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An Empirical Analysis of India Post Financial Services: Trends in Savings and Life Insurance Schemes

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Abstract
India Post has an extensive public-service network and provides savings, insurance and other financial services, particularly to rural and geographically dispersed populations. This study examines the performance of selected Post Office Savings Bank schemes and Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI) using secondary data reported by the Department of Posts and related official sources. Trend percentage analysis is applied to account numbers, outstanding balances, insurance policies and sum assured for 2021–22 to 2025–26.
The results indicate that outstanding balances increased across all selected savings schemes, although account numbers declined for Savings Account and Monthly Income Scheme. In contrast, Public Provident Fund, Senior Citizens Savings Scheme and SSY Account recorded sustained growth in account numbers. Sukanya Samriddhi Account showed the strongest increase in outstanding balance, while SCSS also recorded substantial growth. PLI and RPLI policy numbers generally recovered after the 2021–22 decline, and sum assured increased continuously. The latest procurement figures reported in the source material show strong growth in new PLI/RPLI business and premium collection. The study concludes that India Post continues to have substantial potential to support financial inclusion through its rural network, government backed savings products, insurance services and digital integration.

Keywords: India Post, Financial Services, Saving Schemes, PLI, RPLI, Trend Analysis.

1. Introduction

India Post is one of the oldest and most extensive public service institutions in India. The Department of Posts has evolved from a traditional postal organization into a diversified service network providing postal, financial, insurance, banking and citizen-centric services. As on 31 March 2025, the Department of Posts had 1,64,999 post offices, of which 1,49,385 were located in rural areas, demonstrating substantial last-mile reach [5].

Financial services constitute an important component of India Post's activities. The Department of Posts operates Post Office Savings Bank schemes on behalf of the Ministry of Finance, Government of India. Major schemes include Savings Account, Recurring Deposit, Time Deposit, Monthly Income Scheme, Public Provident Fund, Senior Citizens Savings Scheme and Sukanya Samriddhi Account. The Department also provides Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI) [5, 8].

The financial services offered through the postal network are important to financial inclusion because of the organization's extensive rural presence. India Post has traditionally provided an accessible savings channel for households with limited access to conventional banking facilities. Government-backed savings products, insurance services and digital financial facilities strengthen its role within the formal financial system [2,4].

Technological developments have also changed the delivery of postal financial services. Core Banking Solution, internet banking, mobile banking, Aadhaar-based e-KYC and integration with India Post Payments Bank (IPPB) have enhanced accessibility and convenience. The Department of Posts Annual Report 2024–25 also records 3.533 crore Sukanya Samriddhi Accounts as on 31 March 2025 [5].

Against this background, the present study examines selected financial-service indicators through trend analysis and interprets account and balance movements jointly.

2. Statement of the Problem

India Post offers a wide range of financial products designed to mobilize savings and provide insurance protection to different sections of society. The government-backed nature of postal savings schemes, stable returns and extensive physical network have traditionally supported their attractiveness. However, the financial-services environment has changed with the expansion of commercial banks, private financial institutions and digital banking platforms [1, 3].

The number of accounts and outstanding balances of different postal savings schemes have not followed identical patterns. Some schemes have experienced declining account numbers, whereas others have recorded substantial growth. Postal insurance has similarly experienced fluctuations in policy counts alongside increases in the value of insurance coverage.

Account counts alone cannot establish whether customers are genuinely leaving the postal system because closures may include dormant, duplicate or consolidated accounts. Therefore, account numbers need to be interpreted together with outstanding balances and insurance coverage. This study addresses this issue by analysing selected savings and insurance indicators using the latest data contained in the study dataset.

3. Review of Literature

Raghunath and Shanthana (2020) examined financial services provided by the Indian Post Office and emphasized the importance of customer awareness and promotion of postal financial products [11].

Kore and Teli (2015) examined investor preferences towards postal savings schemes and other investment avenues and highlighted safety as an important investment consideration [9].

