Original Research Paper

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Necessity of Postal Savings Bank of India since 1882- Towards a New Paradigm

Economics

KEYWORDS: Post Office, Postal Savings Bank of India, India Post, Department of Posts, Indian Rupee.

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ABSTRACT

In a capital-scarce developing economy like India, the financial sector plays a vital role in economic development. In this context, Postal Savings Bank of India(PSBI) can mobilize untapped savings, especially from vast unbanked rural areas. The present study aims modestly to analyze the status of PSBI in British India and in Post-Independence Period, Postal Deposits & Bank Deposits and finally attempts to realize the necessity of PSBI at present and in coming years. The used data –secondary & primary-are collected from authentic sources like Reserve Bank of India(RBI) Bulletins, Statistical Abstract,India,various government publications of different years, journals, websites and so forth. The study finds that PSBI is essential at present and in near future for a greater welfare of Indians.

Introduction

The Postal System of India serves the nation with communications providing mail services, mobilization of postal savings – deposits through Post Office Savings Banks (POSB) referred to as Postal Savings Bank of India ('PSBI' hereafter) and catering to Postal Life Insurance (PLI) including Rural Postal Life Insurance (RPLI) since 1995. It has a long and eventful historical background. However, PSBI needs to be contemplated as a component of economic development of India. In a capital-scarce developing economy like India, the financial sector – a key infra-structure sector- plays a vital role in economic development. At present, over 500000 villages of India are situated in unbanked areas where even Regional Rural Banks (RRBs) are not within easy accessibility of people. PSBI is only a mother-institution which can mobilize untapped rural savings. Actually, during the era of pre-nationalization of banks (i.e. before 1969—1st phase and 1980 – 2nd phase), many people used to consider PSBI as a safer place to save than private banks. PSBI maintains several popular savings schemes with respective features. These schemes are : Savings Account (A/C), 5-year Recurring Deposit (RD) A/C, Time Deposit (TD) A/C, Monthly Income Scheme (MIS) A/C , National Savings Certificates (NSC), Senior Citizen Savings Scheme (SCSS) A/C , Kisan Vikas Patra (KVP), Public Provident Fund (PPF) A/C and Sukanya Samriddhi A/C. It is a matter of pleasure that the Central Government of India is in favour of rapid implementation of providing an effective patronage for revamping postal savings through every post office as a 'Mini Bank', especially in rural areas. (New Delhi, ABP, Kolkata, on the 5th February , 2016).

Objective of the Study

1. To study the status of PSBI during Pre- Independence and Post - Independence Period.
2. To analyze Postal Deposits and Bank Deposits since 1951.
3. To examine the pattern of Postal Deposits and Balance.
4. To realize the necessity of PSBI today and in near future.

Methodology of the Study

The proposed study would mainly highlight on the important performance of PSBI. The approach is basically empirical. The data used so far are authentic secondary data collected from Statistical Abstract, India, published by Central Statistical Organization (CSO); Reserve Bank of India (RBI) Bulletins; Information by the Ministry of Communications and Information Technology; data from published articles, journals, magazines, websites and so on. Those are analyzed with tabular presentation, moving average, line chart and bar diagram. Empirical findings are discussed later on. As a field-work sample, recently, the researcher has made a direct interaction with a top official under the West Bengal Circle of India Post (IP) on the present status of PSBI. He has also received valuable opinion of several account holders in PSBI and of policy-holders of PLI on the performance of IP. The researcher finds that the acquired evidence justifies the study of World Bank on some strengths and weaknesses of the IP (Bell 2002). For instance, paucity of employees has created an over- burden to the existing workers performing postal duties.

Review of Literature

Pre-Independence Period

Edwin Walter Kemmerer (1907): As per the direction of Secretary Taft, the then Governor of Philippines, the Postal Savings Bank (PSB) of the Philippines, a highly centralized institution, was established on May 24, 1906. The Philippine Government should institute immediately, through the officers of the bank and through the teachers and superintendents of the public schools, a vigorous educational campaign for teaching the saving habit to the rising generation of Filipinos.

