



---

## **A Study on Investor's Investment Interest towards Post Office Savings Account Scheme**

***1\*Vidhi Chhabra, 2Prof. Dr. Yulendra Kumar Rajput***

<sup>1</sup> (Research Scholar) Agrasen Mahavidyalaya, Purani Basti, Raipur, C.G.

<sup>2</sup>(Principal) Agrasen Mahavidyalaya, Purani Basti, Raipur, C.G.

---

### **ABSTRACT**

Everyone saves money and invest in different investment options available. Amongst all, Indian post offices have long been a source of savings for the investors. The post office savings account scheme is very popular investment especially for small and medium investors, as it is secure and gives fixed interest per annum. This research paper will explore the performance of post office savings account scheme in India with their outstanding balances. This research will firstly help the investors to analyse the performance of the scheme and secondly in making a decision to select or not to select this scheme as an avenue for savings.

**KEYWORDS:** Post Office, Savings Account Scheme, Investment, Investors Interest.

---

### **INTRODUCTION**

Savings are an essential part of the economy of any nation. India's financial future presents a plethora of savings schemes for investors. Investors invest to earn a return on their idle resources, produce a certain amount of cash for a specific life goal, and set money aside for unanticipated situations. Post Office Savings schemes offers considerable rewards than any other financial institutes and moreover it is considered as the safest option to invest. The post office savings account operated by the government of India is available at all post offices across the country. Post office savings account are unquestionably one of the greatest and safest investment option available. This account offers a fixed return on investments at a rate determined by the Reserve Bank of India (RBI), usually it is 4% per annum. Minimum authorized balance for opening this account should be INR 500/-.

---

### **REVIEW OF LITERATURE**

**S. Chandra sekhar & Dr. A. A. Ananth (2020)**, in this research savings is considered as one of the most important tool for poverty alleviation. The purpose of this research Paper is to examine the current scenario of various POSS. Primary data was collected through telephonic interviews. Secondary data was collected from various sources. From this study, it was concluded that India plays a crucial role in supporting the Indian economy, investors were also satisfied with the post office the savings schemes.

**Shashikant (2015)**, this study pointed out that post office is the largest savings institution in the country. There are several attractive schemes available to meet the unique needs of different investors. The majority of the customers prefer postal investment because of strong support from the Government, which is a considered to be fraud free and gives satisfactory returns.

**Mehta and Singh (2020)**, this research examined a number of variables affecting investors choices in post office savings plans. They discovered that the most important variables influencing investment decisions were interest rate, tax advantages, accessibility, and convenience.

**Mehta (2015)**, this research paper investigates that Post office faces many challenges from other financial institutions like bank and insurance companies. It faces the challenges of increasing competition and continuous development information and communication technology, especially mobile technology and advanced internet connections, which other financial institutes provide a far better services.

---

### **OBJECTIVES OF THE STUDY**

1. To study the investors' interest with respect to post office savings account scheme.
2. To analyse the outstanding balances of the post office savings account scheme.

## RESEARCH METHODOLOGY

The available secondary data served as the foundation for the paper. It is collected from the website of the India post office and numerous publications. The secondary data collected from the annual report of the post office represents the whole India. Tables, graphs growth rates, and other tools are used in the analysis. The analysis is made for the last five years.

## HYPOTHESES

H0: The investment in post office savings account has not shown significant growth.

H1: The investment in post office savings account has shown significant growth.

## ANALYSIS

Table 1: Number of Savings Accounts opened in last five years

Name of the Scheme	Year	Number of Accounts
Savings Accounts (including MGNREGA with balance)	2017-18	199451789
	2018-19	189800753
	2019-20	190981218
	2020-21	120556499
	2021-22	82340469

Graph 1 Number of Savings Accounts opened in last five years



Table 2 Annual Rate of Savings Accounts opened in last five years

Name of the Scheme	Year	Percentage (%) Change
Savings Accounts (including MGNREGA)	From 31.3.2018- To 31.3.2019	-0.048
	From 31.3.2019- To 31.3.2020	0.006
	From 31.3.2020- To 31.3.2021	-0.368
	From 31.3.2021- To 31.3.2022	-0.316

