

PATTAMUNDAI COLLEGE, PATTAMUNDAI



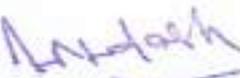
**A REPORT ON PROJECT WORK OF
"POSTAL DEPOSIT SCHEME- A SWOT
ANALYSIS"**

SESSION: 2019-20

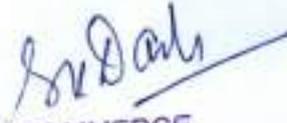
**PREPARED BY DEPARTMENT OF COMMERCE
PATTAMUNDAI COLLEGE, PATTAMUNDAI**

REPORT

This project was undertaken by the department of Commerce, Pattamundai college, Pattamundai on the topic "Postal Deposit Scheme- A SWOT Analysis " during the session 2019-2020. This project was done by the 32 numbers of students under the guidance of Prof.Sanjib Kumar Dash Lecturer in commerce (Grp-A).The Department of Posts, which functions as an organ of the Government of India, apart from the banking systems, also has a great potential to cater to the rural population and contribute towards further inclusion. India Post is a reliable establishment having proper reach nationwide with wide line up of financial instruments. India Post has about 1,56,600 post offices (as on 31.03.2019) of which 1,41,001 (90.04%) are in rural areas. There is one post office for every 8,511 people in India. India Post also has 2,39,637 agents in the rural area. About 2.2 crore people, already receive their National Rural Employment Guarantee Act (NREGA) payments by post offices. After State Bank of India(SBI), India Post has the largest deposits valued at ₹6 lakh crore. Pradhan Mantri JanDhanYojana (PMJDY) is National Mission for Financial Inclusion to establish access to financial services, namely Banking Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner. Run by Department of Financial Services, Ministry of Finance, on the launch of the scheme , 1.5 Crore (15 million) bank accounts were opened. Guinness World Records Recognizes the Achievements made under PMJDY, Guinness World Records Certificate says "The most bank accounts opened in 1 week as a part of financial inclusion campaign is 18,096,130 and was achieved by Banks in Indian continent from 23 to 29 August 2014". By 13th January 2016, over 20 crore (200 million) bank accounts were opened and ₹301.08 billion (US\$4.4 billion) were deposited under the scheme The present study is an attempt to analyze the spatial and temporal distribution of financial inclusion and contemplate steps for further improvements of improving access of finance. The results indicate low preference for postal services among the more prosperous states.


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POSTAL DEPOSITE SCHEME.

INTRODUCTION:

The department of Posts, trading as India post is a government operated postal system in India, which is subsidiary of the ministry of communication. Generally called "*The post office*" in India.

Founded in 1854 by Lord Dalhousie who laid the foundation for the modern Indian postal service. Dalhousie introduced uniform postage rates and passed the Indian Postage Act 1854.

It is involved in delivering mail (post), remitting money by money orders, accepting deposits under small saving scheme, providing life insurance cover under postal life insurance (PLI) and Rural postal life insurance (RPLI) and providing retail services like bill collection, sale of forms etc.

The department of posts (DoP) also act as an agent for Government of India in discharging other services for citizens such as old age pension payment and Mahatma

Gandhi National Rural Employment Guarantee scheme (MGNREGS) wage disbursement.

With 1,55,015 post offices, India post has the most widely distributed postal network in the world.

The country has been divided into 23 postal circles, each circle headed by a chief postmaster general, and comprising field units known as division. These divisions are further divided into subdivisions.

In additions to the 23 circles, there is a base circle to postal service to the armed forces of India headed by a director general. One of the highest post office in the world is in Hikkim, Himachal Pradesh operated by India post at a height of 14,567ft. .

Since India became Independent in 1947, the postal service continues to function on a nationwide basis, providing variety of services. The structure of the organisation has the directorate at its apex. Below it is circles, regional offices, superintendent office, head post office, sub-post office and branch offices.

In April 1954, the Indian postal department adopted the motto "*Service Before Help*". When India became

independent in 1947, there are only 23,344 post offices in India. These are normally in urban areas. But now-a-days these are spread all over India i.e. both rural and urban area.