Joshi (2020) studied customer preferences towards India Post Payments Bank and highlighted service accessibility and customer acceptance as important factors in the development of postal banking [8].

Agarwal (2023) analysed the financial performance of India Post with special reference to IPPB and discussed the movement toward technology-enabled financial services [1].

Sakthivel and Dhivyajothi (2024) evaluated nine major Post Office Savings Schemes using secondary data for the period 2017–18 to 2021–22. Compound Growth Rate was employed to assess the performance of the schemes. The study concluded that all the schemes considered exhibited a positive trend during the study period. [12]

Taken together, the reviewed studies emphasize product-level factors such as safety and returns and delivery-level factors such as awareness, accessibility and digital services. The present study extends this literature by examining account numbers and outstanding balances side by side and by incorporating recent evidence on postal insurance procurement and digital integration.

4. Research Gap

The reviewed literature primarily focuses on customer awareness, investment preferences, customer satisfaction, accessibility and the performance of IPPB. Limited attention has been given to the simultaneous analysis of scheme-wise account numbers and outstanding balances over a comparable multi-year period. The present study addresses this gap by examining both indicators together and by analysing PLI and RPLI policy counts and sum assured. The study also incorporates the latest data provided in the source dataset for 2025–26 and the recent procurement information reported for 2024–25.

5. Objectives of the Study

1. To examine the major financial services provided by India Post.
2. To analyse the trend and performance of selected Post Office Savings Bank schemes.
3. To examine the performance of Postal Life Insurance and Rural Postal Life Insurance.
4. To suggest measures for strengthening the financial services of India Post.

6. Financial Services Provided by India Post

6.1 Post Office Savings Account

Post Office Savings Bank Account can be opened by a single person or as a joint account (three adults) with a minimum balance of Rs. 500/-. This Account has the facility of regular deposits and withdrawals. ATM, e- Banking and Mobile Banking facilities are also available with this account. It offers an attractive Rate of Interest @ 4% per annum as on 31 .12.2025. [7]

6.2 Recurring Deposit Account

Post Office Recurring Deposit Account can be opened by a single person or as a joint account (up to three adults) with a minimum deposit of Rs. 100/- per month or any amount in a multiple of Rs. 10/- for a period of five years. It can further be extended for up to five years. It can be closed prematurely after completion of three years from the date of opening of account and loan facility is also available after one year of account opening. The current rate of interest is 6.7 % per annumason31.12.2025.[7]

6.3 Time Deposit Account

Post Office Time Deposit Account can be opened by a single person or as a joint account (up to three adults) by depositing a fixed amount initially for a period of one, two, three or five years with a minimum of Rs. 1000/- without any maximum investment limit. The current rate of interest for one, two, three and five year is 6.9%, 7.0%, 7.1% and 7.5% respectively as on 31 .12.2025.[7]

6.4 Monthly Income Scheme

Post Office Monthly Income Scheme Account can be opened by a single person or as a joint account (up to three adults) by depositing a fixed amount for a period of five years with a minimum deposit of Rs. 1000/- and maximum of Rs. 9 Lakh in single account and Rs. 15 Lakh in joint account. The current rate of interest is 7.4% per annum as on 31.12.2025[7]

6.5 Public Provident Fund

Post Office Public Provident Fund Account can be opened as a single account for a period of 15 years with a minimum of Rs. 500/-. Loan can be availed on PPF Account from third financial year to sixth financial year. Partial withdrawal is permissible from seventh financial year from the date of opening of account. The current Rate of Interest is 7.1% per annum as on 31.12.2025.[7]

6.6 Senior Citizens Savings Scheme

Post Office Senior Citizens Savings Scheme Account can be opened by an individual attaining the age of 60 years or on Voluntarily Retirement above the age of 50 years but below 60 or retired Defence Service person attaining the age of 50 as a single orjoint (with spouse only) for a fixed sum and fixed period of five years with minimum deposit of Rs. 1000/- and maximum Rs. 30 Lakh. The current Rate of Interest is 8.2% per annum as on 31 .12.2025. **[7]**