Table 3 Outstanding Balance of the savings accounts in last five years

Name of the Scheme	Year	Outstanding Balance (in Rs. Crores)
Savings Accounts (including MGNREGA with balance)	2017-18	86304.98
	2018-19	105599.56
	2019-20	115420.62
	2020-21	136205.78
	2021-22	153786.04

Graph 2 Outstanding Balance of the savings accounts in last five years



Table 4 Annual Rate of Outstanding Balance of Savings Accounts in last five years

Name of the Scheme	Year	Percentage (%) Change
Savings Accounts (including MGNREGA)	From 31.3.2018- To 31.3.2019	0.223
	From 31.3.2019- To 31.3.2020	0.093
	From 31.3.2020- To 31.3.2021	0.18
	From 31.3.2021- To 31.3.2022	0.129

#### INTERPRETATION

Tables and Graph shows the number of accounts opened and annual rate in savings account scheme (including MGNREGA) along with their outstanding balances in last five years i.e. from 2017-18 to 2021-22.

In table 1 in the year 2017-18 we can see the number of accounts opened in this scheme were 199 million approx. which reduced to 189 million approx. in the year 2018-19. Again in the year 2019-20 a slight rise is shown which raised the in accounts to 190 million. After that in the year 2020-21 again it falls to 120 million furthermore in the year 2021-22 it decreased to 82 million approximately.

Graph 1 shows a downward trend which indicates that year after year the number of accounts are reducing which shows that people are now not interested in opening the savings account in post offices.

Table 2 shows the percentage change in the year from 2018 to 2022. In the financial year 2018-19 it shows a negative change of -0.048 which changes to positive in the year 2019-20 to 0.006. But after that the next two consecutive years shows a negative percentage change of -0.368 and -0.316 for the years 2020-21 and 2021-22 respectively.

In Table 3 the outstanding balance of the last five years are shown which shows that in the year 2017-18 it was 86 thousand approx. which increased to 1 lakh 53 thousand approx. in the year 2021-22.

Graph 2 shows the upward trend which indicates that the outstanding balances of the savings account is increasing.

Whereas table 4 shows the percentage change of the outstanding balance which was 0.22 in the year 2018-19 which comes down to 0.09 in the year 2019-20. The percentage change of 0.18 and 0.12 was there in the year 2020-21 and 2021-22 respectively.

---

## FINDINGS OF THE STUDY

1. The study shows that the number of savings account under savings account scheme in post office is reducing year after year.
2. Drastic change is shown in the year from 2020 to 2022, in 2020 it was 190 million which reduced to 120 million and further to 82 million. The main reason for the change from 190 million to 82 million was COVID-19 pandemic people
3. Other financial Institutions have gained momentum over the Indian postal services because the Indian Post office lack market orientation and competitive spirit.
4. The outstanding balance against the savings account scheme is also increasing.

---

## CONCLUSION

Investing in post office can be a great option for those looking for a safe and reliable investment as it is backed by the government, making it a secure choice. Moreover the savings account scheme is although declining but then it was due to Covid-19 pandemic but it will always be a secured investment option since long.

---

## REFERENCE

- S.Chandra sekhar, & Dr. A. A. Ananth (2020), "Investors approach and savings pattern towards postal deposit schemes & its opportunities, challenges", IJARIE ISSN (O)-2395-4396, VOL-6, Issue-5 2020, pp.no.1465-1475
- Shashikant (2015), Investment behavior of postal customers towards post office savings bank schemes, International multidisciplinary E- Journal, Vol 4, and Issue 8. Aug 2015, pp.no. 49-59.
- Mehta, N., & Singh, J. (2020). Factors Affecting the Investment Decision of Post Office Savings Schemes: A Review of Literature. International Journal of Recent Technology and Engineering, Vol 9, and Issue 6, pp.no. 9326-9333
- Mehta (2015) Challenges ahead of post office savings bank", " International Journal of Business Economics and Management Research", Vol 5, and Issue 3, pp.no. 30-36
- <https://www.indiapost.gov.in/VAS/pages/AboutUs/AnnualReport.aspx>