DEPARTMENT OF POST AN OVERVIEW.

Formed. 1-October-1854. (166 years ago).

Jurisdiction. India.

Headquarters. Dakbhan/ Sansadmary/ New Delhi.

Employees. 4,33,417 (Till 2018)

Annual budget. ₹11,496.18 crores (\$1.6 billion)

Minister responsible. Ravi Shankar prasad. (Cabinet minister for communication.)

Department Executive: Pradipta Kumar Bisoi (Director General)

Parent minister: Ministry of communication.

OBJECTIVE OF DEPARTMENT OF POST.

Department of Posts is committed to providing universal access to basic postal services in the country at affordable prices. Its objectives are to:

- ❖ Ensure availability of basic postal services in all parts of the country, including tribal, hilly and remote areas.
- ❖ Provide efficient reliable and economic service.
- ❖ Provide value added services according to market requirements.
- ❖ Modernize the services to handle the growing volume of work with efficiency and thereby enhance customer and employee satisfaction.
- ❖ Be a forward-looking organization, and
Generate more resources and improve financial performance.

POSTAL SERVICES.

Following are the banking services provided by India posts:

1. PUBLIC PROVIDENT FUND:

The PPF scheme is a long-term investment scheme declared by the Government of India. It offers tax exemptions and attractive interest rates.

- The interest rate is @8% p.a.
- The post office PPF has a lock-in-period of 15years. That means once a customer enrolls into it, cannot be closed before that period.
- The customer can withdraw the money from PPF account from 7th year starting and upto 50% of such amount.
- The minimum deposits with this account is Rs.500/- and maximum is 1,50,000/- p.a.
- The deposits can be made in lump-sum or in 12 instalments.
- Free from court attachment.
- Non-residents of India(NRI) are not eligible.
- An individual on behalf of HUF can't apply.

2. NATIONAL SAVING CERTIFICATES (NSC).

NSC is a fixed income investment scheme. It is a saving bond that encourages subscribers mainly small to mid-income investors.

- ❖ w.e.f. 01-07-2019, interest rate is @7.9% p.a. compound int. basis and payable at maturity.
- ❖ Minimum amount of ₹1,000/- is required for opening an account.
- ❖ NSC will be issued in the shape of passbook.
- ❖ The deposits qualify for tax rebate under section 80 (c).

3. KISAN VIKAS PATRA ACCOUNT(KVP).

Kisanvikaspatra(KVP) is a saving certificate scheme which was first launched in 1988 by India post.

- w.e.f. 01-07-2019, interest rate is @7.6% p.a. compounded annually.
- Amount invested doubles in 113 months(9 year & 5 month).
- Certificate can be encashed after 2 & ½ year from the date of issue.

4. SUKANYA SAMRIDDHI ACCOUNT:

- ✓ Rate of interest is @8.4% p.a. compounded annually.
- ✓ Minimum of RS.250/- is required to open a SSA account in a financial year.
- ✓ Maximum of RS.1,50,000/- can be retained in the account.
- ✓ A legal guardian can open account in the name of Girl child.
- ✓ The account can be closed after the completion of 21 years.

5. POST OFFICE FIXED DEPOSIT SCHEME:

<i>Deposit tenure.</i>	<i>F.D. rates (p.a.)</i>
1 & 2 & 3 year	6.90%
5 years	7.70%

- ❖ Post office deposits are eligible for tax benefit U/S 80(c).
- ❖ The minimum amount to open a fixed deposit account is RS.100/-.
- ❖ Special tax exemption for senior citizen on interest amount up to RS. 50,000/- U/S 80 TTB.

