

**ATTITUDE OF PEOPLE TOWARDS INDIA POST  
SAVINGS BANK ACCOUNT**

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**ABSTRACT**

SBI, which accounts for more than a fifth of India's banking assets, charges a penalty up to Rs 100 (excluding GST of 18 per cent) per month for not maintaining the prescribed monthly average balance in savings bank accounts. Banks can levy charges for non-maintenance of minimum balance in normal savings accounts, as per Reserve Bank of India rules. Customers holding savings bank accounts in SBI's metro, urban, semi-urban and rural branches need to pay different penalty amounts for failing to comply with MAB or monthly average balance rules, according to SBI website. Meanwhile, for savings accounts with average balance of more than Rs 2,500, SBI will charge a penalty of Rs. 50, plus taxes. In metros, State Bank of India allows eight free ATM transactions (5 at SBI ATMs and 3 at ATMs of other banks), and 10 in non-metros (5 at **SBI ATMs** and 5 at ATMs of other banks). If you exceed the permissible limit on ATM withdrawal, a charge of Rs 20 plus taxes will be levied for each additional withdrawal. The Post Office savings bank is the oldest and by far the largest banking system in the country, serving the investment need of both urban and rural clientele. . There are lots of facilities available in the postal savings bank account. In this context, it is felt necessary to know the attitude of people towards India Post Savings Bank Account.

**KEYWORDS: SBI, Monthly Minimum Balance, Penalty, India Post Savings Bank Account.**

**1. INTRODUCTION**

SBI, which accounts for more than a fifth of India's banking assets, charges a penalty up to Rs 100 (excluding GST of 18 per cent) per month for not maintaining the prescribed monthly average balance in savings bank accounts. Banks can levy charges for non-maintenance of minimum balance in normal savings accounts, as per Reserve Bank of India rules. Customers holding savings bank accounts in SBI's metro, urban, semi-urban and rural branches need to pay different penalty amounts for failing to comply with MAB or monthly average balance rules, according to SBI

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The Post Office savings bank is the oldest and by far the largest banking system in the country, serving the investment need of both urban and rural clientele. These services are offered as an agency service for the Ministry of Finance, Government of India. Several products on offer serve various investment requirements of the customers. There are lots of facilities available in the postal savings bank account. At least one transaction of deposit or withdrawal in three financial years is necessary to keep the office account active in case of postal savings bank account. The customers can deposit or withdraw cash from any post in India. Minimum balance to be maintained in a non-Cheque facility account is Rs.50/- Account can be transferred from one post office to another. Customers can use the ATM provided by the Post office at any bank counter without any charges. They can withdraw Rs.25, 000 per day. An interest rate of 4% p.a. is available to account holders on the basis of the account balances. Thus, compared to SBI savings account, people get sufficient benefits from postal savings bank account. In this context, it is felt necessary to know the attitude of people towards India Post Savings Bank Account.

## **2. Objective**

To know the attitude of people towards India Post Savings Bank.

## **3. Research Methodology**

The primary data for the study is collected from 100 customers in the Palakkad district using convenient sampling methods. Tool used for the study is percentage. The secondary sources are various, government publications & reports, newspapers and various websites. books, journals.

## **4. Discussions**

### **(i) Features of India Post Savings Bank Account**

- Account can be opened by cash only
- Minimum balance to be maintained in a non-Cheque facility account is INR 50/-
- Cheque facility available if an account is opened with INR 500/- and for this purpose minimum balance of INR 500/- in an account is to be maintained
- Cheque facility can be taken in an existing account also
- Interest earned is Tax Free up to INR 10,000/- per year from financial year 2012-13
- Nomination facility is available at the time of opening and also after opening of account
- Account can be transferred from one post office to another
- One account can be opened in one post office

- Account can be opened in the name of minor and a minor of 10 years and above age can open and operate the account
- Joint account can be opened by two or three adults
- At least one transaction of deposit or withdrawal in three financial years is necessary to keep the account active
- Single account can be converted into Joint and Vice Versa
- Minor after attaining majority has to apply for conversion of the account in his name
- Deposits and withdrawals can be done through any electronic mode in CBS Post offices.
- Inter Post office transactions can be done between CBS post offices
- ATM/Debit Cards can be issued to Savings Account holders (having prescribed minimum balance on the day of issue of card) of CBS Post offices.
- One can withdraw Rs.25, 000 per day without any penalty.
- One can use ATM without any restrictions. There are no charges on ATM use.