6.7 Sukanya Samriddhi Account

Post Office Sukanya Samriddhi Account can be opened by guardian of a girl child from the birth till she attains the age of ten years with a minimum deposit of Rs. 250/- to a maximum deposit of Rs. 1,50,000/- in a financial year for a period maximum up to 15 years from the date of opening of account. The current Rate of Interest is 8.2% per annum as on 31.12.2025.[7]

6.8 Postal Life Insurance

It was introduced in 1884, is one of the oldest life insurance schemes in India for the benefit of employees of Central & State Governments, Defense and Para-Military Services, Public Sector Undertakings, Banks, Educational Institutions, Local Bodies, professionals (such as doctors, engineers, chartered accountants, MBAs, lawyers etc.), employees of companies listed with National Stock Exchange (NSE) / Bombay Stock Exchange (BSE) and Graduates/ Diploma holders. [7]

6.9 Rural Postal Life Insurance

It was introduced in 1995 to extend the benefit of life insurance to the people living in rural areas.[7]

7. Research Methodology

7.1 Research Design

The study is descriptive and analytical in nature. It examines trends in selected India Post financial services using secondary data.

7.2 Sources of Data

The study primarily uses secondary data obtained from the Annual Reports of the Department of Posts, the official India Post website, India Post Payments Bank reports, Ministry of Finance reports relating to small savings schemes and relevant published research studies [2–8, 11].

7.3 Period of the Study

The principal trend analysis covers 2021–22 to 2025–26 using the comparable data contained in the supplied dataset. The latest procurement information available in the source material is presented separately where its period or measurement basis differs from the indexed series.

7.4 Variables Analysed

The variables analyzed are number of accounts, outstanding balances, number of PLI/RPLI policies, sum assured and recent insurance performance.

7.5 Tool Used

Trend percentage analysis is used to examine the movement of selected financial-service indicators.

Trend Percentage = (Value in the Current Year ÷ Value in the Base Year) × 100

The base year for the principal trend analysis is 2021–22.

8. Analysis and Interpretation

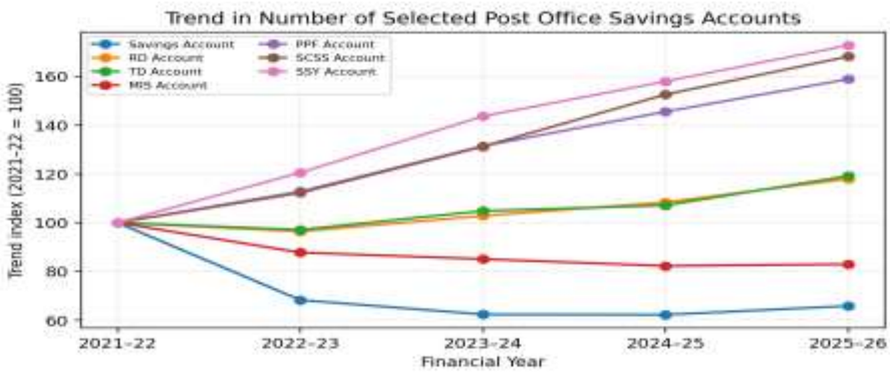
8.1 Trend in Number of Post Office Savings Accounts