6. POST OFFICE RECURRING DEPOSIT SCHEME:

- A recurring deposit is an instrument which is used as a medium-term investment option.
- The rate of interest is @7.2% p.a. compounded quarterly.
- The tenure is for 5years.
- Minimum deposit is RS.100/- per month.
- Missed deposit penalty is Re.1 for every Rs.100/-

7. POST OFFICE MONTHLY INCOME SCHEME(MIS):

- ❖ The lock-in-period is 5year.
- ❖ Minimum amount required to open an account is RS.1500/-.
- ❖ Guaranteed return of Interest per month @7.7% p.a.
- ❖ No Tax Deducted at source.
- ❖ The investor can move the funds to recurring deposit account.
- ❖ Withdrawal permitted after 12month.

❖ Non-resident and HUF are not eligible.

8. SENIOR CITIZENS SAVINGS SCHEME(SCSS):

- ✓ From 01-07-2019, interest rates are @8.6% p.a.
- ✓ Minimum amount to open an account is RS.1000/- and maximum can be RS.15 lakh.
- ✓ An individual of the age 60year or more may open an account.
- ✓ TDS is deducted at source on interest if the interest amount is more than RS. 50,000/-.
- ✓ Maturity period is 5year.
- ✓ The investment in this scheme qualifies for Deduction U/S 80 (c).

9. PRADHAN MANTRI JEEVAN JYOTI BIMA YOJNA(PMJJB):

- This is a government-backed Life-insurance scheme with benefit of GST exempt.
- It was originally mentioned in the 2015 budget speech.
- It is available to people between 18 and 50year age with postal accounts.
- It has annual premium of RS.330/-.

- In case of death, the nominee will get RS. 2,00,000/-.

10. PRADHAN MANTRI JAN DHAN YOJNA

(PMJDY):

- ❖ It is a financial inclusion program of government of India started from 28-August-2014.
- ❖ It aims to expand and make affordable access to financial service.

Comparison chart of different postal saving scheme.

Saving Scheme.	Rate of Interest.	Tax Deduction on Principal.	Interest Taxable.
Post Office Saving Account.	4.0%	No.	Yes.
Post Office Recurring Deposit.	7.2%	No.	Yes.
Post Office Monthly Income Scheme(MIS).	7.6%	No.	Yes.
Post Office Time Deposit (1,2&3 year.)	6.9%	No.	Yes.
Post Office Time Deposit (5 year.)	7.7%	Yes.	Yes.
KisanVikasPatra (KVP).	7.6%	No.	Yes.
Public Provident Fund (PPF).	7.9%	Yes.	No.
SukanyaSamridhiYojana Account (SSA).	8.4%	Yes.	No.

National Saving Certificate (NSC)- viii category.	7.9%	Yes.	No.
ELSS (Equity Linked Saving Scheme).	Market linked.	Yes.	Yes.
NPS (National Pension Scheme).	Market linked.	Yes.	Yes.
Tax Saving Fixed Deposit.	8.25%	Yes.	Yes.
Senior Citizens Saving Scheme (SCSS).	8.6%	Yes.	Yes.
Atal Pension Yojana (APY).	8.0%	No.	Yes.

(Source: Collected and Compiled from field study.)

A “SWOT” ANALYSIS ON POSTAL DEPOSIT SCHEME:

A “SWOT” is a structured planning method used to evaluate the **strength, weakness, opportunities,** and **threats** involved in a project or a business venture. A swot analysis can be carried out for a product, place, industry, person or an institution.

1. STRENGTH:

- More products in comparison with SBI and PNB.
- More branches and more facility.
- More employees.
- High speed service.

- Good facility to customers.
- Strong network.
- Cost effective.
- Security/ safety with respect to deposits.
- Efficient manpower.

2. **WEAKNESS:**

- No advertisement.
- Not provide loan to customers.
- Unchanged working culture.
- Job stress among employees.

3. **OPPORTUNITY:**

- In rural and urban areas.
- In vendoring field.
- In developing Indian economy.
- In developing communication to other countries.
- In developing good rapport with people.
- Increasing number of customers.
- Inflationary market.
- Technological advancement.

4. **THREATS:**

- Courier services.

- A lot of courier companies.
- Insurance companies.
- Banking sector.
- Customer dissatisfaction.
- Increasing market share of competitors.

