



# A Study on Senior Citizen Saving Scheme and Investor's Perception about Senior Citizen Saving Scheme In Dewas City

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## Abstract

Senior Citizen Saving Scheme is a government backed program which is primarily for the Senior citizen of India. This study is mainly concerned with the senior citizen which is available in Post Office, Public Sector Banks, Private Sector Bank. This study focus to know the perception of Investor and to know the Interest rate of this scheme.

## Keywords

Senior Citizen Saving Scheme, Investors, Satisfaction, Awareness.

## Introduction

In India the various kinds of option are available for a senior citizen to invest money. Senior Citizen Saving Scheme is one of it. The Government of India introduced this scheme in 2004. This scheme offers a regular income with the safety and also has a tax benefit under section 80C i.e. 1.5 lakhs. An investor can open this scheme at Post Office, and Banks. An individual above the age of 60 years can open this account, retired civil employee can open above the age of 55years and retired defense employee can open above the age of 50years. The tenure of this scheme is 5 years. Furthermore, investor can extend this scheme for 3 years. Minimum investment of this scheme is Rs.1000 and maximum limit is Rs.30 lakhs. Which is increased in budget 2023. Premature closure is allowed in this scheme with some penalty. Nomination facility is also available in this scheme. Interest rate is also very high in this scheme. Current Interest Rate is 8.2% (1.1.2024) and the interest will receive Quarterly. Interest amount will be credited to Account holder on the first date of April, July, October and January.

## Benefits of Senior Citizen Saving Scheme

- This Senior Citizen Saving Scheme is an Indian government sponsored investment scheme and hence is considered safe and most reliable and assured return.
- This account can be opened at Public and Private Banks and Post Office. This is very easy investment process.

- This scheme offers a high Interest Rate.
- Account can be transferable across India.
- Tax deduction also available under section 80C of Indian Tax Act 1961.

## Objective

- To understand the basic concept of Senior Citizen Saving Scheme and its benefit.
- To know the Perception and Satisfaction of investors towards the Senior Citizen Saving Scheme.
- To know the fluctuate Rate of Interest of past 5 years.
- To know the awareness about Senior Citizen Saving Scheme.

## Literature Review

Roshni Kuldeep Nagar (2016) Indian Postal Services and its customer preferences with reference to Palghar District, in this research, researcher studies and analysis about the quality services offered by Post Office. This study focus on the customer awareness and satisfaction level in Palghar District.

Sinha Pummy (2017) "A study on the small saving schemes in India and their impact on general masses" was published in 'Global Journal for Research Analysis'. In this research a researcher studies the rate of interest of different kind of saving schemes and main causes behind the fall in the interest rate.

## Research Methodology

Research methodology is a systematically design a study to ensure valid and reliable results that address the research aim and objectives. For this study both Primary and Secondary data are used. Primary data are collected through Questionnaire and Personal Interview and Secondary data are collected from Websites. The Primary data mainly collected from Dewas city. Total 100 respondents were taken for this study.

## Data Analysis and Interpretation

**Table 1 Gender Wise Classification of Respondent**

Gender	No. of Respondent	Percentage
Male	64	80%
Female	16	20%
<b>Total</b>	<b>80</b>	<b>100%</b>

The above table shows that out of the 80 respondents 80% of respondent are male and 20% of the respondents are female.

**Table 2 Qualification wise Classification of Respondent**

Qualification	No. of Respondent	Percentage
Post-Graduation	12	15%
Graduation	32	40%
12 <sup>th</sup>	20	25%
10 <sup>th</sup>	8	10%
Illiterate	8	10%
<b>Total</b>	<b>80</b>	<b>100%</b>

The above table shows that out of the 80 respondent 15% are post graduate 40% are graduate 25% are higher secondary 10% are high school and 10% are illiterate.