Table 1: Trend in Number of Selected Post Office Savings Accounts

Scheme	Number of Accounts					Trends (%)				
	2021–22	**2022–23**	**2023–24**	**2024–25**	**2025–26**	**2021–22**	**2022–23**	**2023–24**	**2024–25**	**2025–26**
Savings Account	12,05,56,499	8,23,40,469	7,52,24,480	7,50,63,197	7,93,87,869	100	68.3	62.4	62.26	65.85
RD Account	11,09,65,624	10,69,97,745	11,41,13,048	12,02,64,896	13,09,22,127	100	96.42	102.84	108.38	117.98
TD Account	2,16,80,826	2,10,50,058	2,27,26,765	2,32,26,635	2,58,36,610	100	97.09	104.82	107.13	119.17
MIS Account	1,09,97,461	96,52,052	93,58,670	90,48,116	91,26,726	100	87.77	85.1	82.27	82.99
PPF Account	31,71,485	35,76,964	41,69,532	46,16,494	50,38,989	100	112.79	131.47	145.56	158.88
SCSS Account	25,55,775	28,69,127	33,54,193	38,99,879	42,97,849	100	112.26	131.24	152.59	168.16
SSY Account	2,04,60,097	2,46,63,716	2,93,95,449	3,23,13,330	3,53,37,939	100	120.55	143.67	157.93	172.72

Source: India Post Annual reports

Figure 1: Trend in Number of Selected Post Office Savings Accounts



The trend shows substantial variation across savings schemes. Savings Account and Monthly Income Scheme account numbers declined over the period, whereas Recurring Deposit and Time Deposit remained comparatively stable. Public Provident Fund, Senior Citizens Savings Scheme and Sukanya Samriddhi Account recorded sustained growth. On the basis of the supplied data, the 2025–26 trend indices were 65.85 for Savings Account, 117.98 for Recurring Deposit, 119.17 for Time Deposit, 82.99 for Monthly Income Scheme, 158.88 for Public Provident Fund, 168.16 for Senior Citizens Savings Scheme and 172.72 for Sukanya Samriddhi Account.

The decline in Savings Account numbers should not be interpreted by itself as an exit of savers from India Post. The balance data presented below show that funds mobilized through the selected schemes increased. Account consolidation, closure of dormant or duplicate accounts and changes in the distribution of active accounts are possible explanations; however, the supplied data do not identify the exact reasons for individual account closures.

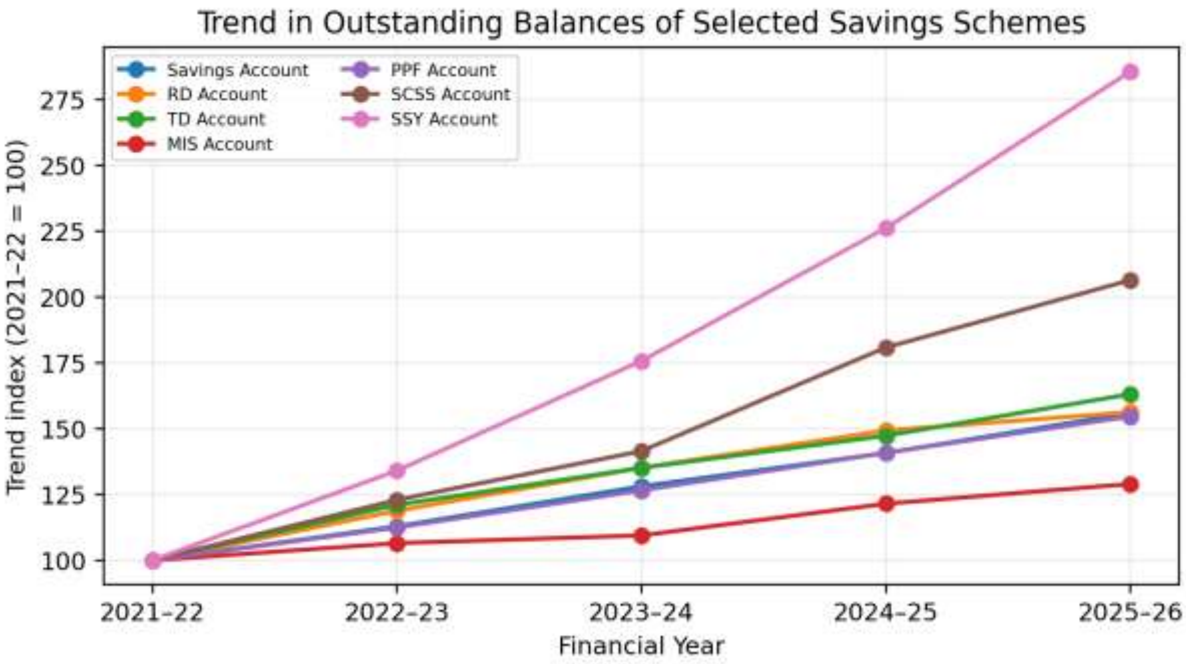
8.2 Outstanding Balance of Post Office Savings Schemes