George V.L.Meyer (August 1908) : In the United States PSB Funds are to be deposited by the Postmaster- General in national banks located nearby. He believed that, while postal banks were primarily for wage-earners, they would also be mutually beneficial to labour and capital, and prevent the hoarding of money throughout the country.

Geoffrey Clarke (1920): The outbreak of the war with Germany had a disastrous effect on Indian PSB balances. A considerable portion of about INR 100 million was withdrawn from PSB deposits for the War Loan in 1917-1918. Then, the small depositors were busy purchasing cash certificates with money that could otherwise have been put into Indian PSB.

Louise Sissman (December,1936): A prime reason for establishing the US PSB was to attract the deposits of immigrants. The smallness of the average account seemed to indicate that the poorer classes were using more the Postal Savings depositories.

Post- Independence Period

PGK Panikar (October 1961): Indian Rural families use a very insignificant portion of their savings for making additions to deposits in commercial banks, PSB, co-operative credit societies, and other institutions, or for purchasing share and bonds.

Maureen O' Hara and David Easley (September 1979): In 1930 regarding savings and loans (S & Ls) activity, a representative from Washington opined : "There was practically no money in the state available for home financing ; the money was either hoarded or deposited in Postal Savings".

Kent E. Calder (Winter 1990): The cost of funds to the Japanese Government through the Postal Savings was substantially lower than what it would have been had the Government raised funds through capital markets in Anglo-American fashion.

Dr. Joseph Abraham (Yojana, December, 1998): There is a need for the Centre and States to revamp the postal savings system on modern lines comparable to banks and the capital market institutions. This would strengthen the role of post offices into an ideal and effective institution for resource mobilization particularly that of rural savings of India.

Hugues Kamewe Tsafack(2003): Empirical evidence(1979-1997) confirms that postal savings invested in government debt crowded out private investment in Zimbabwe. Also, postal savings mitigated the macroeconomic costs of running excessive fiscal deficits there.

Girish Kuber(The Economic Times,Wednesday,8 october,2003): The Central Government of India plans to launch an ambitious project to dematerialize(demat) postal savings. Once introduced, the postal department will issue statements instead of certificates to investors. The Rural Postal Life Insurance (RPLI) services 2.5 million policies with an assured sum of INR 8000 crore plus.

Harish Agrawal (Indian Express, October 08, 2016): World Post Day would be celebrated on October 09 and the very next day i.e. October 10 would be observed as Savings Bank Day. The Postal Department currently has commercial tie-ups with dozens of e-commerce companies.

Postal Savings All Over India

Background of PSBI

The word 'Post' emerges from 'Posta', a contraction for the Latin word 'Postitus', meaning 'to fix' or 'to place'. In fifteenth century, a messenger ('Postman') was maintained (or, placed) at fixed post to traverse a limited distance on foot or on horse-back during relays of messengers. 'Post' implies aptly the whole organization and 'Mail' for all the letters and items carried by that organization.

Postal Savings System (PSS) was provided first in the world by Great Britain, as a pioneer nation, in 1861. It was firmly supported by Sir Rowland Hill advocating the 'penny post ' successfully and also by William Ewart Gladstone, the then Chancellor of the Exchequer, who observed PSS as a chief way to finance the public debt. In 1879, the proposal for introducing PSBI was turned down by the then Director-General (D.G.). But, that proposal was revised positively in 1881 when India had 171 District Banks, 3 Presidency Banks, 14 Railway Banks, and 183 Regimental Banks. From April 1, 1882 onward, the first PSBI was opened all over India. By leaps and bounds, the total number of Savings Banks in India increased from 197 to 4243 immediately. The first financial year (01-04-1882 to 31-03-1883) recorded 39121 depositors with a balance of INR 2797796/-. The respective figures reached to 264456655 accounts with a balance of INR 6189430.26 millions as on the 31st March, 2011. This evidence made PSBI the second largest PSB of the world after Japanese PSS established in 1875 as the fourth nation in the world offering PSS. Several fore- front countries with the corresponding years of providing PSS may be chronologically mentioned herewith. They are : The UK (1861), New Zealand (1867), Canada(1868), Belgium (1870), Japan (1875), Italy (1876), France (1881), Netherlands (1881), India (1882), Austria (1883), Sweden (1884), Finland (1887), Greece (1902), The USA (1911), Spain (1916)and so on.

