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RESEARCH ARTICLE

PREFERENCE OF INVESTORS TOWARDS POST OFFICE SAVING SCHEMES

Harsha Sirmour¹ and Dr. R.P Agrawal²

1. Research Scholar, Kalyan PG College, Bhilai, Affiliated to Hemchand Yadav Vishwavidyalaya, Durg.
2. Principal, Kalyam PG College, Bhilai, Affiliated to Hemchand Yadav Vishwavidyalaya, Durg.

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Abstract

Background/Purpose: Post office saving schemes are backed by the government of the respective country, providing a high level of safety and security for investors' funds. Some post office saving schemes may offer tax benefits, such as exemptions on the interest earned or deductions under specific sections of the tax code. Post office saving schemes, such as fixed deposits or recurring deposits, can be suitable for individuals with long-term savings goals, such as planning for education, marriage, or retirement. It is essential for investors to carefully evaluate their financial objectives and consider factors like inflation, liquidity needs, and overall portfolio diversification before choosing post office saving schemes as their primary investment avenue.

Objective: To analyze the preference of investors towards different post office saving schemes.

Design/Methodology/Approach: Primary data is collected through a structured questionnaire. The area of research is confined to Durg district only. Descriptive analysis has been done to analyze the research questions.

Originality/Value: This paper outlines the perception of an individual towards the different saving schemes provided by the Post office.

Findings/Results: An investment is a pledge of a person's current assets that allows him to receive future income through interest, dividends, rent, wages, pension benefits, or capital appreciation.

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Introduction:-

Saving is one of the important factors in human societies, whether they are homogenous or heterogenous. Why do people save and what makes them not invest (V.K. Somasundaram 1999)? In our country savings originate from three principal factors the Public sector (Local authorities, State Government, and Central Government), Private and Corporate sectors (Co-operatives, Joint Stock Companies), and the household sectors (Individual, Business, or Hindu Undivided Families). Post office savings bank is one of the largest institutes where people can invest their savings with high returns and low risk. It plays a very important role in rural sectors in our Country. The Post Office Saving Bank provides numerous benefits to investors which influence them to invest in different schemes. The interest provided by Post Office Saving Banks is more than the interest provided by other financial institutions like banks, Insurance Companies, Mutual Funds, etc. Different attractive schemes are offered to the public which are well designed to meet the needs of individual savers. The majority of Post Office Saving Schemes provide tax

Corresponding Author:- Harsha Sirmour

Address:- Research Scholar, Kalyan PG College, Bhilai, Affiliated to Hemchand Yadav Vishwavidyalaya, Durg.

benefits to the investors such as tax exemptions on contributions or interest in income from tax or both up to a certain limit.

Postal Services in India

Post Offices are an Indian Government-operated postal system in our country and it comes under the Ministry of Communications. There are a total of 1,59,251 postal networks in India where 15,266 (9.59%) of post offices are in urban areas and 143985 (90.41%) are located in rural areas. The first Post Office in India was set up in Kolkata in the year 1727. To bring uniformity in postal operations the Indian Post Office Act 1837 was established and it was amended for the first time after more than 100 years in the year 2023. There are several diversified range of services provided by post offices like mail delivery, money remittance, transmission, and processing including packaging and insurance services across the country.

Review of Literature:-

1. K. Baby saranya and Dr. R. Hamsalakshmi People are well aware of the post office's monthly income plan, recurring deposits, time deposits, and savings accounts. Post office savings plans are quite well-known among investors. Regular return and safety and security are the sample investors' top priorities, followed by tax advantages, capital growth, and liquidity. The respondents' primary investing goals are to finance their children's education and marriage, with medical costs, tax planning, preserving their retired lifestyle, and purchasing real estate coming in close after.

2. Mr. Naveen. M, Mr. D. Shanmugavadivel The researcher is adamant that the post office is the only public organization that is more closely entwined with interpersonal relationships than any other government agency. It is well acknowledged to facilitate communication. Even if there are several saving possibilities, the Department of Post should attempt to offer the general public cutting-edge saving plans as a public institution. According to the study, India Post is poised to grow bigger and stronger, illuminating the world with joy. The challenges posed by the changing environment in the electronic age will undoubtedly be surmounted. To make customers happy, its doors are flung open. The great goal of unifying humanity worldwide is continued.

