

## Investor's Perception towards Post Office Small Saving Schemes : A Case Study of Himachal Pradesh

MOHINDER SINGH\*

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### Abstract

Indian Post Office Savings Bank being the largest savings institutions in the country play a vital role in mobilising savings especially in the rural part of the country and offer numerous benefits to the investors. Post office small saving schemes once hailed as people's movement are losing sheen for the rural household. In this paper an attempt has been made to analyse the investor's behaviour towards post office saving schemes. On the basis of responses of 140 respondents from three districts in Himachal Pradesh study observed that mostly salaried class of society is inclined towards post office schemes due to safe and secure return guaranteed by the government and tax incentives. Recurring Deposits, Post Office Saving Bank & Post Office Monthly Income Schemes are the main instruments for investment. Friends and relatives are the main source of information for investment. Declining interest rates, inadequate promotion, lack of value added facilities, poor hospitality, slow pace of automation etc. are the main the reasons for the decline in net collections of post office small saving scheme.

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### I. Introduction

SAVING IS AN essential aspect of human being that helps in accumulating funds for stress free life regarding financial health. Financial institutions like banks, insurance companies, mutual funds, post office savings banks, companies etc. provides different types of financial instruments to an individual to park his savings as per his requirements. Indian Post Office Savings Bank being the largest savings institutions in the country play a vital role in mobilising savings especially in the rural part of the country and offer numerous benefits to the investors.

In India, the institutional framework for saving was started in 1834 when the first saving bank was set up in Calcutta. But it takes momentum only after the enactment of the Government Saving Bank Act in 1873 and Post Office Saving Bank of India in 1882. In 1886 government merged the Government District Saving Banks with Post Office Saving Bank (POSB).

\* Assistant Professor, Central University of Himachal Pradesh, School of Business and Management Studies, The Department of Accounting and Finance, Shahpur, District Kangra, Himachal Pradesh 176206, INDIA

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