On January 1, 1880, the Post Office of India took over the whole management of issue and payment of money orders from treasuries. In 1886, India became indebted to Germany for the plan of paying money orders at the houses of payees. Possibly in no country of the world was the poor man so dependent upon the Post Office for the transmission of small sums of money as in India. An Indian knew that his money was safe enough and he was quite content to use the Post Office as a temporary Bank. Actually, the money order system of India was part and parcel of the life of the people. Again, it is frequently said that many Indian farmers are born with 'debt' and they have to die with 'debt' also. Landless labourers, marginal and small farmers are compelled to borrow necessary capital from rural informal sector of money-lenders like Mahajans, Zaminders, rich farmers and middle-men of Land-Lords for the purpose of cultivation, recovery of damage to the crops owing to natural calamities, if so happen. Postal savings-deposits of PSBI extend beneficial supports to the rural borrowers. Otherwise, the repayment of 'debt' with exorbitant interest amounts by the said borrowers could have been 'inter-generational' i.e. the 'debt' of a father had to be repaid by his son or next generation, even after the passing away of the so called borrower father.

'Uniqueness' of PSBI

PSBI may claim as a 'unique' institution for several special features as follow: **First**, It is in the Department of Posts (DoP) which falls under the Union Ministry of Communications since July, 2016 (Earlier, it was the single Ministry of Communications and Information Technology). But, DoP has to depend extremely on the Ministry of Finance for funding purposes and to recover huge revenue deficits consistently. **Second**, postal services are included in Essential Services Maintenance Act (ESMA), 1968 (vide Act No. 59) by the Parliament of India running in force all over India except Jammu & Kashmir. Hence, 'deficit' is not applicable in this case. That is why, PSBI has been surviving since 1882. **Third,** although the total mobilization of postal savings-deposits is prepared by PSBI i.e. directly by the Central Government, up to 80% of those deposits are made available as State-loans and provincial investments for economic development of India.

According to Global Panorama on Postal Financial Inclusion (PFI), 2016, 'PFI' is defined as the process by which people and enterprises excluded from the formal financial system are provided with access thereto through the postal network. Three main challenges of PFI are 1. **Access**; 2. **Eligibility** and 3. **Affordability**. The most obvious barrier to **'access'** PFI is the physical barrier. With about 661000 post offices world-wide, Posts have one of the largest retail networks in the world. India possesses over 156025 post offices (i.e. almost 23.60% of global total) of which 140048 (i.e. 89.76%) post offices are located in rural areas and the rest 15977 (i.e. 10.24%) post offices are situated in urban, sub-urban, semi-urban and metropolitan areas. In countries like Algeria, India, Kazakhstan, Madagascar, Ukraine and Vietnam, Posts are extremely well positioned to break the access barrier for unbanked people. The second main challenge of PFI is **'Eligibility'**. Generally, banks focus on high-income customers who are able to present employment- proofs and to maintain minimum deposits and various charges including an account-opening. Certainly, more fragile (i.e. less profitable) customers are *de facto* excluded from banking services. On the contrary, with a social mission of public service, post offices are willing to accept all customers without any discrimination--be they rich or poor, employed or not, male or female. That noble social mission is being served to a great extent by India as a 'Welfare State' as mentioned in Part-IV of the Constitution of India namely the Directive Principles of State Policy. **'Affordability'** , the issue of cost is the third main challenge to PFI. In post offices, both of 'economies of scale' i.e. control of large volume of market of a single product and of 'economies of scope' i.e. selling a variety of products are capable of bringing down financial services and even loans. Also, no share-holder can insist Posts to maximize profits. So, Posts usually offer well-priced financial services. Up to second quarter of 2016, international postal remittance costs stand at 6.36%, compared to a world average of 7.60%. Again, Posts do not charge their customers for cash-out, unlike Mobile Money Operators (MMOs).

