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Review Article

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Financial Performance of Indian Post Offices: A Case Study of North Western India

Rohit Kanda[1]*, Manisha Bansal Badal[2], Bhalla GS[2], Madhumita Das[2], Singh B[2] and Ranjit S[2]

[1]M3 Center, University of South Florida, Tampa Bay, Tampa FL, USA

[2]CPMG, Circle Office, Department of Posts, Ministry of Communication, Government of India

***Corresponding author**
Rohit Kanda, M3 Center, University of South Florida, Tampa Bay, Tampa FL, USA.

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Introduction

The PO in Spiti valley's Hikkim village, said to be highest within the world, is a bridge among realms. Selfies, Instagram posts and Facebook lives have robbed journey of postcards of the vicinity. India Post is one of the biggest postal networks globally, having 155618 POs in use, out of which 90% are in rural areas, having 566000 employees, serving 7176 humans in average, overlaying an area of 21.2 km^2 per PO.

The first PO in India was established by East India company in 1688 in Bombay, followed by Calcutta and Madras. Rowland Hill formulated proposals on reforming the postal gadget between 1835 and 1837. His pamphlet, "Post Office Reform: Its Importance and Practicability," is now considered as a milestone in the improvement of the current postal system. The present sort of Post Office came into being 1854 under the PO act of 1854.

IP is supplying many of its services to its citizens, including mailing (speed post, enterprise post, express parcel post, media post, E-post, and so forth), monetary offerings (PPF, PSB account, MIS, RD account, NSC, TD etc), PLI and retail (payments, phone bills, e-ticketing, sale of gold coins, sale of forms, passport utility etc).

Financial Inclusion

Out of the 93080 bank branches, 36.10% are in rural and 24.76% in semi-rural regions. However, out of 155618 POs, 90% are in rural regions. On an average, a PO serves an area of 21.23 km2. Indian POs offer a plethora of monetary services through its branches. It consists of various POSB schemes, PLI, MF schemes, money remittance, forex offerings etc. The DOP had the obligation to disburse the MGNREGA wages through PO by opening savings bank accounts in the names of beneficiaries.

The department is also contributing to the efforts of monetary inclusion by payment under numerous social protection pension schemes, viz. IGNOAPS, IGNDPS and IGMSY. Such payments are disbursed either via MOs or POSB accounts.

IP's financial inclusion plan aims to offer banking services to 73000 villages having a population of 2000 each. This could be successfully and appropriately done by POSBs running thru postal community and can assist in spreading the saving habit.

Review & Methods

"Earlier studies, if any, either have not addressed the dimensions being explored or were not the full-fledged studies." The scope is confined to the postal schemes.

Only three studies observed held in the regions of Assam, Mumbai and Rural Tamilnadu as a full-fledged research work. They assessed a single dimension in a small region.

From the assessment dialogue, it is evident that well lesser studies are held on the subject in Indian context and in addition, no observe has been refined till date on north-western India. Hence, the postal sector having unexplored is found as a gap, except the regions of Mumbai, Assam and Tamil Nādu. Consequently, it's quite exciting to suggest the solution for the postal device within the north-western Indian region itself.

Broad Objective

To assess the financial performance of India Post in north-western region of India. Studies have researched intellectual capital performance, board size, corporate social performance, banking sector, MFIs across globe and same can be tested as premise for present study. Studies in the aspect financial performance of saving schemes have researched financial performance, MF, life insurance, structure of savings, financial market development, savings behaviour, SME growth, informal financial markets, retirement. Studies on related aspects were on saving and retirement schemes of banks, MFIs across globe. They mostly researched FIs, banks, MFIs, state finances, SMEs. They looked on defined-benefit pensions, micro-credit, pension schemes, retirement schemes, socially responsible investments, financial education, and social capital.

Objective Methodology

To assess the financial performance of India Post in gone 5 years, w.r.t its competitors, for its different product lines

- Banking and financial products, performance comparison with banks: Indian public banks / Indian private banks /

foreign banks
- Insurance services, performance comparison with different insurance providers: Insurance providers
- Postal services, performance comparison with postal services providers: Courier service providers

Research Methodology

Data analysis was based on
- Secondary data on financials of India Post on its postal, banking and insurance segments (taken from IP annual reports).
- Secondary data on financials of courier, banking and insurance industries, as competitors (taken from Ace equity database).