**Table 3 Occupation Wise Classification of Respondent**

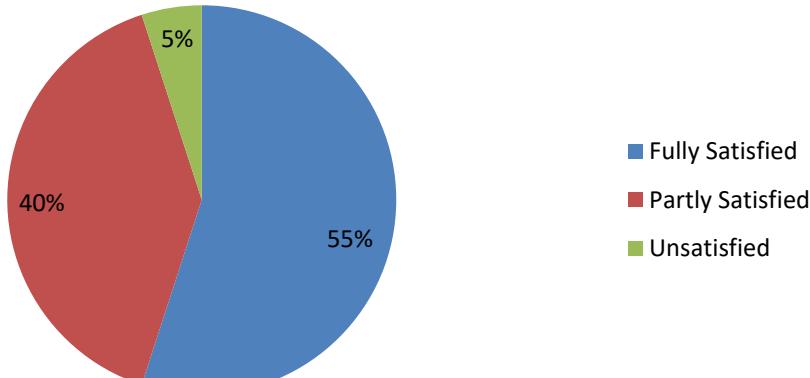
Occupation	No. of Respondent	Percentage
Public Sector	28	35%
Private Sector	12	15%
Business	20	25%
Agriculture	12	15%
Other	8	10%
<b>Total</b>	<b>80</b>	<b>100%</b>

The above table shows that out of the 80 respondent 35% of respondent are in government sector, 15% of respondent are in private sector, 25% of respondent are in business, 15% of respondent are in agriculture sector and 10% of respondent are in another sector.

**Table 4 Satisfaction level wise of Classification of Respondents**

Satisfaction level	No. of Respondent	Percentage
Fully Satisfied	44	55
Partly Satisfied	32	40
Unsatisfied	4	5
<b>Total</b>	<b>80</b>	<b>100</b>

The above table shows that out of the 80 respondent 55% are fully satisfied, 40% are partly satisfied and 5% are unsatisfied.

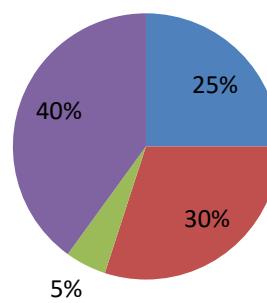
**Satisfaction level of Respondent****Table 5 Factor Influence for prefer Senior Citizen Saving Scheme**

Factors	No. of Respondent	Percentage
Low Risk	20	25%
Enhance Saving	24	30%
Tax Benefits	4	5%
Better Return and Safety	32	40%
<b>Total</b>	<b>80</b>	<b>100</b>

The above table shows that out of the 80 respondent 25% prefer for low risk 30% prefer for saving, 5% for tax benefit and 40% prefer for better return and safety.

## Factors influence for prefer SCSS

■ Low Risk ■ Enhance Saving ■ Tax Benefit ■ Better Return & Safety



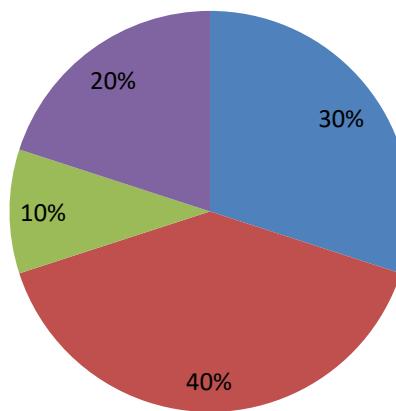
**Table 6 Sources of Information**

Sources	No. of respondent	Percentage
Agent	32	40
Friends/relatives	16	20
Visiting branch	24	30
Mail/SMS	8	10
<b>Total</b>	<b>80</b>	<b>100</b>

The above table shows that out of 80 respondent 30% informed about scheme through visiting branch, 40% informed through agent, 10% through mail/SMS and 20% through friends/relatives.