Urban Postal Savings

In urban areas of India, mainly middle classes and high-income salaried people receive benefits of safety, regular return and tax-exemptions on investments and interest income under section 80C of the Income Tax Act, 1961 – 2014 utilizing postal savings schemes like PPF 1968, NSC VIII issue (For 5 years);Post Office Time Deposits

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(POTD) for 5 years etc.

Rural Postal Savings

On the other hand, the most popular postal financial schemes in rural areas of India appear to be Savings Bank (SB) A/C, Recurring Deposits (RD) A/C and Rural Postal Life Insurance (RPLI). At the end of March, 2015, Amount Outstanding on Post Office SB A/Cs was INR 47428 crores, on Post Office RD A/Cs showed INR 74513 crores and that on RPLI became INR 14969 crores respectively. However, among all the postal savings schemes, till end – March, 2015, the largest Amount Outstanding was to the Post Office MIS as INR 200550 crores. The second largest Amount Outstanding displayed INR 85608 crores to NSC VIII issue (For 5 years). The next descending order is as follows : INR 84841 crores, INR 52748 crores, INR 51757 crores and INR 17975 crores to KVP, PPF 1968, POTD A/C (Total) and SCSS respectively.

Global Highest Post Office(Hikkim)

The highest Post Office in the world is Hikkim Branch Post Office(P.O.) bearing PIN 172114 as a part of Lahaul & Spiti district in Himachal Pradesh of India.The nearest Sub-Post Office is at Kaza located at 25 km away from Hikkim village which is at an altitude of 15500 feet or 4724 metres above sea-level.Hikkim Branch P.O.was opened on the 5th November,1983.About 600 people reside at the village where around 50 depositors have postal savings accounts.The P.O. handles almost 15 to 20 mail items daily.The case of postal services at Hikkim,such a hilly & rock-area with uneven & icy roads, is astonishing to everyone concerned.

Postal Savings in Islands

During the British period, there was only one Post Office(P.O.) at Ross Island of Andaman & Nicobar(A&N) Islands. After 1947,two new P.Os. –one in Chatham & the other in Long Island—were opened. First Postal Sub-Division was created in May,1961.The West Bengal Circle controls A&N Islands Postal Division having 100 P.Os.—Port Blair Head P.O.(PIN.744101),26 Sub-P.Os. & 73 Branch P.Os. Savings Bank Facilities have been expanded in all the P.Os. of A&N Islands offering a variety of savings options.Kavaratti P.O.(PIN.682555) is under Lakshadweep Postal Division of the Kerala Postal Circle with Head P.O. at Kochi.It offers all the postal services including banking.SB A/C serves the need of regular deposits as well as withdrawals for all customers. Also, cheque facility is available to Kavaratti postal consumers. There is an additional facility of automatic crediting of MIS-monthly interest to SB A/C of Kavaratti postal customers. Monthly PPF service offers loan and withdrawal facilities for the postal customers.

Promoting Postal Financial Services

A study found that many people were not aware of RPLI at all. In the Jalandhar district of Punjab, a special drive was launched to promote RPLI in 2001-2002. As a consequence, the district became capable to garner a business exceeding INR 16 crores within six months. Just this event shows that a high potential exists for RPLI. Similar promotional efforts in Tamil Nadu had resulted in generating a business of INR 200 crores in 2000-2001 and there was a potential for raising that to INR 1000 crores within one year. Also, more and more people in rural areas of Bihar are opting for RPLI schemes.

Communication Satellite

IP utilizes the largest Wide Area Network(WAN) in the country. The DoP possesses its own VSAT(Very-small-aperture-terminal).A VSAT is a two-way satellite ground station with a dish antenna which is smaller than 3 metres. VSATs are used to transmit narrowband data(e.g. point-of-sale transactions using credit cards),or broadband data(for the provision of satellite internet access to remote locations).VSATs are also used for transportable, on-the-move or mobile maritime communications. Maritime VSAT is the use of satellite communication through a VSAT terminal on a ship at sea. Geosynchronous Satellite-18(GSAT-18) is a Communication Satellite launched on 5 October,2016 with the launch vehicle Ariane 5 ECA VA-231.