3. Dr. V. Venkatachalam With its extensive network and local presence, India Post is the largest in the country. It connects rural areas to the rest of the country, and India Post launched the India Post Payment Banks system, which provides banking services to account holders. With the help of core banking and payment banks, the postal department has expanded into banking services. Indians place a high value on postal services. The India Post Payment will concentrate on the various financial services that they provide.

4. P. Amallorpavamary and Dr. R. Santhuurusankara(2015) studied that people are influenced by different benefits provided by post office saving schemes like regular returns, tax benefits, security and safety, liquidity, and capital growth. The majority of respondents have interest due to future uncertainty like for marriage of children and their studies, purchasing property in the future or for medical expenses, etc. The study revealed that younger generations neglect post office saving schemes due to their immense engagement in electronic devices. The government should make some high-powered decisions for the growth of post office saving schemes.

5. Dr. Rajeshwari M. Shettar (2021) studied that post office saving scheme provides risk-free, attractive, and secure offers to the public. Few schemes like PPF, Sukanya Samriddhi account, and National saving certificates have attractive interest rates with zero financial risk. The investment is very minimal and affordable so people from lower economic backgrounds can easily avail the facilities provided by post offices.

Objectives of Study:-

1. To study the investor's demographic profile
2. To analyze the performance of investors towards different saving schemes
3. To study the relationship between the demographic profile of investors and the behavior of investors.

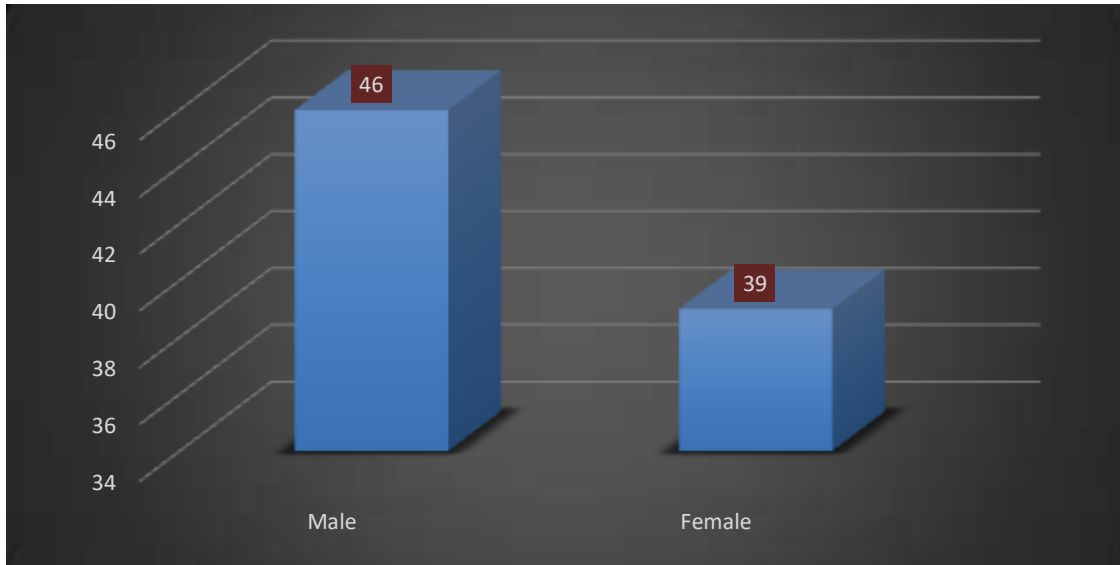
Methodology:-

The descriptive analysis has been done as a research design. The area of study is confined to the Durg district only. The structured questionnaire has been made for collecting the primary data. Secondary data has been collected through different journals, articles, newspapers, etc. 85 respondents were taken for the study.