Table 2: Outstanding Balance of Selected Savings Schemes

Scheme	Outstanding Balances (in Crore)					Trends (%)				
	2021–22	**2022–23**	**2023–24**	**2024–25**	**2025–26**	**2021–22**	**2022–23**	**2023–24**	**2024–25**	**2025–26**
Savings Account	1,36,205.78	1,53,786.04	1,74,464.77	1,91,692.42	2,12,331.70	100	112.91	128.09	140.74	155.89
RD Account	1,32,031.16	1,56,870.95	1,78,423.43	1,97,136.76	2,06,307.15	100	118.81	135.14	149.31	156.26
TD Account	2,07,558.72	2,51,283.53	2,80,437.05	3,05,776.14	3,38,531.04	100	121.07	135.11	147.32	163.1
MIS Account	2,21,381.52	2,35,822.10	2,42,315.27	2,69,011.04	2,85,629.52	100	106.52	109.46	121.51	129.02
PPF Account	1,05,228.33	1,18,347.16	1,33,166.05	1,48,216.54	1,62,746.82	100	112.47	126.55	140.85	154.66
SCSS Account	97,046.74	1,19,328.53	1,37,299.94	1,75,467.31	2,00,325.85	100	122.96	141.48	180.81	206.42
SSY Account	69,683.92	93,431.81	1,22,436.18	1,57,611.21	1,99,001.69	100	134.08	175.7	226.18	285.58

Source: Annual reports

Figure 2: Trend in Outstanding Balances of Selected Savings Schemes



Unlike account numbers, the outstanding balance of every selected savings scheme increased throughout the period. Sukanya Samriddhi Account recorded the strongest growth, with the balance rising from ₹69,683.92 crore in 2021–22 to ₹1,99,001.69 crore in 2025–26, representing a trend index of 285.58. Senior Citizens Savings Scheme reached 206.42, while Time Deposit, Recurring Deposit and Savings Account reached 163.10, 156.26 and 155.89 respectively.

The divergence between account numbers and outstanding balances is an important finding. In the case of Savings Account and Monthly Income Scheme, falling account numbers occurred alongside rising balances. This suggests that the value of funds mobilized was sustained or strengthened among the accounts that remained active. The data, however, do not establish whether the divergence was caused by account consolidation, higher average balances, migration between channels or other factors.

8.3 Recent Developments in Post Office Savings

The Department of Posts Annual Report 2024–25 reports 1,64,999 post offices as on 31 March 2025, including 1,49,385 rural post offices [5]. The report also records 3.533 crore Sukanya Samriddhi Accounts as on 31 March 2025. During 2024–25, the interest rates cited in the supplied study material for major small-savings products included 4% for Savings Deposit, 6.7% for five-year Recurring Deposit, 7.5% for five-year Time Deposit, 7.4% for Monthly Income Scheme, 8.2% for Senior Citizens Savings Scheme and 8.2% for Sukanya Samriddhi Account [5].

These developments reinforce the strong position of long-term and goal-oriented savings products within the postal financial-services portfolio.