'IT Modernization Project'(February 26,2016)

This project envisages the target of computerization and networking of all Post Offices (P.Os.) of India. Under this project, Core Banking Solutions(CBS)have already been rolled out in 16461 P.Os. and ATMs have been installed in 430 locations. Around 6.92 crore Mahatma Gandhi National Rural Employment Guarantee Scheme(MGNREGS) A/Cs have been opened in P.Os. upto December,2015.Towards Financial Inclusion, the total number of PSBI A/Cs has increased from 30.86 crores to 33.97 crores. Total deposits in these A/Cs & cash certificates reached INR 6.53 lakh crores. Also, over 1.84 crore KVPs have been sold, attracting an investment of almost INR 16,429 crores, since its re-launch by the Honourable Prime Minister of India on November 18,2014. Besides, above 80 lakh Sukanya Samriddhi Yojana A/Cs have been opened so far with a cumulative investment of over INR 2900 crores since the launch of the scheme on January 22, 2015.

Comment

It is evident from the consideration of all the aforesaid aspects that the coverage of PSBI encompasses from the main plain-land of India to islands like A&N islands and Lakshadweep, and also from desert areas of Rajasthan to the global highest P.O.,Hikkim Branch P.O. In this way, IP, including PSBI, has been serving the nation as an emblem of Indian National Integration since 1882 i.e. over 134 years of dynamic achievement. Therefore, the services of PSBI immediately and certainly reach every Indian, minor or adult, staying anywhere all over India.

FINDINGS AND DISCUSSIONS

A) Pattern of Deposits in PSBI at Top 5 Circles (1995): Out of 22 circles of India Post, postal savings-deposits pattern of the top 5 circles in terms of balance outstanding in INR lakh at end-March,1995 has been displayed in Table:1. It is found that Andhra Pradesh Circle secured the apex rank with about INR 1054 crores as the outstanding balance followed by Tamil Nadu(INR 496 crores),Maharashtra(INR 407 crores),West Bengal(INR 406.97 crores) and Orissa (Odisha, at present:INR 359 crores) Circles, according to a descending order. Also, Jammu & Kashmir Circle remained at the bottom of the order with around INR 41 crores as the outstanding balance. 'Base Circle' is a separate Circle operated for Army Personnel under Army Postal Service(APS).In 1995,it mobilized INR 8.5 crores as the outstanding balance which was almost 2% of the same in Maharashtra and West Bengal. This situation gets consistent with the population-sizes of those Postal Circles. Total balance outstanding in India during the period (1995) reached about INR 4774 crores. Except Tamil Nadu, all other Postal Circles experienced increased balances in 1995 compared with those in 1994. Political unrest, instability and lack of safety of depositors might adversely affect the volume of postal savings-deposits in Jammu & Kashmir Postal Circle.

B) Postal Deposits & Bank Deposits(1950-51 to 2012-13):

Table:3 and Table:4 show, at a glance, a comparison between Postal Deposits & Bank Deposits(both in INR crore) over a span of 62 years from 1950-51 to 2012-13. In 1950-51, total postal deposits in PSBI were INR 96 crores whereas the aggregate Bank Deposits with all schedule banks became INR 820 crores implying the former as 11.71% of the latter. Both of the two deposits have been increasing gradually over the said 62 years. Of course, the rate of increase of Postal Deposits becomes less than the increasing rate of Bank Deposits. Growth of Bank Deposits from 1971 to 1991(20 years) occurred 3260% (maximum in India) beside the figure 886% for Postal Deposits(Table:4). After 12 years of New Economic Reform in July, 1991, Bank Deposits grew at 667% and the growth of Postal Deposits happened at 344%.It is very interesting that growth of Bank Deposits (%) and that of Postal Deposits (%) stand empirically the same percentage to the nearest rounded off number during the period 2001-2013 (12 years), growths being 582.46% for Bank Deposits and 581.78% for Postal Deposits respectively. It is evident that the period is almost equally important and beneficial to depositors of both cases – i.e. Bank Deposits and Postal Deposits till 2012-13. Although the absolute amounts of Bank Deposits and Postal

Deposits are different, two kinds of deposits comparatively increased by the same percentage of their own orbits or growth-paths. It is a point to be noted that, at present, 27 kinds of banks are nationalized after 1969(14 banks in 1st phase) & after 1980(more 6 banks in 2nd phase with 7 banks as SBI & associate banks). On the contrary, PSBI is an inseparable organ of IP whose main functions are providing mail services and communications amongst the people of India.

