

An Assessment of Financial Services by Indian Post Office and the Services Offered By the Post Office In favour Of Customers

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Abstract

The aim of this study is to know about the various financial services offered by post office and their current performance. Amongst the men and women the reliability of the post office services was equal. In compare to the age factor the middle age and more adults were lenient towards post office while it was less popular in youngsters. If we compare the salary earned the less salary people were more attracted towards the post office scheme while the higher salary were barely do the savings with post office. The post office need to advertise and promote their financial services for the long-run and depicts a wide scope in the developmental of post financial services performance for future.

Keywords: - *Customers, Financial Service, Post Office.*

I. INTRODUCTION

The Department of Post (DoP), is a subsidiary of the Ministry of Communications. The Department of Posts, with its network of 1, 55,531 Post Offices, is the largest postal network in the world. In 1727, the first Post Office was set up in Kolkata and the beginnings of this vast postal network can be traced.

The Department of Post provides various financial services to the people. The Core Banking Solution (CBS) project aims in providing people with facilities such as ATM banking, Internet Banking, Money Banking etc. The major financial services provided are Savings Account, Time Deposit, Recurring Deposit, Monthly Income Account Scheme, Senior Citizen's Savings Scheme, Public Provident Fund, National Savings Certificates (VIII & IX Issue) and Sukanya Samriddhi Account. All the services aim to give a safety of income as well as tax benefits to the holders of these accounts.

II. REVIEW OF LITERATURE

The collection of reviews has been made from various studies undertaken by academicians and scholars that are found in journals, magazines, publications, working papers books and the like.

Shantilal Sarupria (1963) in her study "Individual savings in an undeveloped economy – India: A case study" has made an attempt to disprove certain widely held views about the individuals saving behavior in an undeveloped economy like India and suggested the ways of potential savings which could be mobilized for investment. It was regrettably contended that a large section of our population held their savings in the form of gold, hoards landed property and other unproductive assets. This view was supported by the estimates of National Council of Applied Economic Research and Reserve Bank of India during the period between 1957 and 1959.

Ronald C Lease (1976) used a sample of nearly 1000 individual investors with a wide range of individual investment circumstances and styles to extrapolate the observed behavior patterns of a larger population. The study brought out the segmentation in investment strategies, trading patterns, portfolio composition and differences in investor attitude. The study found that investors do align themselves with particular investment philosophies and different market segments. It was further observed that the alignment is systematically related to their individual circumstances. The findings of the study suggested the existence of a powerful opportunity for the purveyors of financial services to be selective and persuasive in their appeals to various classes of customers.

Jayaraman (1987) made a study about the importance of educating the public about the savings and the different savings schemes which are introduced by the government. The study says that the savings culture among the Indians is the main source of investment and which helps us to survive at the time of recession. The study has stated the government is to introduce more schemes which gives more return and which is less risky, to attract the investors.

Arangasami (1992) analyzed the savings pattern of the people and how the savings helps in our economic development. The study has observed that more and more dependence on the mobilization of resources through small savings will ensure and promote self-reliance. He concluded that the Central

government should give proper assistance and encouragement to the small savings agencies, which will be useful in the mobilization of funds and economic development.

Radha V (1995) in her study titled „A study of Investment behavior of Investors of Corporate Securities“ (1995) has examined the investment plan of corporate security investors in TamilNadu. The analysis revealed that the largest segment of the sample was constituted by young generation investors. They were generally better educated and male investors were reported to dominate the investment scene. Salaried group investors were reported to dominate the share ownership position. Also, major parts of the samples were found having savings but their capacity of saving was very limited. While probing the pre-investment ice Recurring Deposit Account (PORD) was the most popular, in both urban and rural areas. Behaviour and investment objectives, it was found that investors formed certain primary objectives and gave importance to them while making investment plans.

Dash R.K. and Panda .J (1996) in their paper titled “Investors“ Protection: An analysis” have critically examined the need for investors“ protection. They found that unincorporated bodies and Nidhis (Mutual benefit funds) whose deposit acceptance activities did not come under the guidelines of the Reserve Bank of India shook the investors’ confidence for the past several years. They stated that the poor growth level, the dearth of innovative schemes, poor marketing, and unsatisfactory investor servicing etc. were the reasons for the low level of confidence in the minds of the investors.