## SOURCES OF INFORMATION

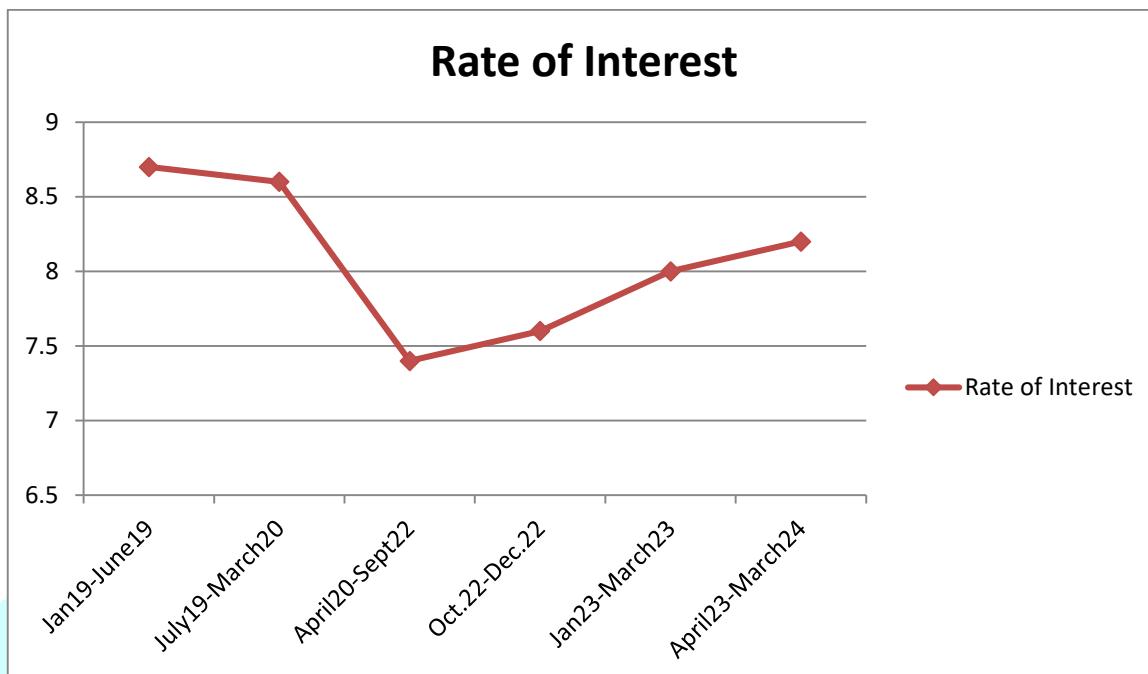
■ VISITING BRANCH ■ AGENT ■ SMS/MAIL ■ FRIEND/RELATIVES



**Table 7 Different Rate of Interest from 2019 to 2024**

Duration	Rate
Jan 2019 – June 2019	8.70%
July 2019 – March 2020	8.60%
April 2020 – Sept. 2022	7.40%
Oct. 2022 – Dec. 2022	7.60%
Jan 2023 – March 2023	8.00%
April 2023 – March 2024	8.20%

From the above table shows that interest rate of Senior Citizen Saving Scheme from 2019 to 2024. There is a slight fluctuation in the Interest Rate. In 2019 the interest rate is good i.e. 8.70% and 8.60%. But during the covid in 2020 to 2022 the interest rate decrease i.e. 7.40%. Slowly the interest rate increase in October. 2022 the rate is 7.60%, in January 2023 the rate is 8.00% and in April 2023 to march 2024 the rate is 8.20%.



### Problems

- This study done only in Dewas City of MP.
- Respondent Size is also small.
- Duration of the study is also less.

### Suggestions

- Government should take some initiative for the awareness of the schemes.
- Senior Citizen should also know about this scheme because this is very useful scheme for them. The interest rate is high, tax deduction is also applicable.

### Conclusion

Senior Citizen Saving Scheme is beneficial for Senior whose age is above 60 years. The interest rate is high in this scheme and tax deduction is also applicable u/s 80C. Most of the respondents are fully satisfied with this scheme. Most of the investors invest in this scheme for better return and safety. Most of the investors know about this scheme through Agent. And there is a slight fluctuation in the interest rate also.

### Reference

1. <https://www.indiapost.gov.in/Financial/Pages/Content/Post-Office-Saving-Schemes.aspx>
2. Roshni Kuldeep Nagar (2016) Indian Postal Services and its customer preferences with reference to Palghar District
3. Sinha Pummy (2017), A study on the Small Saving Schemes in India and their impact on General Masses, Global Journal for Research Analysis, Volume 6, Issue 3, ISSN 2277-8160, Pg.no. 463-464.