores with the 37 index value in the year 2018 with the CV 23.35 per cent and negative GCR value -201.19.

TABLE 1.6 NATIONAL SAVINGS SCHEME OF POST OFFICE SAVING SCHEMES

Year	Number of Accounts (Values in Numbers)		Outstanding Balance (Values in Rs. Crores)	
	Value	Index	Value	Index
2011	400163	100	4711.15	100
2012	373471	93	4467.96	95
2013	348636	87	4292.24	91
2014	331869	83	4149.48	88
2015	320174	80	3924.30	83
2016	305001	76	3621.37	77
2017	285125	71	3257.06	69
2018	272867	68	3098.74	66
Mean	329663.25		3940.29	
SD	43362.11		575.36	
CV (%)	13.15		14.60	
GCR	-200.65		-200.79	

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

It is observed that the national savings scheme of post office saving schemes had registered number of accounts in the year 2011 had 400163 with the 100 index number and it decreased to 272867 with the index of 68 and also had CV 13.15 per cent and negative GCR value -200.65. The outstanding balance had ₹.4711.15 crores with the index value of 100 in the year 2011 and it showed the decreasing growth in the ₹.3098.74 crores with the 66 index value in the year 2018 with the CV 14.60 per cent and negative GCR value -200.79.

TABLE 1.7 PUBLIC PROVIDENT FUND OF POST OFFICE SAVING SCHEMES

Year	Number of Accounts (Values in Numbers)		Outstanding Balance (Values in Rs. Crores)	
	Value	Index	Value	Index
2011	2278182	100	31581.99	100
2012	2345861	103	35991.56	114
2013	2374661	104	41120.22	130
2014	2411817	106	46607.65	148
2015	2424984	106	52747.56	167
2016	2456944	108	57603.50	182
2017	2465767	108	63361.91	201
2018	2530301	111	69985.60	222
Mean	2411064.63		49875.00	
SD	78142.20		13464.35	
CV (%)	3.24		27.00	
GCR	1.39		1.94	

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

It is cleared that in the year 2011 had registered 2278182 number of accounts as a public provident fund of post office saving schemes with the 100 index number and sharply increased from the following years to 2530301 in the year 2018 with the 111 index number and also had CV 3.24 per cent and GCR value 1.39. The outstanding balance had ₹.31581.99 crores with the index value of 100 in the year 2011 and it showed the increasing growth in the ₹.69985.60 crores with the 222 index value in the year 2018 with the CV 27 per cent and GCR value 1.94.

TABLE 1.8 SENIOR CITIZENS SAVING SCHEME OF POST OFFICE SAVING SCHEMES

Year	Number of Accounts (Values in Numbers)		Outstanding Balance (Values in Rs. Crores)	
	Value	Index	Value	Index
2011	1405048	100	30912.42	100
2012	1217620	87	26762.99	87
2013	1085831	77	24092.82	78
2014	1067752	76	22491.36	73
2015	954177	68	17974.64	58
2016	1036568	74	22876.07	74
2017	1123387	80	29453.39	95
2018	1420143	101	41717.69	135
Mean	1163815.75		27035.17	
SD	170661.03		7223.24	
CV (%)	14.66		26.72	
GCR	-200.39		2.56	

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

The above table summarised the senior citizens saving schemes of post office saving schemes had registered in the year 2011 1405048 number of accounts with the index value of 100 and suddenly decreased from the following years and it rose to 1420143 in the year 2018 with the 101 index number and also had CV 14.66 per cent and negative GCR value -200.39. The outstanding balance had ₹.30912.42 crores with the index value of 100 in the year 2011 and it showed the decreasing growth and it suddenly increased as ₹.41717.69 crores with the 135 index value in the year 2018 CV 26.72 per cent and GCR value 2.56.

TABLE 1.9 CUMULATIVE TIME DEPOSIT OF POST OFFICE SAVING SCHEMES

Year	Number of Accounts (Values in Numbers)		Outstanding Balance (Values in Rs. Crores)	
	Value	Index	Value	Index
2011	296244	100	14.82	100
2012	314882	106	67.15	453
2013	305411	103	0.24	2
2014	269446	91	6.69	45
2015	181634	61	6.69	45
2016	177867	60	8.27	56
2017	208302	70	8.14	55
2018	202034	68	-38.38	-259
Mean	244477.50		9.20	
SD	57902.95		28.66	
CV (%)	23.68		311.40	
GCR	-201.05		-	

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

Table: 3.10 exhibited that in the year 2011 cumulative time deposit of post office saving schemes had 296244 number of accounts with the index value of 100 and it increased from the following years and it suddenly decreased to 202034 in the year 2018 with the 68 index number and also had CV 23.68 per cent and negative GCR value -201.05. The outstanding balance had `14.82 crores with the index value of 100 in the year 2011 and it showed the increased growth and it suddenly decreased in the year 2018 and attain negative value of ` -38.38 crores with the -259 index value and it had CV 311.40 per cent.