R.Jain, S. Morris and G. Raghuram (2001) of IIM Ahemadabad on the India Post generating financial resources for the country. They have tried to analyse the structural issues in the operations of India Post. The actions which can be taken to make the India post activities commercially viable are mentioned. The case study of Indonesia is considered for suggesting the postal reforms.

III. OBJECTIVES

Following are the objectives of the study;

- To know the various financial services offered by post office.
- To know the current performance of post office.
- To analyze the effectives of India post.
- To analyses the customers awareness towards the post office services

IV. RESEARCH METHODOLOGY

Research methodology can be said as the procedure of understanding and solving the concept scientifically. For this study, the data’s were taken from secondary sources such as website, magazines, journals and newspaper. Comparative and Common-Size Statement were used to analyze the data.

ANALYSIS AND INTERPRETATION

Customer awareness of the schemes offered by post office:

The Department of Post provides various financial services to the people. The Core Banking Solution (CBS) project aims in providing people with facilities such as ATM banking, Internet Banking, Money Banking etc. The major financial services provided are Savings Account, Time Deposit, Recurring Deposit, Monthly Income Account Scheme, Senior Citizen’s Savings Scheme, Public Provident Fund, National Savings Certificates (VIII & IX Issue) and Sukanya Samriddhi Account. All the services aim to give a safety of income as well as tax benefits to the holders of these accounts.

By a survey we try to find that how much the random local customers were aware of the post office saving schemes.

Schemes	Working Men	Working Women	Total
Savings Account	218	282	500
Time Deposit	256	244	500
Recurring Deposit	186	334	500
Monthly Income Account Scheme	360	140	500
Senior Citizen’s Savings Scheme	388	112	500
Public Provident Fund	220	280	500
National Savings Certificates	441	159	500
Sukanya Samriddhi Account	169	331	500

Schemes	20-25 yrs	25-40 yrs	40-60 yrs
Savings Account	65	122	245
Time Deposit	13	247	135
Recurring Deposit	97	378	487

Monthly Scheme	Income Account	224	258	312
Senior Citizen's Scheme	Savings	12	175	385
Public Provident Fund		6	258	458
National Savings Certificates		112	356	411
Sukanya Samridhi Account		11	457	423

Schemes	10,000-25,000	25,000-50,000	50,000-1,00,000
Savings Account	252	211	103
Time Deposit	258	108	68
Recurring Deposit	145	269	52
Monthly Scheme	269	285	211
Senior Citizen's Scheme	296	285	196
Public Provident Fund	174	165	298
National Savings Certificates	278	288	307
Sukanya Samridhi Account	347	211	114

The following are the inferences from the Comparative table of the post office of different demographical credentials: amongst the men and women the reliability of the post office services was equal. In compare to the age factor the middle age and more adults were lenient towards post office while it was less popular in youngsters. If we compare the salary earned the less salary people were more attracted towards the post office scheme while the higher salary were barely do the savings with post office.

Financial analysis of the Post Office in 2019 to 2020

Table 1: Representing the Comparative Balance Sheet of 2019-20

Particulars	no	31.03.2019	31.30.2020	Absolute Change	Percentage Change
CAPITAL & LIABILITIES					
Capital	1	4,00,00,00,0	7,00,00,00,000	3,00,00,00,00	75
Reserves & Surplus	2	3,99,99,78,207	-1,25,70,15,363	-5,25,69,93,570	-131.425555
Deposits	3	1,20,42,943	94,75,91,666	93,55,48,723	7768.439351
Borrowings	4	-	-	-	-
Other Liabilities and Provisions	5	10,64,66,830	2,17,94,15,987	2,07,29,49,157	1947.037549
TOTAL ASSETS		8,11,84,87,980	8,86,99,92,290	75,15,04,310	9.256702872
Cash and Balances with RBI	6	33,40,292	10,90,28,399	10,56,88,107	3164.037964
Balances with Bank & Money at call & short notice	7	89,78,76,208	1,46,77,74,224	56,98,98,016	63.47178051
Investments	8	6,43,78,77,634	3,11,27,88,269	3,32,50,89,365	-51.6488438
Loans & Advances	9	-	-	-	-
Fixed Assets	10	6,74,39,438	2,94,86,96,101	2,88,12,56,663	4272.361616
Other Assets	11	71,19,54,408	1,23,17,05,297	51,97,50,889	73.00339504
TOTAL		8,11,84,87,980	8,86,99,92,290	75,15,04,310	9.256702872
Contingent Liabilities	12	25,00,000	0	-	-
Bills for Collection		0	0	-	-