**(a) Classification of Customers according to Gender**

**Table 1. Gender wise Classification of Respondents**

Gender	No. of Respondents	%
Male	60	60
Female	40	40
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

From the table it is clear that, majority of the respondents are male (60%)

**(b) People awareness on penalty and services taxes levied by SBI**

**Table 2**

Awareness Level	No. of Respondents	%
Fully Aware	25	25
Aware	30	30
Partially Aware	28	28
Somewhat aware	17	17
Not at all Aware	0	0
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

From the table, it is clear that majority of the people are properly aware about penalty and service taxes levied by SBI.

**( c ) People awareness on India Post Savings Bank Account****Table 3**

Awareness Level	No. of Respondents	%
Fully Aware	65	65
Aware	30	30
Partially Aware	5	5
Somewhat aware	0	0
Not at all Aware	0	0
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

From the table, it is clear that majority of the people are properly aware about India Post Savings Scheme.

**(d) Preference to Switching towards India Post Savings Bank Account****Table 4**

Preference Level	No. of Respondents	%
Fully Prefer	70	70
Prefer	25	25
Partially prefer	5	5
Somewhat Prefer	0	0
Not at all Prefer	0	0
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

From the table, it is clear that majority of the people prefer India Post Savings Scheme.

**( e ) Reasons for preferring India Post Savings Bank Account**

**5- Highly preferred, 4- preferred, 3-Partially Prefer, 2- somewhat preferred and 1- not at all prefer**

**Table 5**

No	Reason	5	4	3	2	1
1	Ease of use	76 (76%)	24 (24%)	0	0	0
2	Nomination facility	30 (30%)	44 (44%)	20 (20%)	4 (4%)	2 (2%)
3	Minimum balance to be maintained	58 (58%)	26 (26%)	16 (16%)	0	0
4	No transaction costs and service charges	76 (76%)	24 (24%)	0	0	0
5	One can use ATM without any restrictions	58 (58%)	26 (26%)	16 (16%)	0	0
6	can withdraw Rs.25, 000 per day without any penalty	30 (30%)	44 (44%)	20 (20%)	4 (4%)	2 (2%)
7	Account can be transferred from one post office to another	76 (76%)	24 (24%)	0	0	0
8	Joint account can be opened	30 (30%)	44 (44%)	20 (20%)	4 (4%)	2 (2%)
9	4% interest p.a. to available balance	28 (28%)	46 (46%)	20 (20%)	4 (4%)	2 (2%)
10	Interest earned is Tax Free up to INR 10,000/- per year	58 (58%)	26 (26%)	16 (16%)	0	0

Source: Primary Data

From the table, it is clear that majority of the people prefer India Post Savings Bank Account Scheme mainly because of no transaction cost and service charges, ease of use and account can be transferred from one post office to another.

#### (f) Recommend to others

**Table 6**

Recommend	No. of Respondents	%
Yes	98	98
No	2	2
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

From the table, it is clear that majority of the people will recommend the scheme to their friends and relatives.

## **5. Suggestions**

- i. Proper awareness about the scheme must be given to people
- ii. Now, the ATM facilities are available only to the main branches of Post Offices. It should be extended to sub Post offices.
- iii. The role of banking industry in the context of cashless economy is very important. So banks must be customer friendly.
- iv. India Post can introduce more and more custom tailored financial services for attracting more customers.

## **6. Conclusion**

In the present situation, the savings bank account scheme of India Post is a boon to people as they are badly treated by the leading nationalised banks. The introduction of innovative financial services by India Post will help to increase saving habits of the people and which will lead to economic growth.

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