**Analysis and Interpretation
Demographic Profile of Investors**

1. Gender

Particulars	No. of Investors	Percentage
Male	46	54%
Female	39	46%

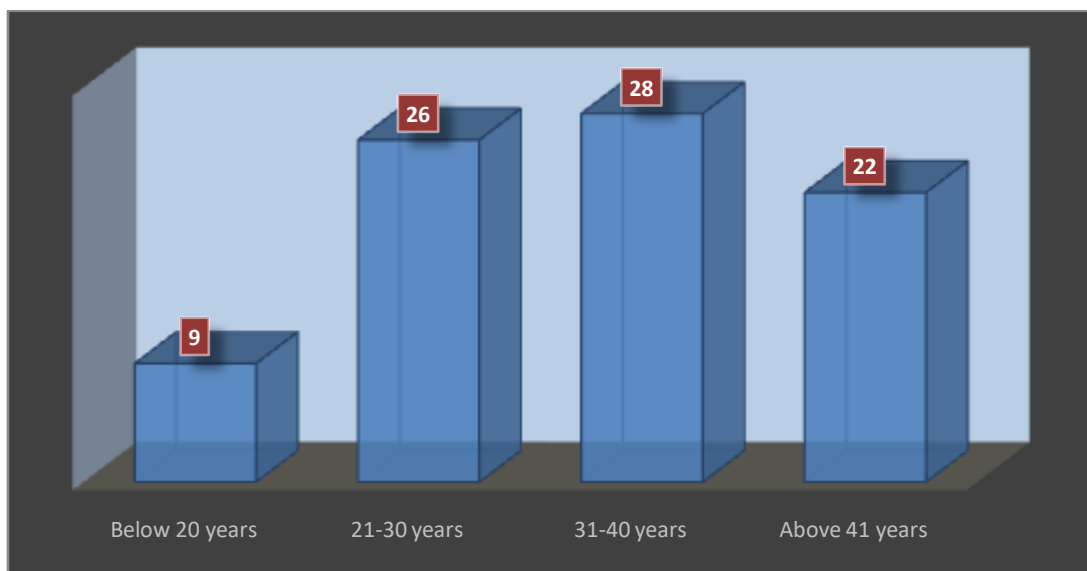


(Source- Self-analysis)

As the above table shows out of 85 respondents there are 46 respondents are male and the remaining 39 are female.

2. Age

Particulars	No. of Respondents	Percentage
Below 20 Years	09	11%
21-30 Years	26	31%
31-40 Years	28	32%
Above 40 Years	22	26%

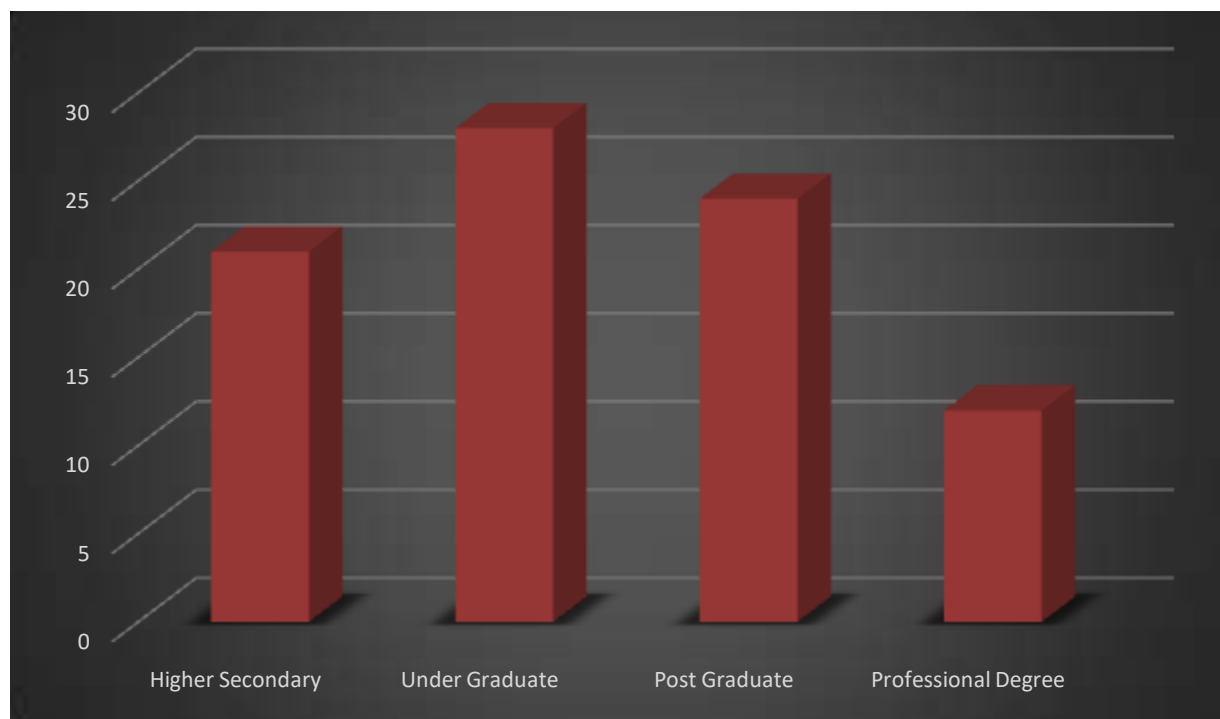


(Source- Self-analysis)