TABLE 1.10 FIXED DEPOSIT OF POST OFFICE SAVING SCHEMES

Year	Number of Accounts (Values in Numbers)		Outstanding Balance (Values in Rs. Crores)	
	Value	Index	Value	Index
2011	14010	100	20.80	100
2012	21000	150	24.18	116
2013	7899	56	24.20	116
2014	516	4	24.20	116
2015	516	4	24.20	116
2016	681	5	24.19	116
2017	388	3	24.24	117
2018	402	3	19.76	95
Mean	5676.50		23.22	
SD	7957.04		1.84	
CV (%)	140.18		7.91	
GCR	-208.48		-200.26	

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

The above tabulated data inferred that in the year 2011 the number of accounts as a fixed deposit of post office saving schemes was registered 14010 with 100 index value and it suddenly decreased to 402 number of accounts the year 2018 with the 3 index number and also had CV 140.18 per cent and negative GCR value -208.48. The outstanding balance had ` .20.80 crores with the index value of 100 in the year 2011 and it showed the increased growth and it suddenly decreased in the year 2018 and registered ` .19.76 crores with the 95 index value and CV 7.91 per cent and CGR value of -200.26.

TABLE 1.11 POST OFFICE SAVING SCHEMES FOR MGNREGA WORKERS

Year	Number of Accounts (Values in Numbers)		Outstanding Balance (Values in Rs. Crores)	
	Value	Index	Value	Index
2011	38039181	100	-	-
2012	43978080	116	-	-
2013	5169559	14	0.00	-
2014	62689394	165	0.00	-
2015	64884602	171	0.00	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
Mean	42952163.20		-	
SD	24100338.33		-	
CV (%)	56.11		-	
GCR	-		-	

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

It is identified the post office saving schemes for MGNREGA workers had 38039181 number of accounts with the index value of 100 and it sharply rose in the following years and it had registered 64884602 number of accounts with the 171 index value in the year 2015 it had 56.11 per cent as a CV.

TABLE 1.12 MSY ACCOUNTS OF POST OFFICE SAVING SCHEMES

Year	Number of Accounts (Values in Numbers)		Outstanding Balance (Values in Rs. Crores)	
	Value	Index	Value	Index
2011	4949635	100	405.70	100
2012	3748128	76	40.57	10
2013	2945668	60	3.26	1
2014	2000651	40	3.10	1
2015	1847916	37	2.98	1
2016	1810521	37	2.92	1
2017	457608	9	2.90	1
2018	141295	3	1.51	0
Mean	2237677.75		57.87	

SD	1607635.80	141.17
CV (%)	71.84	243.95
GCR	-205.80	-208.65

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

It is inferred that in the year 2011 as MSY accounts of post office saving schemes was registered 4949635 with 100 index value and it suddenly decreased to 141295 number of accounts with the 3 index number the year 2018 and also had CV 71.84 per cent and negative GCR value -205.80. The outstanding balance had `405.70 crores with the index value of 100 in the year 2011 and it showed the decreased growth in the year 2018 and registered `1.51 crores with the 0 index value and CV 243.95 per cent and CGR value of -208.65.

TABLE 1.13 SUKANYA SAMRIDHI ACCOUNTS OF POST OFFICE SAVING SCHEMES

Year	Number of Accounts (Values in Numbers)		Outstanding Balance (Values in Rs. Crores)	
	Value	Index	Value	Index
2011	-	-	0.00	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	2486005	100	521.69	100
2016	7968318	321	6425.94	1232
2017	9919137	399	13824.29	2650
2018	11698945	471	22904.84	4391
Mean	8018101.25		10919.19	
SD	3990368.19		9667.69	
CV (%)	49.77		88.54	
GCR	-		-	

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

The above table narrates the sukanyasamridhi accounts of post office saving schemes had registered in the year 2015 as 2486005 number of accounts with the index value of 100 and it gradually increased in the following years as 11698945 with the highest index value of 471 and it had CV as 49.77 per cent. The outstanding balance had `521.69 crores with the index value of 100 in the year 2015 and it showed the highest increased growth in the year 2018 and registered `22904.84 crores with the 4391 index value and CV 88.54 per cent.