LITERATURE REVIEW ON POSTAL DEPOSIT SCHEMES.

Review of literature is an essential part of research work. It enables the researcher to know about the related studies their methodology and conclusion.

Following are given certain essential review to this research work.

Rama Chandra Tarai (2018) in the study titled "Financial inclusion and India post: an analytical overview" analysed the present nature of financial accessibility through the India Post in the country. The unit distance coverage and average population served by a financial institution are two important parameters in determining the equitable financial access. In India, to assess the postal services, an individual has to travel 4.61 Km. (on an average) and average population served is also increased year by year. Further the postal department has given more importance to spread its network in rural areas to serve financial services. So the India Post can

influence financial inclusion in the country. The study concluded that the India post offices may play an important role in providing financial services to segments of the population particularly to the financial excluded.

[Reference: "Financial inclusion and India post: An analytical overview", Global journal for research analysis, vol. 5(4), pp.79-81.]

SudhanshuSekharNayak and Prasant (2019):

Mr. S.S. Nayak and Mr. P. Mahapatra examined the investors' attitude towards the post office deposit scheme is to enjoy tax benefits in terms of investment exemption and also exemption from the income earned through interest. The study found that the majority of respondents are aware about post office deposit scheme, invested in recurring deposit and prime reason for investor to invest in securities.

[Reference: "Investors attitude towards post office deposit scheme: A study", international Educational Scientific Research Journal, vol. 2(11), pp. 70-73.]

SUMMARY AND FINDINGS:

Table—01.

Profile of the sample customers.

PROFILE.	NO. OF RESPONDENT.	% OF TOTAL.	PROFILE.	NO. OF RESPONDENT.	% OF TOTAL.
GENDER.	-	-	AGE.		
MALE.	25	50%	UPTO- 25	16	32%
FEMALE.	25	50%	26 to 40	20	40%
EDUCATION.	-	-	ABOVE- 40.	14	28%
BSE. (10 th & +2)	07	14%	OCCUPATION.	-	-
DEGREE (+3)	19	38%	STUDENT.	10	20%
ABOVE DEGREE.	24	48%	HOUSEWIFE.	04	08%
ANNUAL INCOME.	-	-	GOVT. EMPLOYEE.	10	20%
BELOW 1 LAKH.	27	54%	PROFESSIONAL.	06	12%
1 LAKH to 5 LAKHS.	16	32%	BUSINESSMAN.	10	20%
ABOVE 5 LAKH.	07	14%	OTHER.	10	20%
TOTAL SAMPLE = N	N= 50	100%	TOTAL SAMPLE = N	N= 50	100%

[SOURCE: COLLECTED AND COMPILED FROM FIELD

STUDY]

Analysis of the Data:

The above table shows the profile of sample customers. In this research process, we take total 50 number of customers as sample.

Here we segregated the total 50 no. of sample customers into several groups. The groups are likewise- Gender, Education, Annual income, Age, Occupation & etc. We have taken equal no. of male and female customers of "INDIA POST". Likewise, Education is classified as Board of secondary exam i.e. 10th and +2; Degree and Above degree. Age category is taken as upto-25; 26 to 40; above 40. We categorised the customers as per occupation basis as Student, Govt. Employees, Housewife, Professional, Businessman and other occupation. In the above table, we have shown the No. of respondent in the terms of percentage for instance: - No. of respondent as per ANNUAL INCOME category the (a) Bellow 1 lakh is 27 nos. and it is 54% of the total respondent, (b) 1 lakhs to 5 lakhs is 16nos. and it is 32% of total no. of respondent.

TABLE—02.

Motivational Factors of Sample Customers.