Tools of data analysis included ratios, CAGR, correlations, regression, time series, trend etc. Studies were observed mostly have used regression, econometrics, panel, time series, cross-sections as relevant. Ratios were again observed used frequently for analysis. These tools were applied as applicable. Financial Inclusion from the secondary data perspective was looked.

Financial Performance Analysis

Ratio's CAGR

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Cap. Exp.											11.8	50.2	88.6	127	165.4	
5Y CAGR															2.8034	
															1.8034	
CF / Sales	-1.115	0.57	-0.44	-0.46	0.575	1.469	0.296	0.54	1.85	1.128	-5.81	0.91	0.98	0.39	0.49	
5Y CAGR					-0.103	0.5155	-0.135	-0.235	0.6435	0.1536	-3.926	0.3371	0.1061	0.0692	-0.017	
			decline	Bad	-1.103	-0.485	-1.135	-1.235	-0.357	-0.846	-4.926	-0.663	-0.894	-0.931	-1.017	
CF Gr.	-15.52	557.05	-5.8	-44.8	9.76	-271.4	-327.3	-73.33	-482.5	-135.6	-42.97	215.19	94.01	-41.44		
5Y CAGR					-0.126	-0.098	11.286	0.3274	-9.887	0.0999	0.0263	-0.587	-0.039	0.0611		
				Good	-1.126	-1.098	10.286	-0.673	-10.89	-0.901	-0.974	-1.587	-1.039	-0.939		
CFM/ Lev										-0.405	-0.028	0.452	0.304	0.562	0.567	0
5Y CAGR														-0.278	-4.05	

				Worst										-1.278	-5.05	
CF Marg	-1.179	2.523	-0.54	-0.55	0.941	0.385	-1.461	0.43	0.581	-0.31	-0.21	3.61	1.38	2.57	3.86	
5Y CAGR					-0.161	0.0305	0.5411	-0.157	0.1235	-0.1611	0.0288	1.6791	0.4751	-1.658	-3.676	
				Worst	-1.161	-0.971	-0.459	-1.157	-0.877	-1.1611	-0.971	-0.6791	-0.525	-2.658	-4.676	
Leverage	0	0	0	0	0	0	0	0	0	0.77	7.46	7.98	4.56	4.58	6.82	7.17
5Y CAGR														1.1896	0.1828	0.1797
				Worst										0.1896	-0.817	-0.821
CF / Rev.	0.18	0.25	0.04	0.05	0.11	0.11	-0.073	0.04	0.198	-0.059	0.166	0.35	0.16	0.119	0.308	
5Y CAGR					0.1222	0.088	-0.365	0.16	0.36	-0.107	-0.455	1.75	0.1616	-0.404	0.3711	
			cash decline	Bad	-0.878	-0.912	-1.365	-0.84	-0.64	-1.107	-1.455	0.75	-0.839	-1.404	-0.629	
CFOA /Br.	-0.101	0.32	-0.06	-0.08	0.14	0.05	-0.18	0.06	0.08	-0.04	-0.03	0.45	0.18	0.3	0.46	

5Y CAGR					-0.277	0.0313	0.6	-0.15	0.1143	-0.16	0.0333	1.5	0.45	-1.5	-3.067	
				Worst	-1.277	-0.969	-0.4	-1.15	-0.886	-1.16	-0.967	0.5	-0.55	-2.5	-4.067	
Cash Rat	0.19	0.07	0.13	0.05	0.04	0.07	0.02	0.11	0.21	0.06	0.21	0.22	0.18	0.11	0.08	0.2
5Y CAGR					0.0421	0.2	0.0308	0.44	1.05	0.1714	2.1	0.4	0.1714	0.3667	0.0762	0.1818
				Bad	-0.958	-0.8	-0.969	-0.56	0.05	-0.829	1.1	-0.6	-0.829	-0.633	-0.924	-0.818
Cur. Ratio	0.44	0.05	0.13	0.46	0.6	0.69	0.55	0.19	0.07	0.17	0.05	0.14	0.07	0.54	0.49	0.68
5Y CAGR					0.2727	2.76	0.8462	0.0826	0.0233	0.0493	0.0182	0.1474	0.2	0.6353	1.96	0.9714
				Good	-0.727	1.76	-0.154	-0.918	-0.977	-0.951	-0.982	-0.853	-0.8	-0.365	0.96	-0.029
Depreciation	27194	24785	21876	18552	16640	14829	13095	11429	9921.7	8765.3	6564.8	5357.5	4423.9	3371.7	2531.4	1906.9
5Y CAGR					0.1224	0.1197	0.1197	0.1232	0.1193	0.1182	0.1003	0.0938	0.0892	0.0769	0.0771	0.0712
				Good	-0.878	-0.881	-0.881	-0.877	-0.881	-0.882	-0.901	-0.906	-0.911	-0.923	-0.923	-0.929
Debt Rat	0.002	0.008	0.002	0.0005	0.0002	0.001	0.0003	0.0008	0	0.009	0.026	0.024	0.022	0.012	0.004	0.011
5Y CAGR					0.02	0.025	0.03	0.32	0	1.8	17.333	6	0	0.2667	0.0308	0.0917