C)Tabulation, Moving Average, Bar Diagram & Line Chart:

Out of four tables shown in this study, only Table:2 depicts a glimpse of postal savings-deposits, total number of POSB, total number of A/Cs,3-point moving average of Balance(INR in thousand) during the Pre-Independence Period of India from 1882-83 to 1917-18. In 1882-83, total balance of postal savings-deposits was INR 2796796 against total number of A/Cs being 39121. After 7 years, the above figures became INR 58696755 and 358272 respectively. Within the 5 equal intervals of 7 years, the year 1913-14 was to be inserted because of its highest balance of INR 231675467 over the 35 years shown. The 3-point moving averages experienced a regularly increasing trend from INR 5.26 crores in 1889-90 to INR 18.89 crores in 1913-14.Any reader would be able to understand easily the rising trends in Figure:2(a) and in Figure:2(b).Again,Figure:3 demonstrates two line charts of postal savings deposits & depositors in the USA from June 30,1911 to June 30, 1936.It is interesting that both the trend-lines are increasing throughout the duration. From 1911 to 1918,a comparative study may be found that both in The USA & in India, total number of depositors increased regularly with slightly rapid increasing rate in India. Except in 1917-18, all other periods showed gradually rising trends of postal savings-deposits. The Russian Scare in 1885,the worst famine faced by India in 1896-97 and a great wave of sedition and discontent spread over British India in 1907-08 were three important crises as possible reasons of a diminishing balance of postal savings-deposits in India. The effect of the former two crises was felt almost entirely, and of the latter crisis substantially, in the Bombay(Mumbai, now) Presidency. This circumstance seemed to prove that the inhabitants of Bombay were more in touch with the affairs of the world than those in other parts of British India.Figure:1(a) and Figure:1(b) exhibit outstanding balances in INR lakh of 5 top Postal Circles & the bottom one i.e. Jammu & Kashmir Circle in 1994 and 1995 through respective Bar-Diagrams. Separate colours are used for every Postal Circle. An attentive reader would form an idea regarding quantitative as well as qualitative patterns of postal savings-deposits all over India.

SUGGESTIONS

PSBI needs more attention of the Central Government of India for recruiting new and skilled employees throughout the country wherever required. Also, the existing workers may be well-trained for providing prompt services to postal customers. Huge advertisement and door-to-door campaign are highly required for providing proper knowledge and information relating to postal savings schemes, PLI & RPLI, their merits and demerits and for latest introduced schemes like Sukanya Samriddhi A/Cs, KVPs which are mainly meant for promoting welfare of crores of Indian farmers, especially landless, marginal and small farmers. The cases of Jalandhar district of Punjab and of Tamil Nadu mentioned earlier in 2001-02 prove that there exist high potentials for raising capitals of PSBI several times magnified, provided some problems of P.Os. are resolved and effective efforts are made. Since the DoP does not receive similar commission as given to agents of Life Insurance Corporation of India(LICI),some incentives need to be provided to postal workers for augmenting RPLI business in India. The expansion of Postal SB A/C is restricted owing to departmental delays and inadequate financial power of Branch Post Masters. The DoP may aim at generating enough revenues from postal financial services to offset losses incurred elsewhere in normal mail services. Proper expansion of rural electrification and of telecom network can make P.Os. generate huge revenues from collection of payment for utility bills on behalf of their parent organizations. Rural people facing 'absolute poverty' may be provided monthly wages(above minimum subsistence level), farm-loans and so forth through P.Os. like the case of MGNREGS A/Cs. The young generation may be motivated to create postal savings from present income for future welfare purposes like the cases of the Philippines. Dynamically, many technological changes including use of VSAT network and CBS of all P.Os. of India may make new revenue-generating postal financial services smooth and easier. Since the advent of electronic gadgets and media, new challenges have been facing IP; simultaneously, the situation is creating more opportunities to P.Os. also. For an illustration, a smart phone or print-editions of a journal may be ordered with 'on-line-payments'. Those items sought to be brought to their recipients through P.Os. or by courier. Thus, PSBI needs more attention for betterment from a viewpoint of researchers as well as from the public administration of India.