The above table shows the ages of the respondents where the maximum respondents are from the age group of 31-40 years. The lowest number of respondents are from below the age of 20 years.

3. Educational Qualification

Educational level	No. of Investors	Percentage
Higher Secondary	21	25%
Under Graduate	28	33%
Post Graduate	24	28%
Others	12	14%



(Source- Self-analysis)

The above graph shows the education level of respondents where the maximum number of respondents are undergraduates followed by postgraduates with 28% and the lowest number of respondents hold professional degrees.

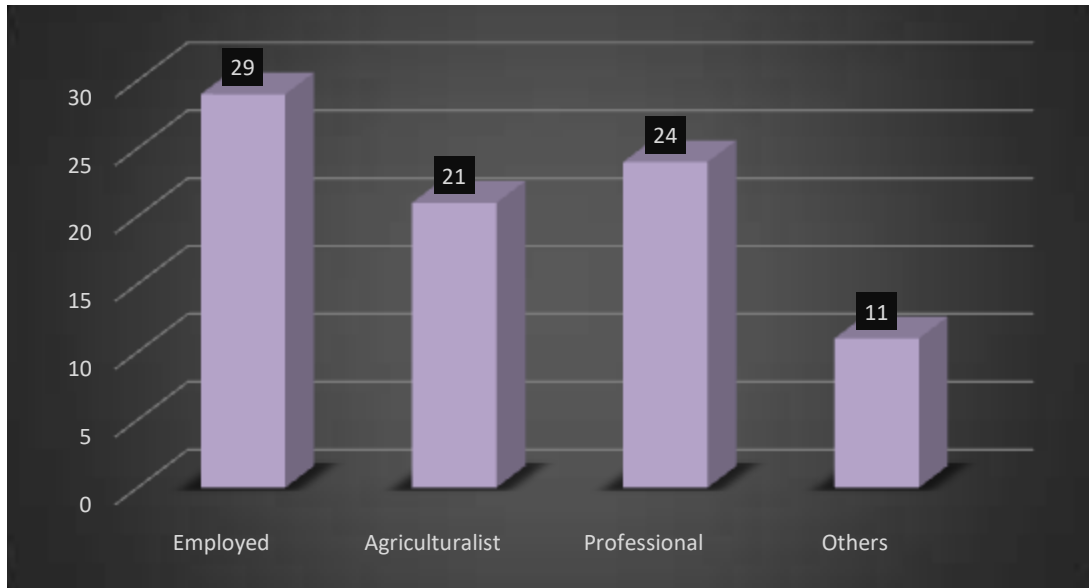
4. Type of Family

Family Type	No. of Investors	Percentage
Joint	30	35%
Nuclear	55	65%

The above table shows the type of family of investors where the majority of respondents are from a nuclear family with 65% and the remaining 35% of respondents are from a joint family.

5. Occupation

Occupation	No. of respondents	Percentage
Employed	29	34%
Agriculturist	21	25%
Professional	24	28%
Others	11	13%



(Source- Self-analysis)

The above graph shows the occupation of investors where the maximum number of investors are employed and the least are from others.