				Good	-0.98	-0.975	-0.97	-0.68	-1	0.8	16.333	5	-1	-0.733	-0.969	-0.908
GWC / TA	0.12	0.76	0.14	0.05	0.03	0.05	0.03	0.07	0.12	0.06	0.13	0.12	0.12	0.06	0.04	0.14
5Y CAGR					0.05	0.0132	0.0429	0.28	0.8	0.24	0.8667	0.3429	0.2	0.2	0.0615	0.2333
			- CA	Good	-0.95	-0.987	-0.957	-0.72	-0.2	-0.76	-0.133	-0.657	-0.8	-0.8	-0.939	-0.767
NWC / TA	-0.01	-0.08	-0.024	-0.009	-0.024	-0.042	-0.014	-0.049	-0.075	-0.016	-0.13	-0.13	-0.093	-0.05	-0.04	-0.08
5Y CAGR					0.48	0.105	0.1167	1.0889	0.625	0.0762	1.8571	0.5306	0.248	0.625	0.0615	0.1231
				Good	-0.52	-0.895	-0.883	0.0889	-0.375	-0.924	0.8572	-0.469	-0.752	-0.375	-0.939	-0.877
Leverage	0	0	0	0	0	0	0	0	0	0.77	7.46	7.98	4.56	4.57	6.82	7.17
Borr. Debt														1.1871	0.1829	0.1797
5Y CAGR				Good										0.1871	-0.817	-0.821
PBT	64575	59497	65413	60524	60153	50276	44161	33753	27574	22003	18156	14877	10433	7867.7	4857.7	4940
5Y CAGR					0.1863	0.1691	0.1351	0.1115	0.0917	0.0875	0.0822	0.0882	0.0757	0.0715	0.0535	0.0664
				Worst	-0.814	-0.831	-0.865	-0.889	-0.908	-0.913	-0.918	-0.912	-0.924	-0.929	-0.947	-0.934

PAT	43927	41811	45101	42021	40866	34287	30819	23597	19139	14866	12233	10635	7703.3	5779.2	3628.1	3819.8
5Y CAGR					0.1861	0.1641	0.1367	0.1123	0.0937	0.0867	0.0794	0.0901	0.0805	0.0778	0.0593	0.0718
				Worst	-0.814	-0.836	-0.863	-0.888	-0.906	-0.913	-0.921	-0.911	-0.921	-0.922	-0.941	-0.928
Deficit	136465	119700	60072	62586	54731	54259	58059	58059	63456							
5Y CAGR					0.0802	0.0907	0.1933	0.1855	0.2319							
				Bad	-0.921	-0.909	-0.807	-0.815	-0.768							
Gen. Exp.	279190	242119	196547	185566	167967	154812	141639	141639	137937							
5Y CAGR					0.1203	0.1279	0.1441	0.1527	0.1642							
				Bad	-0.881	-0.872	-0.856	-0.847	-0.836							
Tot. Rev.	137937	141639	141639	154812	167967	185566	196547	242119	279190							
5Y CAGR					0.2435	0.2621	0.2775	0.3128	0.3324							
				Good	-0.757	-0.738	-0.723	-0.687	-0.668							
OCF /Ass	-0.02	0.23	-0.01	-0.004	0.006	0.004	-0.005	0.005	0.01	-0.002	-0.003	0.046	0.02	0.02	0.02	