MOTIVE.	NO.	OF	%	OF	MOTIVE.	NO.	OF	%	OF
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	RESPONDENT.	TOTAL.		RESPONDENT.	TOTAL.
From Which Source Motivated.	-	-	Quality of Product.	-	-
Friends.	23	46%	Yes;	37	74%
Family	10	20%	No;	04	08%
Relatives.	02	04%	Neutral;	09	18%
Advertising media.	15	30%	Transparency of products.	-	-
Relevant information.	-	-	Yes;	24	48%
Yes;	41	24%	No;	06	12%
No;	03	06%	Neutral;	20	40%
Neutral;	06	12%	Instant Review.	-	-
Save cost and time.	-	-	Yes;	23	46%
Yes;	44	88%	No;	11	22%
No;	02	04%	Neutral;	16	32%
Neutral;	04	08%	Attractive.		
Convenience of Online transaction.	-	-	Yes;	48	96%
Yes;	44	88%	No;	1	02%
No;	02	04%	Neutral;	1	02%
Neutral;	04	08%

Varieties of schemes.	-	-	Cash on maturity.	-	-
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Yes;	47	94%	Yes;	47	94%
No;	02	04%	No;	02	04%
Neutral;	01	02%	Neutral;	01	02%
...
TOTAL SAMPLE = N	N = 50.	100%	TOTAL SAMPLE = N	N = 50.	100%

[SOURCE: COLLECTED AND COMPLIED FROM FIELD STUDY]

TABLE-- 03

RANKED OF PRODUCTS BY SAMPLE CUSTOMER.

RANK. →	1	2	3	4	5	6	7	8	9	10
PRODUCT.	NO. OF RESPONDENT.									
PPF	25	09	11	05	--	--	--	--	--	--
NSC	10	19	08	08	02	01	01	--	--	01
F.D.	11	11	12	03	06	03	01	03	--	--
R.D.	03	03	08	19	03	10	02	02	--	--
M.I.S.	07	03	15	08	02	10	--	--	05	--
K.V.P.	01	01	08	--	10	12	--	08	10	--
S.S.A.	--	04	09	07	13	02	04	02	03	03
Post office scheme for boys.	--	--	01	01	04	12	06	04	14	08
Senior Citizen Saving scheme.	--	--	--	--	02	09	17	11	10	01
Post office scheme for double the money.	--	--	02	01	02	05	08	04	15	13

[SOURCE: COLLECTED AND COMPILED FROM FIELD STUDY.]

Sl no	Name of the Student	Roll No.	Signature
1	Anita Das	Bc17-01	Anita Das
2.	Bibhu Prasad Pradhan	Bc17-02	Bibhu Prasad Pradhan
3.	Samar Das	Bc17-03	Samar Das
4.	Swarup Dhal	Bc17-04	Swarup Dhal
5.	Abhijit Nayak	BC-17-05	Abhijit Nayak
6.	Suchitra Panda	BC-17-07	Suchitra Panda
7.	Sipun Kumar Das	Bc17-08	Sipun Kumar Das
8.	Shubhendu Ranjan Dash	BC-17-09	Shubhendu Ranjan Dash
9.	Sagar Swarup Swain	Bc17-13	Sagar Swarup Swain
10	Rajesh Sahoo	Bc17-04	Rajesh Sahoo
11	Tuni Prava Swain	BC-17-015	Tuni Prava Swain
12	Priyanka Sahoo	BC-17-016	Priyanka Sahoo
13	Ashis Das	Bc-17-17	Ashis Das
14.	Tanujayee Sahoo	Bc-17-018	Tanujayee Sahoo
15.	Supriya Sahoo	BC-17-019	Supriya Sahoo
16.	Monalisha Sahoo	BC-17-020	Monalisha Sahoo
17.	ARPITA BHADRA	BC-17-021	ARPITA BHADRA
18.	Subha Smita Rout	BC-17-023	Subha Smita Rout
19.	Parvita Ranjan Patra	BC-17-24	Parvita Ranjan Patra
20.	Baninayee Jena	Bc-17-25	Baninayee Jena
21.	Sushree Arpita Bhuyan	Bc-17-26	Sushree Arpita Bhuyan
22.	Pranjanmayee Das	BC-17-28	Pranjanmayee Das
23.	Subrat Ranjan Swain	BC-17-29	Subrat Ranjan Swain