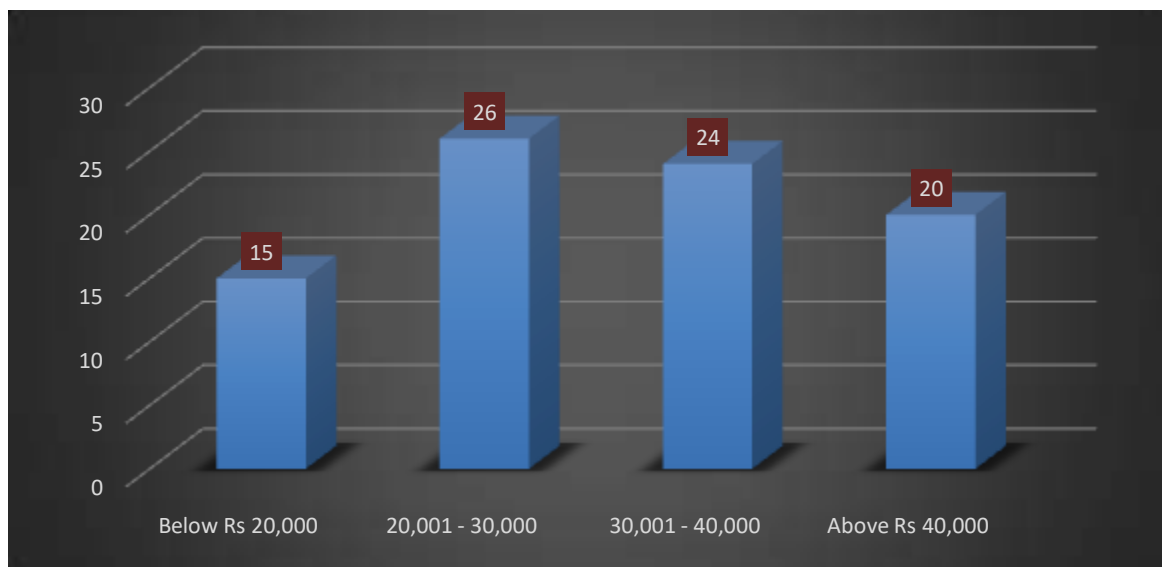
6. Marital Status

Status	No. of Investors	Percentage
Married	58	68%
Unmarried	27	32%

The above table shows that out of 85 investors 58 investors are married and the remaining 27 investors are unmarried.

7. Monthly Income

Income	No. of Investor	Percentage
Below 20,000	15	18
20,001-30,000	26	31
30,001-40,000	24	27
Above 40,000	20	24