Other CFs					-0.06	0.0035	0.1	-0.25	0.3333	-0.1	0.12	1.84	0.4	-2	-1.333	
5Y CAGR				Bad	-1.06	-0.997	-0.9	-1.25	-0.667	-1.1	-0.88	0.84	-0.6	-3	-2.333	
OE /Asset	0.017	0.1	0.02	0.007	0.005	0.009	0.003	0.01	0.02	0.007	0.02	0.02	0.02	0.01	0.007	0.026
Other exp.					0.0588	0.018	0.03	0.2857	0.8	0.1556	1.3333	0.4	0.2	0.2857	0.07	0.26
5Y CAGR				Good	-0.941	-0.982	-0.97	-0.714	-0.2	-0.844	0.3333	-0.6	-0.8	-0.714	-0.93	-0.74
PAT	43927	41811	45101	42021	40866	34287	30819	23597	19139	14866	12233	10635	7703.3	5779.2	3628.1	3819.8
5Y CAGR					0.1861	0.1641	0.1367	0.1123	0.0937	0.0867	0.0794	0.0901	0.0805	0.0778	0.0593	0.0718
				Worst	-0.814	-0.836	-0.863	-0.888	-0.906	-0.913	-0.921	-0.911	-0.921	-0.922	-0.941	-0.928
PBT	64574.51	59496.79	65412.47	60524.15	60153.11	50275.63	44161.33	33753.27	27573.47	22002.84	18155.79	14876.99	10432.52	7867.65	4857.71	4940
5Y CAGR					0.186306	0.169003	0.135024	0.111537	0.091678	0.087529	0.082225	0.088151	0.075671	0.071515	0.053511	0.066411
				Bad	-0.81369	-0.831	-0.86498	-0.88846	-0.90832	-0.91247	-0.91778	-0.91185	-0.92433	-0.92849	-0.94649	-0.93359
Profit /assets	0.04	0.2	0.04	0.015	0.01	0.019	0.006	0.018	0.029	0.008	0.021	0.02	0.019	0.01	0.006	0.02
5Y CAGR					0.05	0.019	0.03	0.24	0.58	0.084211	0.7	0.222222	0.131034	0.25	0.057143	0.2

				Good	-0.95	-0.981	-0.97	-0.76	-0.42	-0.91579	-0.3	-0.77778	-0.86897	-0.75	-0.94286	-0.8
PBT Growth	5.06	-7.3	7.33	2.83	19.19	11.25	30.6	23.29	28.75	21.52	15.03	38.06	33.29	59.29	-5.02	36.99
5Y CAGR					0.758498	-0.30822	0.834925	1.645936	0.299635	0.382578	0.098235	0.326836	0.231583	0.551022	-0.0668	0.194377
				Worst	-0.2415	-1.30822	-0.16508	0.645936	-0.70036	-0.61742	-0.90176	-0.67316	-0.76842	-0.44898	-1.0668	-0.80562
PAT Growth	7.86	-9.94	7.47	0.61	16.42	12.16	23.57	18.31	20.2	17.49	18.06	29.87	24.59	38.26	-1.69	37.41
5Y CAGR					0.417812	-0.24467	0.631058	6.003279	0.246041	0.287664	0.153246	0.32627	0.243465	0.437507	-0.01872	0.250485
				Worst	-0.58219	-1.24467	-0.36894	5.003279	-0.75396	-0.71234	-0.84675	-0.67373	-0.75653	-0.56249	-1.01872	-0.74951
TP Growth	0.115	0.134	0.15	0.22	0.25	0.25	0.35	0.3	0.34	0.27	0.3	0.42	0.53	0.55	0.008	0.38
5Y CAGR					0.434783	0.373134	0.466667	0.272727	0.272	0.216	0.171429	0.28	0.311765	0.407407	0.005333	0.180952
				Worst	-0.56522	-0.62687	-0.53333	-0.72727	-0.728	-0.784	-0.82857	-0.72	-0.68824	-0.59259	-0.99467	-0.81905

Interpretation

CF / sales had indicated the actual cash declining, that was a bad sign to observe. CF growth was observing a good trend. CF margin / leverage was observing the worst trend. CF margin was also on worst prospect. Leverage was in worst trend. CF / Revenue was indicating on actual cash declining, that was a bad sign to observe. CFOA/borrowing was on the worst trench. Cash ratio indicate a bad sign. Current ratio was following good norms. Depreciation was observing itself staying in good limits. Debt ratio was in good limits. GWC / TA indicates lesser current investment, that was a good sign to observe. NWC / TA observe a good trend. Borrowed debt was observing a good trench. PBT was in its worst limits. PAT was on its worst trench. Deficit was observed on bad limits. General expenses were on bad trench providing the reason for deficit. Total revenue was indicating a good scenario. Other cash flow had a bad trend to exhibit. Other expenses were observed in good limits. PAT was in its worst strands. PBT was in the bad wretches. Profit / assets was observing its good times. PBT growth was in the worst trench. PAT growth was in worst again. TP Growth was also in worst.