8.4 Postal Life Insurance and Rural Postal Life Insurance

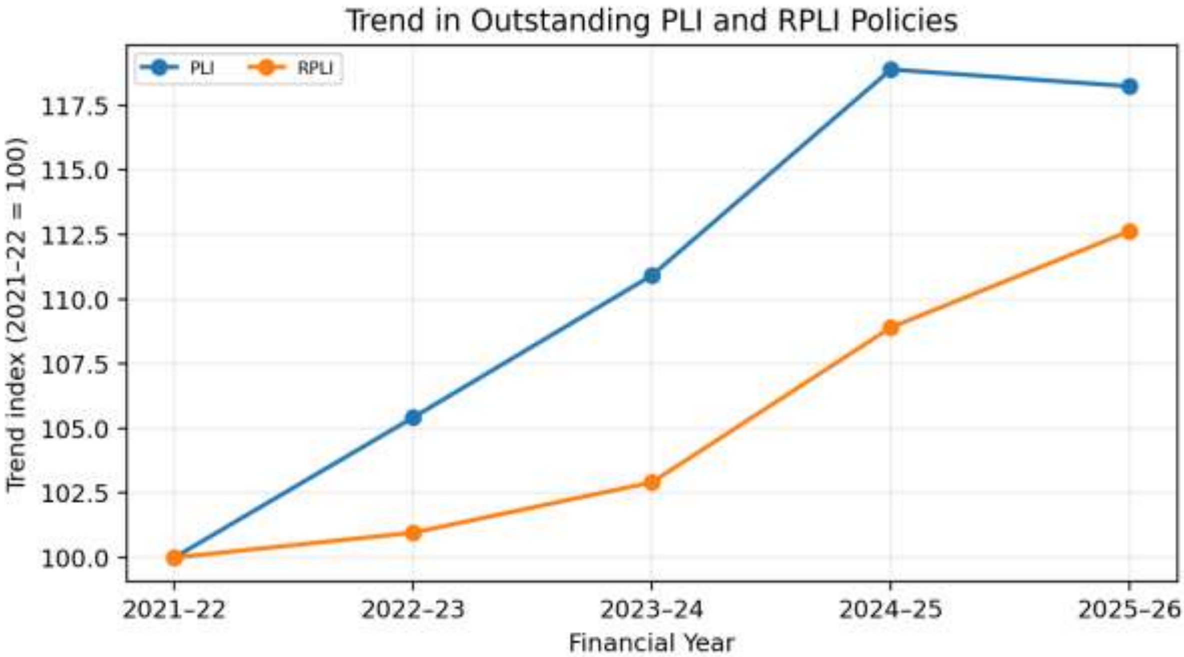
Table 3: Trend in Outstanding PLI and RPLI Policies

Scheme	No. of Policies (in Crore)					Trends (%)				
	2021–22	**2022–23**	**2023–24**	**2024–25**	**2025–26**	**2021–22**	**2022–23**	**2023–24**	**2024–25**	**2025–26**
PLI	64	67.47	70.99	76.08	75.67	100	105.42	110.92	118.88	118.23

RPLI	259	261.48	266.54	282.06	291.71	100	100.96	102.91	108.9	112.63

Source: India Post Annual reports

Figure 3: Trend in Outstanding PLI and RPLI Policies



PLI policy numbers increased from 64.00 lakh in 2021–22 to 75.67 lakh in 2025–26, although a small decline was recorded in 2025–26 from the previous year. RPLI policy numbers increased from 259.00 lakh to 291.71 lakh over the same period. The overall pattern indicates recovery and expansion in the number of outstanding policies.

The decline observed at the beginning of the series may be associated with disruption during the pandemic period, but the available data do not permit a causal attribution. Therefore, the pandemic explanation should be treated as a plausible interpretation rather than a statistically established cause.