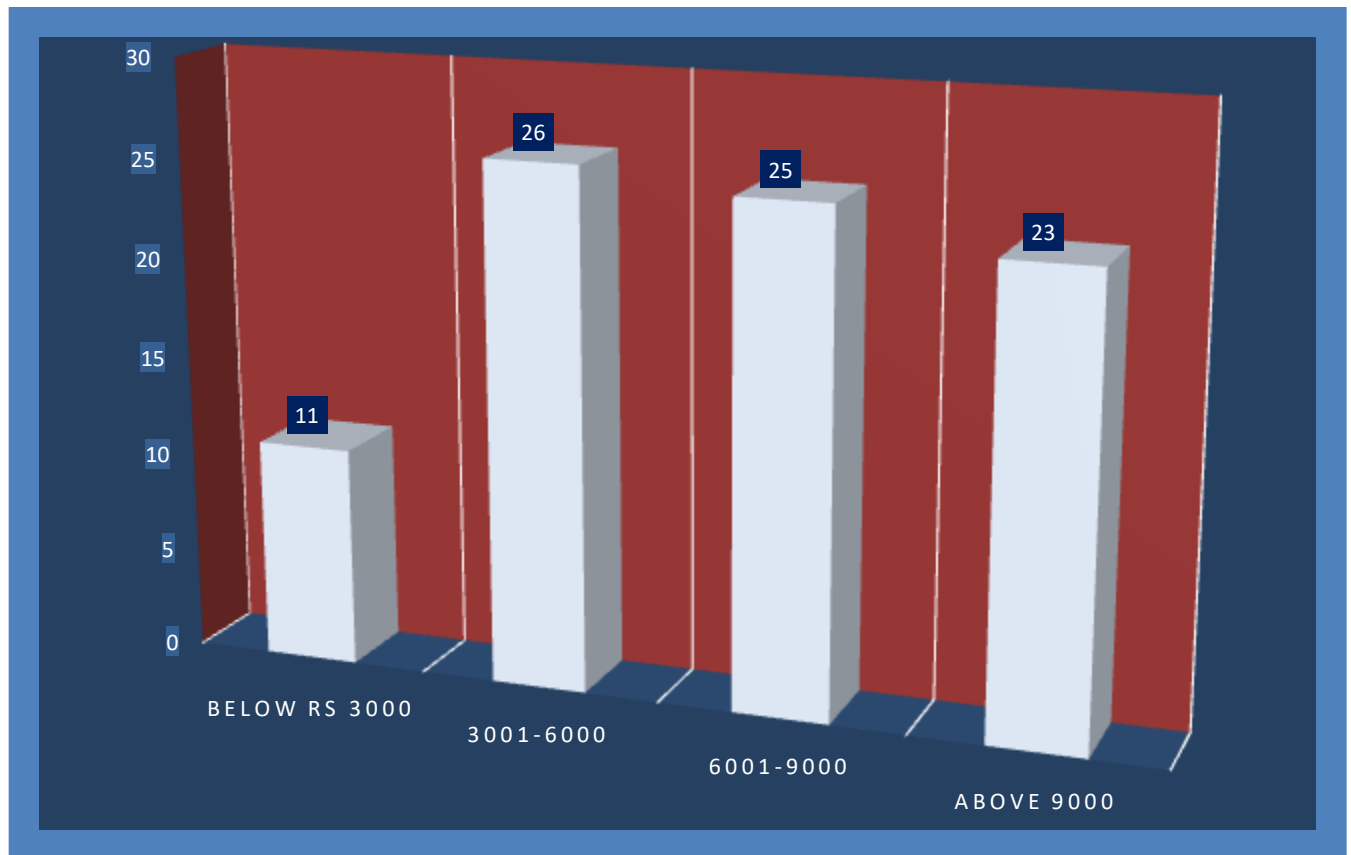


(Source- Self-analysis)

The above graph shows the income of investors where the maximum number of investors have a salary between 20,001 and 30,000 and the least number of investors have a monthly income of below 20,000.

8. Household Surplus

Surplus(per month)	No. of Investors	Percentage
Below 3000	11	13
30001-6000	26	31
6001-9000	25	29
Above 9000	23	27

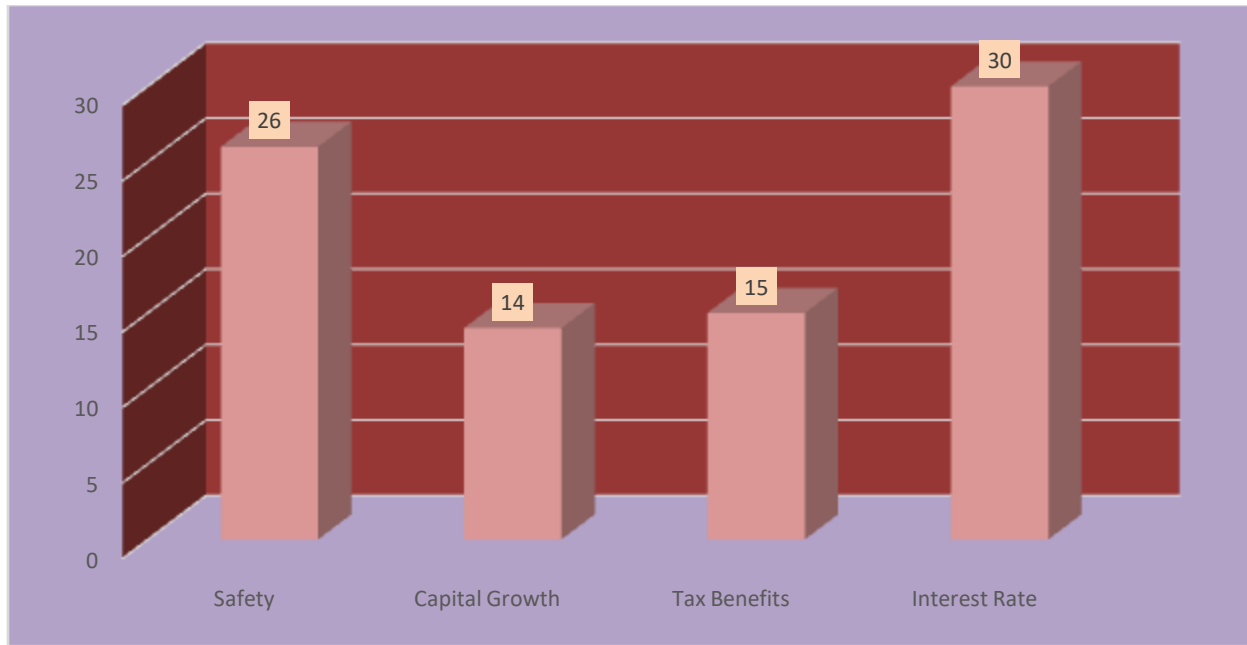


(Source- Self-analysis)

The above graph shows the monthly household surplus of the investors where the maximum number of investors saves about 3001 to 6000 and the least number of respondents saves below 3000 rupees.