India Post Time Series Regression
We used time series analysis for looking over various relationships as given by the literature and subject understanding. We looked on various assumptions, such as stationarity and autocorrelation before testing. We further tested the normality of residuals, collinearity, ARCH, and common factor, as applicable.

RPLI Performance
KPSS test for Policiesprocured
T = 7
Lag truncation parameter = 2
Test statistic = 0.316279
10% 5% 1%
Critical values: 0.376 0.464 0.602
P-value > .10
Interpretation: Series was observed stationary.
KPSS test for SumAssuredmillion
T = 7
Lag truncation parameter = 2
Test statistic = 0.156036
10% 5% 1%
Critical values: 0.376 0.464 0.602
P-value > .10
Interpretation: Series was observed stationary.
KPSS test for AggregateNoofActivePolicie
T = 7
Lag truncation parameter = 2
Test statistic = 0.184719
10% 5% 1%
Critical values: 0.376 0.464 0.602
P-value > .10
Interpretation: Series was observed stationary.
KPSS test for AggregateSumAssuredmillion
T = 7
Lag truncation parameter = 2
Test statistic = 0.294691
10% 5% 1%
Critical values: 0.376 0.464 0.602
P-value > .10
Interpretation: Series was observed stationary.

Model 1: Cochrane-Orcutt, using observations 2014-2019 (T = 6)
Dependent variable: AggregateSumAssuredmillion rho = 0.61705

	coefficient	std. error	t-ratio	p-value
Const	759533	110132	6.897	0.0062 ***
Policies procured	−0.915623	0.194854	−4.699	0.0182 **
Aggregate NoofAct~	−0.00615068	0.00716973	−0.8579	0.4540

Statistics based on the rho-differenced data

Mean dependent var	628002.2	S.D. dependent var	298331.0
Sum squared resid	2.25e+10	S.E. of regression	86576.23
R-squared	0.950338	Adjusted R-squared	0.917230
F (2, 3)	17.63046	P-value(F)	0.021956
Rho	−0.236378	Durbin-Watson	2.257178

Interpretation: In RPLI performance, looking on the effect of policies procured and aggregate number of active policies on aggregate sum assured, we found that policies procured had a strong negative effect relationship, i.e., coefficient value of −0.915623, on the aggregate sum assured. Whereas, aggregate number of active policies had a small fraction of negative effect, i.e., <0.01 % on the aggregate sum assured.

Durbin-Watson (2.257178) was around 2, that validates the results citing a negligible autocorrelation. R-squared was observed at 0.950338 and adjusted R-squared was observed at 0.917230 respectively. F (2, 3) value was observed at 17.63046, with P-value (F) of 0.021956.

Having the Cochrane-Orcutt model applied, we further looked upon the normality of residuals, collinearity, ARCH, and common factor, as follows.

Having insufficient data to build frequency distribution for variable uhat1, normality of residuals cannot be checked.

Variance Inflation Factors
Minimum possible value = 1.0
Values > 10.0 may indicate a collinearity problem
Policiesprocured 2.253
AggregateNoofActivePolicie 2.253
VIF(j) = 1/ (1 - R(j)^2), where R(j) is the multiple correlation coefficient
between variable j and the other independent variables
Belsley-Kuh-Welsch collinearity diagnostics:
--- variance proportions ---
lambda cond const Policies~ Aggregat~
2.045 1.000 0.102 0.101 0.099
0.577 1.883 0.775 0.360 0.026
0.378 2.325 0.123 0.540 0.875
lambda = eigenvalues of X'X, largest to smallest
cond = condition index
note: variance proportions columns sum to 1.0
Interpretation: VIF (Variance Inflation Factor) value more than 5/10 indicates multi collinearity. Values were observed less than limit, having VIF value below 5, citing no multi collinearity for the variables.