CONCLUSION

The study reveals that during Pre-Independence period, PSBI continued to enjoy a glorious status. A comparative study of postal savings-deposits in India and in the USA showed their increasing trends from 1911 to 1918. Post-Independence period also has been maintaining those rising trends till the commencing years of the 21st century except several years. Although the growth of bank deposits exceeds that of postal deposits, there exists an ancillary role of PSBI instead of rivalry, especially for reaching rural people to mobilize untapped rural savings. PSBI has been advancing a dynamic development path since 1882 i.e. over 134 years. It may be concluded that PSBI is essential today and also in near future for a greater welfare of Indians though there remains a huge scope of research towards various dimensions of postal financial services with everyone as a new paradigm.

Table : 1

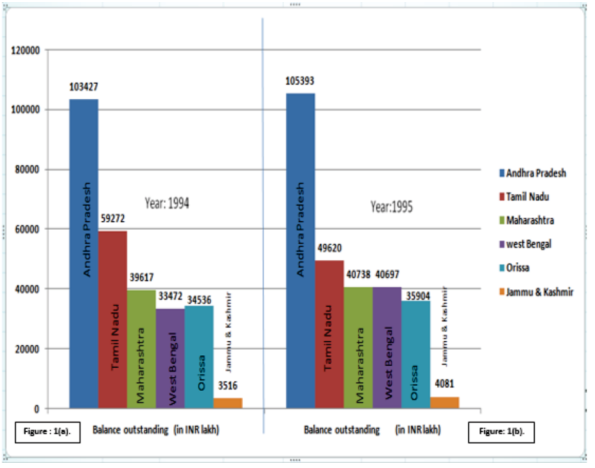
Circle-Wise distribution of deposits of Post office Savings Banks,-1994 and 1995 (top five circles) with respect to balance outstanding (in INR Lakh), Bottom circle (Lowest Deposits)

	As at the end of year			
	1994		1995	
Name of the Circle	No. of Accounts	Balance outstanding (in INR lakh)	No. of Accounts	Balance outstanding (in INR lakh)
Andhra Pradesh	2321128	103427	2474417	105393
Tamil Nadu	2143639	59272	2281114	49620
Maharashtra	2705781	39617	2709518	40738
west Bengal	5349128	33472	8574569	40697
Orissa	3954548	34536	4036236	35904
Jammu & Kashmir	360332	3516	369911	4081
Base#	74823	750	85593	850
Total (All India)	42649679	463814	47511088	477368

Note:- # Represents the base Post Office, which is being operated for Army Personnel under Army Postal Services (APS)

Sorce- Dept. of Posts, Govt. of India.

Pattern of Deposits in PSBI at Top 5 Circles (1995)



Pre- Independence Period (India) : 1882-83 to 1917-18.

Table:2 Statement showing No. of PSBs, No. of Accounts, Balance(in Rs. i.e. INR) and 3-point moving average of Balance (INR in thousand).

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YEAR	NO. OF BANKS	yearly % increase of banks	NO. OF ACCOUNTS	yearly % increase of accounts	BALANCE (Rs.)	yearly % increase of balance	Balance (Rs. in thousand)	3-point moving average of Balance (Rs in thousand)
1882-83	4238		39121		2796796		2797	
1889-90	6350	50	358272	816	58696755	1999	58697	52629
1896-97	6420	1	713320	99	96392411	64	96392	92809
1903-04	7372	15	987635	38	123336717	28	123337	129639
1910-11	8929	21	1430451	45	169188224	37	169188	174733
1913-14	9824	10	1638725	15	231675467	37	231675	188903
1917-18	10975	12	1637600	0	165846470	-28	165846	

Source: Department of Posts, British India (1920).