Factors That Influence the Investor Behaviour on Post Office Savings Schemes

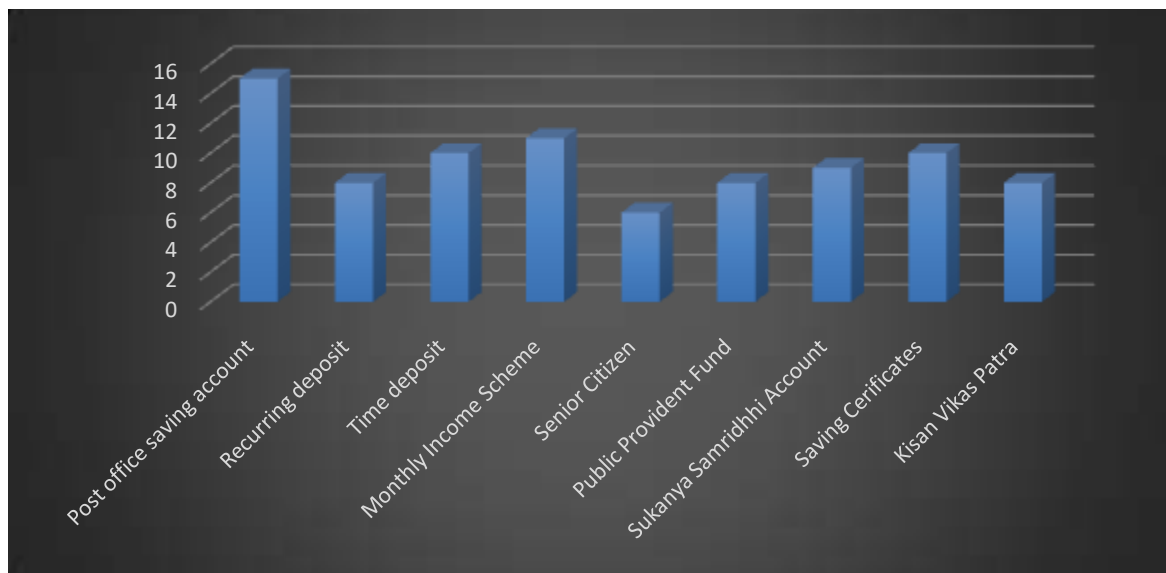
Factors	No. of Participants	Percentage
Safety	26	31
Capital Growth	14	17
Tax Benefits	15	18
Interest Rate	30	34
Total	85	100



(Source- Self-analysis)

Investors Preferences in Post Office Saving Schemes

Post Office Saving Schemes	No. of Respondents	Percentage
Post office savings account	15	18
Recurring Deposit	08	09
Time Deposit	10	12
Monthly Income Scheme	11	13
Senior Citizen	06	07
Public Provident Fund	08	09
Sukanya Samriddhi Accounts	09	11
National Saving Certificates	10	12
Kisan Vikas Patra	08	09
Total	85	100



(Source- Self-analysis)

The above graph shows that the maximum number of investors prefer post office saving schemes i.e. 18% of investors and the least investors are from Senior Citizen Saving Schemes and the number of investors from remaining savings schemes is majorly homogenous.

Conclusion:-

Investment involves committing one's current funds to generate future income, which can come in the form of interest, dividends, rent, premium, pension benefits, or an increase in the value of the initial capital. While most investments involve the transfer of financial assets between individuals, the post office has traditionally served as a financial institution for millions of people residing in rural areas. It plays a crucial role in connecting these rural areas with the rest of the country and also provides banking services in the absence of banks in these regions. According to the study, the respondents prioritize safety as the primary factor influencing their behavior as investors in Post Office Savings Schemes, followed by tax benefits, interest rates, and capital growth.

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