TABLE 1.14 NUMBER OF ACCOUNTS OF POST OFFICE SAVING SCHEMES

(Values in Per cent)

Year	SA	RD	TA	MIS	NSSA	PPF	SCSS	CTD	FD	MGNREGA	MSY	SUSA
2011	36.48	31.88	3.54	10.19	0.15	0.86	0.53	0.11	0.01	14.38	1.87	-
2012	40.30	29.89	3.28	8.44	0.13	0.82	0.42	0.11	0.01	15.30	1.30	-
2013	40.16	30.09	3.59	7.33	0.11	0.76	0.35	0.10	0.00	1.66	0.94	-
2014	38.24	31.68	4.08	6.31	0.10	0.69	0.31	0.08	0.00	17.96	0.57	-
2015	41.56	30.79	4.07	5.28	0.08	0.61	0.24	0.05	0.00	16.25	0.46	0.62
2016	40.75	30.54	4.19	4.89	0.08	0.61	0.26	0.04	0.00	-	0.45	1.99
2017	52.20	34.40	4.67	4.68	0.08	0.69	0.31	0.06	0.00	-	0.13	2.78
2018	26.79	32.70	5.05	4.14	0.07	0.68	0.38	0.05	0.00	-	0.04	3.15

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

The above tabulated data inferred that in the year 2011 was registered the number of accounts in SA as 36.48 per cent and it is decreased by 26.79 per cent in the year 2018. Followed by, RD had 31.88 per cent in the year 2011 and it had positive arrival and reached up to 32.70 per cent at the end of the year 2018. Similarly, TA was 3.54 per cent in the year 2011 and in the year 2018 it had sharply increased by 5.05 per cent. Further, it is inferred that MIS in the year 2011 had 10.19 per cent and it is decreased from the following years and it reached up to 4.14 per cent in the year 2018. The NSSA had attained 0.15 per cent in the year 2011 and it attain to 0.07 per cent in the year 2018. The PPF 0.86 per cent in the beginning of the year 2011 and it has been decreased in to 0.68 per cent in the year 2018. The SCSS had registered 0.53 per cent in the year 2011 and it is recorded as 0.38 per cent at the end of the year 2018. The CTD had 0.11 in the beginning of the year 2011 and it reached up to 0.05 per cent in the year 2018. Similarly, FD accounts had 0.01 per cent in the year 2011. The MGNREA had registered 14.38 per cent in the year 2011 and it rose to 16.25 per cent in the year 2015. It is found that MSY had 1.87 per cent in the year 2011 and decreased in the following years and reached to 0.04 per cent by the end of the year 2018. Moreover, SUSA had 0.62 per cent in the year 2015 and reached to 3.15 per cent in the year 2018.

TABLE 1.15 OUTSTANDING BALANCE OF POST OFFICE SAVING SCHEMES

(Values in Per cent)

Year	SA	RD	TA	MIS	NSSA	PPF	SCSS	CTD	FD	MGNREGA	MSY	SUSA
2011	7.42	15.10	7.01	53.90	1.16	7.78	7.62	0.00	0.01	-	0.10	0.00
2012	8.59	15.80	6.90	51.75	1.13	9.07	6.75	0.02	0.01	-	0.01	-
2013	9.22	16.57	8.05	49.21	1.05	10.03	5.88	0.00	0.01	0.00	0.00	-
2014	9.92	17.12	9.40	46.65	0.96	10.76	5.19	0.00	0.01	0.00	0.00	-
2015	10.44	16.60	11.53	44.68	0.87	11.75	4.00	0.00	0.01	0.00	0.00	0.12
2016	11.33	15.67	14.53	39.86	0.74	11.85	4.70	0.00	0.00	-	0.00	1.32

2017	15.79	15.66	14.77	33.39	0.60	11.75	5.46	0.00	0.00	-	0.00	2.56
2018	14.45	15.46	16.62	13.68	0.52	11.72	6.98	-0.01	0.00	-	0.00	3.83