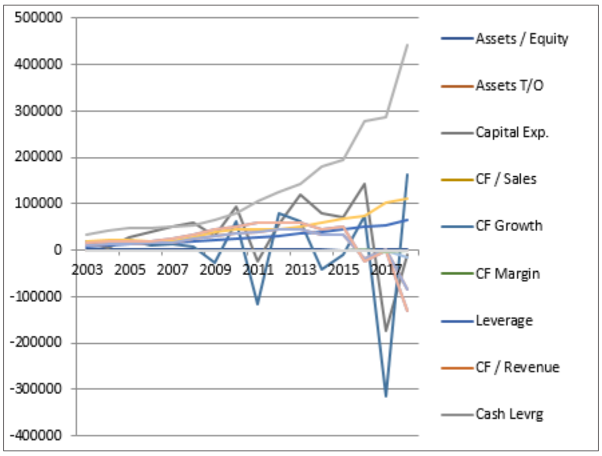
Test for ARCH of order 1
coefficient std. error t-ratio p-value
----
alpha (0) 5.43137e+09 3.30309e+09 1.644 0.1987
alpha (1) −0.286343 0.533294 −0.5369 0.6286
Null hypothesis: no ARCH effect is present
Test statistic: LM = 0.438369
with p-value = P (Chi-square (1) > 0.438369) = 0.507911
Interpretation: Observing the ARCH results, having the Test statistic, LM = 0.438369 with p-value, P (Chi-square (1) > 0.438369) = 0.507911, we can comment that the null hypothesis is accepted, i.e., no ARCH effect is present.

Augmented regression for common factor test
OLS, using observations 2014-2019 (T = 6)
Dependent variable: AggregateSumAssuredmillion
coefficient std. error t-ratio p-value
----
const 629936 0.00000 NA NA
Policiesprocured −1.15507 0.00000 NA NA
AggregateNoofAct~ −0.0118346 0.00000 NA NA

AggregateSumA_1 0.375443 0.00000 NA NA
Policiesprocu_1 0.776967 0.00000 NA NA
AggregateNoof_1 −0.0138635 0.00000 NA NA
Sum of squared residuals = 9.21533e-017
Test of common factor restriction
Test statistic: F (2, 0) = 0, with p-value = 1.79769e+308

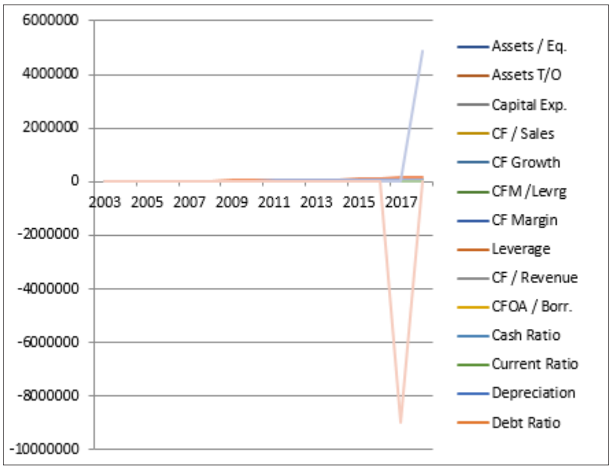
Interpretation: The null hypothesis is an assumption of a normally distributed residuals, against the alternate hypothesis non-normal residual. Observing the common factor restriction test results, having the Test statistic: F (1, 2) = 0, with p-value = 1.79769e+308, we can comment that the null hypothesis is accepted, i.e., the residuals are normally distributed.

Industry Wise Ratio Analysis
Bank Public



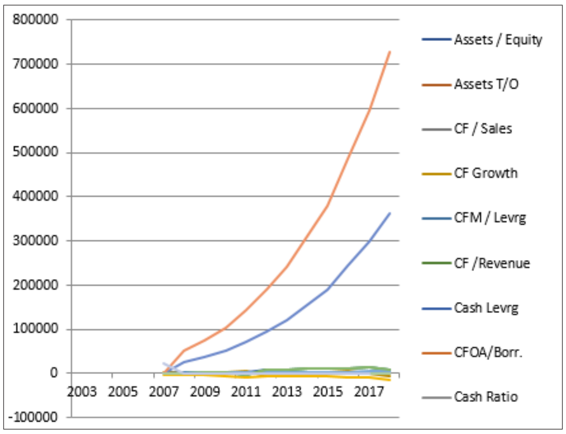
Interpretation: Non-interest expense thoroughly observed increasing. Large fluctuations were observed in capital expenses and CF growth all through. Non-interest income does have observed increasing at all the times. Depreciation too observed similar trend. PBT and PAT observed a big raise to negative figures from positive, then followed by slight increase.