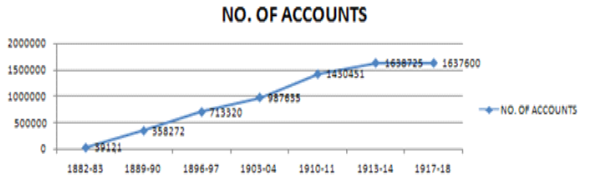


Figure: 2(a).

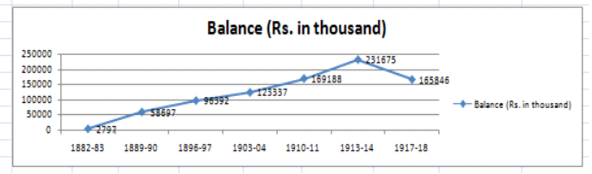


Figure: 2(b)

Pre- Independence Period (The USA)

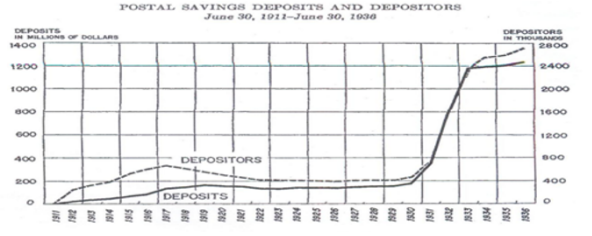


Figure : 3. Source: Louise Sissman- Journal of the American statistical Association,1936.

Post-Independence Period(India).

Table: 3 : Bank Deposits vs. Postal Deposits in India during 1950-51 to 2012-13 i.e. over 62 years.

Year	Bank Deposits (INR Crores)	Postal Deposits (INR Crores)	Postal Deposits as persentage to Bank Deposits
1950-51	820	96	11.71
1970-71	5910	577	9.76
1990-91	192540	5112	2.66
2000-01	989141	12279	1.24
2010-11	5207969	84355	1.62
2011-12	5909082	85904	1.45
2012-13	6750454	83716	1.24

Source: Statistical Abstract, India, 2007; RBI Publication , 2013-14.

Table : 4 : Comparing Growth-Patterns of Bank Deposits (%) and of Postal Deposits (%) from 1951-2013 (i.e. over 62 years).

Period	Growth of Bank Deposits(%)	Growth of Postal Deposits (%)
1951-1971 (20 Years)	700%	601%
1971-1991 (20 Years)	3260%	886%
1991-2003 (12 Years)	667%	344%
2001-2013 (12 Years)	582.46%	581.78%

Source: RBI Publication,2004; Statistical Abstract, India, 2005.

List of Abbreviation Used for the Study:

1. PSBI	Postal Savings Bank of India.	18.INR	Indian Rupee.
2. POSB	Post Office Savings Banks.	19. S & Ls	Savings and Loans.
3. PLI	Postal Life Insurance.	20.demat	dematerialize.
4. RPLI	Rural Postal Life Insurance.	21. PSS	Postal Savings System.
5. RRBs	Regional Rural Banks.	22. D.G.	Director-General.
6. A/C	Account.	23.DoP	Department of Posts.
7. RD	Recurring Deposit.	24. ESMA	Essential Services Maintenance Act.
8. TD	Time Deposit.	25.PFI	Postal Financial Inclusion.
9. MIS	Monthly Income Scheme.	26. MMOs	Mobile Money Operators.
10. NSC	National Savings Certificates.	27. P.O.	Post Office.
11.SCSS	Senior Citizen Savings Scheme.	28. A& N	Andaman and Nicobar.
12.KVP	Kisan Vikas Patra.	29. WAN	Wide Area Network.
13.PPF	Public Provident Fund.	30. VSAT	Very-small-aperture-terminal.
14.CSO	Central Statistical Organization.	31.GSAT	Geosynchronous Satellite.
15.RBI	Reserve Bank of India.	32. PIN	Postal Index Number.
16.IP	India Post.	33. APS	Army Postal Service.
17.PSB	Postal Savings Bank.	34. MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme.

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