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

It is identified that in the year 2011 was registered the number of accounts in SA as 7.42 per cent and it is increased by 14.45 per cent in the year 2018. Followed by, RD had 15.10 per cent in the year 2011 and it had positive arrival and reached up to 15.46 per cent at the end of the year 2018. Similarly, TA was 7.01 per cent in the year 2011 and in the year 2018 it had sharply increased by 16.62 per cent. Further, it is inferred that MIS in the year 2011 had 53.90 per cent and it is decreased from the following years and it reached up to 13.68 per cent in the year 2018. The NSSA had attained 1.16 per cent in the year 2011 and it attained to 0.52 per cent in the year 2018. The PPF 7.78 per cent in the beginning of the year 2011 and it has been increased as 11.72 per cent in the year 2018. The SCSS had registered 7.62 per cent in the year 2011 and it is recorded as 6.98 per cent at the end of the year 2018. The CTD had 0.02 per cent in the year 2012 and it reached up to -0.01 per cent in the year 2018. Similarly, FD accounts had 0.01 per cent in the year 2011. It is found that MSY had 0.10 per cent in the year 2011 and decreased in the following years and reached to 0.00 per cent by the end of the year 2018. Moreover, SUSA had 0.12 per cent in the year 2015 and reached to 3.83 per cent in the year 2018.

TABLE 1.16 MARKET SIZE OF POST OFFICE SAVING SCHEMES

Year	Outstanding Balance (Values in Rs. Crores)							
	NSC VIII		KVP		Total		Grand Total	
	Value	Index	Value	Index	Value	Index	Value	Index
2011	54642.44	100	158587.81	100	213230.25	100	618943.03	100
2012	55069.36	101	153963.68	97	209033.05	98	605697.42	98
2013	64708.96	118	128378.43	81	193087.40	91	603169.96	97
2014	75075.89	137	106757.58	67	181833.47	85	615021.56	99
2015	85597.59	157	84844.47	53	170442.06	80	619317.44	100
2016	88128.35	161	64861.05	41	152989.40	72	639254.06	103
2017	87228.37	160	53574.82	34	140803.19	66	680078.70	110
2018	87165.57	160	37983.29	24	125148.86	59	722443.70	117
Mean	74702.07		98618.89		173320.96		637990.73	
SD	14633.91		45741.75		31917.07		42087.89	
CV (%)	19.59		46.38		18.42		6.60	
GCR	1.62		-202.71		-200.92		0.46	

Source: Annual Report, Department of Posts Ministry of Communications Government of India 2011-2018

It is revealed from the Table: 3.16 the market size of post office saving schemes both in the NSC VIII and KVP in beginning of the year 2011 had ₹.618943.03 crores of outstanding balance with the 100 index value and it has positive arrival of growth and reached to ₹.722443.70 crores with the 117 index value by the end of the year 2018. It had 6.60 per cent of CV and 0.46 GCR value.

1.13 PROBLEMS AND CHALLENGES

There is no doubt of the fact that Indian post is playing a very important role in financial inclusion but it can play a much better role if it can overcome from the following problems:

- i. **Lack of Basic Infrastructure:** The post offices in India, especially post offices in rural areas which playing an important role in providing financial services in rural areas are not equipped with basic infrastructure. In most of the post offices even proper sitting arrangement for staff is not available.
- ii. **Less Numbers of Staff:** There is a crunch of manpower in the post offices. It is observed that most of the post offices are run by one or two persons and need to do all sorts of work which has a very adverse effect on performance and output.
- iii. **Lack of Coordination:** There are many examples in the foreign countries where post offices are doing tremendous work for financial inclusion in coordination with other departments. But, till today Indian post keep itself away from other sister Organisation or other Organisation also not seeking coordination of Indian post in providing financial services.
- iv. **Slow Progress of Innovation:** To cope with the fast changing environment Indian post also need to be catching the new invention and technology timely. The Indian post still following the age old practices of working, though it bringing some innovation recently but in a very slow speeds. Out of total post offices only 25464 post offices are computerized till 2011-12.
- v. **Abstain from Lending:** Providing loan is one of the major aspects of financial inclusion but Indian post is not till today taking it as a part of its business which has narrowed down its operation⁷.

CONCLUSION:

From the above presented discussion, it has been understood that the low / middle income families living in Coimbatore region prefer to save money in post office savings bank for the minor children. And sensible as parents they prefer to protect their children's future and save money to meet their future educational expenses or marriage expenses. Most of sample found to park their hand earned money in the recurring deposits, with a thrift of Rs. 200 to Rs. 400. Finally it is found that the investors prefer to get the maturity for further investments more over they are satisfied with safety, liquidity and ease of operations when compared to banks.

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