Bank Private



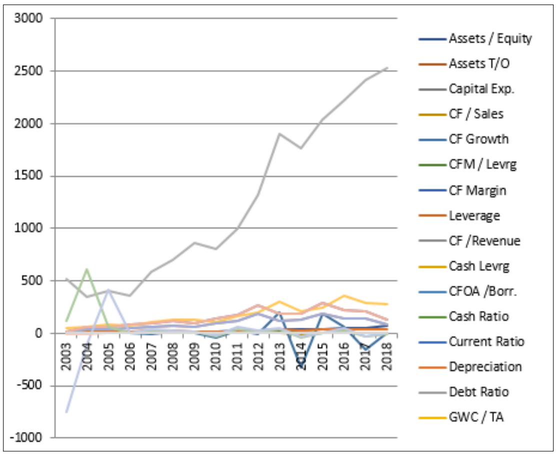
Interpretation: ROE observed a nil figure mostly. From nil, negative had been observed a thorough trend for net assets. The observation presents a mixed trend to report on.

Insurance



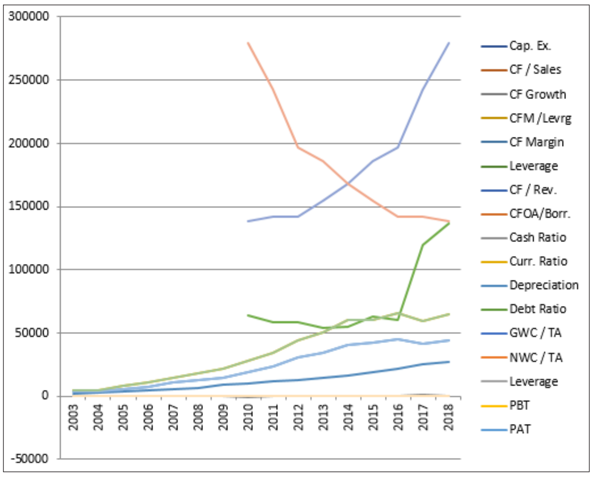
Interpretation: Non-interest income observed a good much increase, alike some of the earlier discussed industries. Non-interest expense also observed a considerable increase, as alike for earlier discussed industries. PBT, PAT, net assets, ROE and net profit all observed a regular horizontal trend at point zero or along. All of above indicate no concern to be raised on industry.

Courier



Interpretation: Non-interest expense had all time observed increase. Non-interest income observed a fluctuating figure. Same could be spoken of PBT, PAT, net assets, and CF growth. It was a sign of concern for industry at large.

India Post



Interpretation: Total revenue was steadily observed decreasing from inception. General expenses were thoroughly observed increasing. Deficit was thoroughly observed increasing, with some stability in the earlier years. On a whole this was a sign of concern, given the other indicators. PBT, PAT and depreciation were all observed in increasing phase.

Conclusion

Under Financial Performance, positivity had been observed in number of saving accounts. Decline in RD accounts depict that people are diverting towards other saving avenues, given the declining interest rates and long gestation period, in case of RD, TD, MIS, NSS and PPF accounts. MGNREGA, MSY accounts and total count depict a picture of concern, requisitioning a necessary policy action to reform respective schemes. Past three fiscals, the revenue deficit of IP has ballooned nearly 150 per cent to INR 15000 crore in FY19, being POs in a bad shape and losing ground to the private ventures. Salaries kept climbing, while revenue has gone down of cheaper substitution [1].

The factors that induced to put money into postal schemes were the lesser investment and excess interest than banks. KVP stood first because the investment doubles and offers excessive return. MIS is the satisfactory scheme because it furnished month-to-month interest and 10 percentage bonuses for the initial investment made and income tax rebate. Government should create greater cognizance among the rural and concrete human beings about the saving schemes and the benefits availed thru it because it has no longer reached them properly. The interest must be extended as for RD schemes there was a gradual reduction [2].