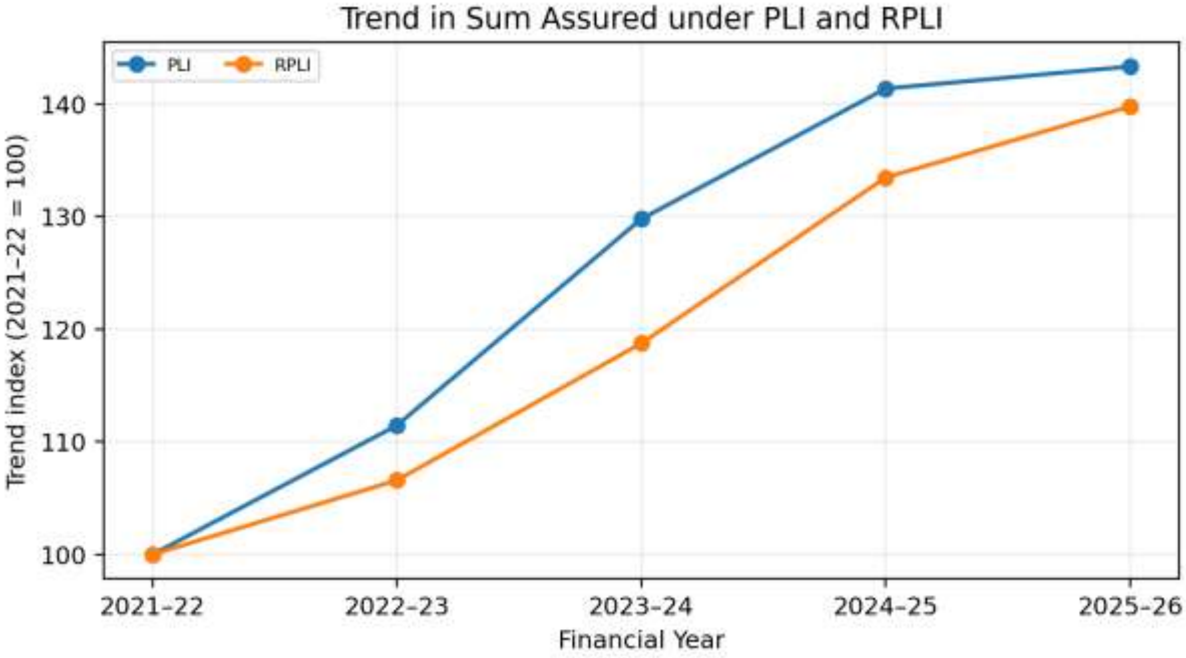
8.5 Sum Assured under PLI and RPLI

Table 4: Trend in Sum Assured under PLI and RPLI

Scheme	Sum assured (in crore)					Trends (%)				
	2021–22	**2022–23**	**2023–24**	**2024–25**	**2025–26**	**2021–22**	**2022–23**	**2023–24**	**2024–25**	**2025–26**
PLI	2,20,220.00	2,45,460.00	2,85,792.00	3,11,261.60	3,15,576.30	100	111.46	129.78	141.34	143.3
RPLI	1,58,710.00	1,69,170.00	1,88,451.00	2,11,796.80	2,21,806.45	100	106.59	118.74	133.45	139.76

Source: India Post Annual reports

Figure 4: Trend in Sum Assured under PLI and RPLI



The sum assured under both PLI and RPLI increased continuously during the study period. PLI sum assured increased from ₹2,20,220 crore in 2021–22 to ₹3,15,576.30 crore in 2025–26, while RPLI increased from ₹1,58,710 crore to ₹2,21,806.45 crore. The corresponding trend indices were 143.30 for PLI and 139.76 for RPLI.

The continuous increase in sum assured, together with the generally improving policy counts, indicates an expansion in the value of insurance protection provided through India Post. It also suggests that policy-level analysis should consider both the number of policies and the amount of coverage rather than relying on policy counts alone.

8.6 Recent Postal Insurance Performance

The supplied study material reports that PLI/RPLI policies procured increased from 16,29,739 in 2023–24 to 22,93,965 in 2024–25, representing approximately 40.75% growth. Premium collection increased from ₹16,387.54 crore to ₹18,782.25 crore, representing approximately 14.61% growth. These figures indicate a strong increase in new insurance business in 2024–25. The source material also notes the integration of postal insurance with digital banking channels, including IPPB, which can improve payment convenience and accessibility [5, 7].