The following are the inferences from the Comparative Balance Sheet, table 1 of the post office (2019-20);

- There is an increase in Share Capital by □ 3,00,00,00,000 (75%).
- The Reserves & Surplus account shows a negative by □ -5,25,69,93,570 (-131.4%).
- There is an increase in Deposits by □ 93,55,48,723 (7768.4%).
- There is an increase in Other Liabilities and Provision by □ 2,07,29,49,157 (1947.0%).
- There is an increase in Cash and Balances with RBI by □ 10,56,88,107 (31640%).
- There is an increase in Balances with Bank & Money at call & short notice □ 56,98,98,016 (63.4%).
- The Investments account shows a negative by □ -3,32,50,89,365 (-51.6%).
- There is an increase in Fixed Assets by □ 2,88,12,56,663 (4272.3%).
- There is an increase in Other Assets by □ 51,97,50,889(73.0%).

Particulars	Note No.	31.03.2019	Percentage Change	31.03.2020	Percentage Change
CAPITAL & LIABILITIES					
Capital	1	4,00,00,00,000	49.27025833	7,00,00,00,000	78.91776871
Reserves & Surplus	2	3,99,99,78,207	49.26998989	-1,25,70,15,363	-14.17154967
Deposits	3	1,20,42,943	0.148339728	94,75,91,666	10.68311713
Borrowings	4	-	-	-	-
Other Liabilities and Provisions	5	10,64,66,830	1.311412054	2,17,94,15,987	24.57066383
TOTAL ASSETS		8,11,84,87,980	100	8,86,99,92,290	100
Cash and Balances with RBI	6	33,40,292	0.041144262	10,90,28,399	1.229182568
Balances with Bank & Money at call & short notice	7	89,78,76,208	11.05964818	1,46,77,74,224	16.5476381
Investments	8	6,43,78,77,634	79.29897353	3,11,27,88,269	35.09347209
Loans & Advances	9	-	-	-	-
Fixed Assets	10	6,74,39,438	0.830689633	2,94,86,96,101	33.24350241
Other Assets	11	71,19,54,408	8.7695444	1,23,17,05,297	13.88620482
TOTAL		8,11,84,87,980	100	8,86,99,92,290	100
Contingent Liabilities	12	25,00,000	-	0	-
Bills for Collection		0	-	0	-

The following are the inferences from the Common-size Balance Sheet, table 2 of the post office (2019-20);

- The percentage change of Capital is 49.2% in 2019 and 78.9% in 2020 out of the total percentage change of 100 in Liabilities.
- The percentage change of Reserves & Surplus is 49.2% in 2019 and -14.1% in 2020 out of the total percentage change of 100 in Liabilities.
- The percentage change of Deposits is 0.14% in 2019 and 10.6% in 2020 out of the total percentage change of 100 in Liabilities.
- The percentage change of Other Liabilities and Provisions is 1.3% in 2019 and 24.5% in 2020 out of the total percentage change of 100 in Liabilities.
- The percentage change of Cash and Balances with RBI is .041% in 2019 and 1.22% in 2020 out of the total percentage change of 100 in Assets.
- The percentage change of Balances with Bank & Money at call & short notice is 11.0% in 2019 and 16.5% in 2020 out of the total percentage change of 100 in Assets.
- The percentage change of Investments is 79.2% in 2019 and 35.0% in 2020 out of the total percentage change of 100 in Assets.
- The percentage change of Fixed Assets is 9.47% in 2019 and 33.2% in 2020 out of the total percentage change of 100 in Assets.
- The percentage change of Other Assets is 8.76% in 2019 and 13.8% in 2020 out of the total percentage change of 100 in Assets.

V. CONCLUSION

The Department of Post which offers financial services to the people with their core services alongside aims to provide the customers with all facilities in one place. The main motive behind this is to satisfy the customers and increase the savings habit in them. The study thus highlights the need to create Awareness on the schemes provided by the Post Office to make a successful and profitable in the long run and achieve the vision and mission of the Post Office.

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