Recommendations

The financial performance of the department was observed in declining phase in different segments and as a whole. Immediate concern is required in case of RD, TD, MIS accounts. There was a slight concerning situation for NSS and PPF accounts. MGNREGA, MSY Accounts and Total count had a negative CAGR with concern required. For NSS (87 / 92), PPF and NSC VIII, concern was again needed as a matter of fact. FD, MSY and KVP observe a slight concern situation. In life insurance performance, slight concern was observed being required in aggregate active policies and aggregate sum assured in PLI, and in case of aggregate sum assured for RPLI. For amount paid, both were observing a concern needed situation, hence same need to be tackled with. Overlooking the revenue and expenditure sheets, stamps segment along with postage, commission, remuneration, others and total revenue were all observing a bad scenario, along with a worst going CAGR. In expenditure, general administrative and operational expenses had a bad scenario on hand with a negative declining CAGR. Agency costs had a good prospect with a negative but increasing CAGR. General expenses, recovery, net expenditure and deficit, all had observed with a bad scenario and prospect as per CAGR trend. Coal mines, EPF/family pension and miscellaneous services had observed a slight concern mark. Railway pension and PLI had also observed a slender concern mark. Customs duty had observed a bad concern mark. In total, it all had observed a slight concern mark. Supplementary grant / re-appropriation for Budget estimate of working expenses was observed dangerously requiring concern. Postcard segment was observing somehow worry some situation, with a declining negative CAGR. Printed postcard observed alike situation. Competition postcard had noted a bad situation. Lettercard (inland) had observed having an all worry some situation. Letter segment had observed a fine situation. Registered newspaper - single had a worry some scenario. Registered newspaper - bundle had a worry some although improving, but very small growth scenario. Book - pattern and sample, Book - printed, Book - periodicals, Acknowledgement, Parcel, Registration, Speed post, VPP had a worry some situation. Insurance segment needs a slight concern, having observed low but improving CAGR. Money orders had observed a bad schedule to see. IPO was following in the line. MGNREGS accounts and amount had bad and worst scenarios respectively. It is recommended that the department should take necessary initiatives in this regard to ensure sustainable existence of its different segments as well as department. In addition, the segments or product observing high loss or decline from a long while, having no improvement irrespective of all initiatives, are advised to be wiped out or divested from the enterprise.

Limitations

Although various studies have explored the impact bancassurance will have on customer experience and banks' profitability, very few have explored how the model has impacted the insurance sector's performance and expansion. This points to an area of research that needs to be surveyed in greater detail before suggesting it for in application with for a diversified organisation such as India Post.

Suggestions

The India post is one of the most trusted government organizations from last 150 years. It is facing the acute competition from other competitors. To become the leader in the mailing and financial services the department of post need to adopt certain important changes in its services and technology. The ease and convenience of the customer with timeliness in service delivery must be the utmost priority. India post has a brand image but to make their services indispensable the service quality and other dimensions of satisfaction need to be focused. India post has to concentrate on balanced growth in all its services for retaining the existing customers and attracting new one. EMS can be despatched from a PO counter or gathered from a customer's premises. The concept is somewhere alike home banking. It is not much successful in India, given many hindrances. It may go successful in Metropolitan regions. Retailers' services alike bank branch correspondents can also work in rural setup.

Insights

With reference to suggesting a bancassurance model to India Post, there are a few empirical underpinnings in this regard. Despite the theoretical reasons pertaining to effectiveness of the bancassurance model for India, experts still doubt how beneficial bancassurance has actually proven for India. There are some demerits to the model as well, including the possibilities of data insecurity of an individual customer, conflicts of interests between the bank and insurance company, etc. Some studies have attempted to analyse the effectiveness of bancassurance in India both qualitatively and quantitatively.

Implications

The study will be useful for the department of posts to analyse about different aspects of India Post, especially the financial performance. The study is useful to assess on the financial performance of India Post in the stated region. As per the postal statistics of India, regional 2011, Jammu and Kashmir, Chhattisgarh and Assam had the lowest outstanding balance of saving schemes, indicating least coverage by financial inclusion and lesser savings with people. Whereas, Maharashtra, Gujarat, UP and West Bengal had the highest figures. North-western India was taken in consideration, since it is a territory, standing on the mid path in terms of regional development. The region is a mix in developed and gives a thorough imaginary of the wholesome scenario of developed and underdeveloped economies as a whole.

Business Implication

The insights from different segment of India Post regarding its financial performance are quite helpful to strategize it financial resources to maximize its business.

References

1. Kumar MR (2019) Transformation of Indian Bank into a Profit-Making, Customer Focused Business. India Post Mission 2020.
2. Hari Sundar G, Jacob P (2009) Post Office Savings and its Relevance in Rural Areas - A Study on the Impetus for Rural Investment with Reference to Kumbalangi in Cochin. Vidwat. The Indian Journal of Management 2: 26-34.