9. Major Findings

1. India Post has an extensive financial-service delivery network, with 1,64,999 post offices as on 31 March 2025, including 1,49,385 rural post offices [7].
2. Savings Account and Monthly Income Scheme account numbers declined during the study period, whereas Recurring Deposit and Time Deposit remained comparatively stable.
3. Public Provident Fund, Senior Citizens Savings Scheme and Sukanya Samriddhi Account recorded strong growth in account numbers, with 2025–26 trend indices of 158.88, 168.16 and 172.72 respectively.

4. Outstanding balances increased in every selected savings scheme. Sukanya Samriddhi Account recorded the highest 2025–26 trend index of 285.58, followed by Senior Citizens Savings Scheme at 206.42.
5. The increase in balances alongside declining Savings Account and Monthly Income Scheme account numbers indicates that account counts alone do not adequately describe the value of postal savings mobilization.
6. PLI and RPLI policy numbers generally increased over the study period, while sum assured increased continuously under both schemes.
7. The latest procurement figures supplied for 2024–25 show approximately 40.75% growth in new PLI/RPLI policies and approximately 14.61% growth in premium collection.
8. Digital integration through internet banking, mobile banking, e-KYC and IPPB is an important development in the delivery of India Post financial services, although the supplied data do not quantify its causal effect on the observed trends.

10. Suggestions

1. Publish a scheme-wise breakdown of account closures to distinguish dormant-account removal, KYC consolidation, migration between channels and genuine customer attrition.
2. Strengthen customer education and promotion for Savings Account and Monthly Income Scheme, especially among younger and first-time savers.
3. Continue expanding mobile banking, internet banking, e-KYC, Aadhaar-enabled services and integration with IPPB.
4. Strengthen doorstep financial services through postmen and Gramin Dak Sevaks, particularly for elderly customers and people in remote areas.
5. Sustain the momentum in PLI/RPLI procurement by identifying and replicating effective communication, distribution and digital-payment practices.
6. Improve processing speed, grievance redressal, customer support and service transparency across savings and insurance services.
7. Adopt data-driven monitoring that combines account numbers, balances, customer profiles, closure reasons and transaction patterns.
8. Strengthen coordination among POSB, PLI/RPLI and IPPB to provide an integrated savings, insurance and payment ecosystem.

11. Limitations of the Study

1. The study is based entirely on secondary data and does not include primary evidence concerning customer motivations or satisfaction.
2. The principal trend analysis is restricted to the indicators and years available in the supplied dataset; recent procurement figures are presented separately where their measurement basis differs.
3. Different services are measured using different indicators, such as account numbers, outstanding balances, policies and sum assured, which limits direct cross-scheme comparison.
4. Trend percentage analysis describes movement but does not establish causation. Explanations concerning account consolidation, migration or pandemic-related effects are interpretations of the available evidence rather than confirmed causal findings.

12. Conclusion

India Post continues to occupy an important position in India's financial-service ecosystem because of its extensive rural network, government-backed savings products and insurance services. The study demonstrates that performance differs across individual products, but the overall value of funds mobilized through the selected savings schemes increased during the study period.

The most notable finding is the divergence between account numbers and outstanding balances. Savings Account and Monthly Income Scheme account numbers declined, while balances increased. At the same time, Public Provident Fund, Senior Citizens Savings Scheme and Sukanya Samriddhi Account recorded strong account growth. Sukanya Samriddhi Account also recorded the highest increase in outstanding balance.

Postal insurance presents a broadly positive picture. Although policy numbers showed some fluctuation, sum assured increased continuously under both PLI and RPLI. The reported growth in new policy procurement and premium collection during 2024–25 further indicates renewed momentum.

Going forward, India Post can strengthen its financial-inclusion role by combining its physical rural network with digital delivery, doorstep services, customer education and improved data-based monitoring. Greater clarity regarding account closures and stronger integration of savings, insurance and payment services would help convert the demonstrated growth in value mobilization into sustained customer reach.

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