

**India Post Payment Bank Service and Present Banking Scenario**

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**ABSTRACT :**

NABARD, Rural Bank and Co-operative Bank were established for the development and up gradation of India's rural economy, yet there was no proper development of economic knowledge or education in the country, in such a situation, the post office got the confidence to discharge this responsibility.

India Post Payments Bank (IPPB) is owned by the Indian Postal Authority and provides digital mode postal banking services to people in a modern way. IPPB was presented with the vision of 'Aapka Bank, Aapke Dwaar' to build the most accessible, affordable and trusted bank for the public in India's last mile. A Pilot project was launched in Ranchi (Jharkhand) and Raipur (Chhattisgarh) on January 30th 2017. India Post Payment Bank has about 650 branches across the country. Of these 1,36,078 post offices have access points and all banking services are provided to across India. IPPB is a leader in providing a diverse range of products and services to domestic last-mile customers. The India post bank performs with no area barrier as universal service bank. The payment bank promoted by India Post is expected to leverage the physical network of post offices and digital platforms such as mobile, internet banking, debit cards and POS devices to provide targeted financial services at low cost increase to target audience. Payments Bank can provide last-mile connectivity and door step banking, especially in areas where there are no commercial bank branches and post offices. Our strong presence in rural areas and the trust we gain among large segments of the population allows us to succeed where commercial banks have failed. This paper is to study how payments banks work in the present banking scenario, as digitalization and financial empowerment of other commercial banks have long entered in the market.

**Keywords :** IPPB, Financial empowerment, Digitalization, Payment Banks, Doorstep Banking etc.

**Introduction :**

India Post Payments Bank was established under the Post Office of the Ministry of Communications and is 100% owned by the Government of India. IPPB was launched by Hon'ble Prime Minister on 1st September, 2018. This bank was established with a vision to make it the most accessible, affordable and reliable bank for the common man in India. The basic mission of IPPB is to use a network of 160,000 post offices (145,000 in rural areas) and 400,000 postal personnel to provide barrier-free access to remote areas that are unbanked and under banked and that face payment problems with financial security.

And will get rid of fear then people will be able to access money with safety at work distance. This was possible only by accepting the modern science era and emerging with digitization of IPPB now competing with other commercial banks.

### **The Study objective on IPPB**

To study the initiatives taken by India post payment bank competing other banks (2018-22)

To study how the IPPB is performing in current banking scenario with other banks.

### **IPPB's New Initiatives and amendments during (2018-2022)**

IPPB Fulfilled the agenda to reach at the last mile, India's First Floating Financial Literacy Camp with an endeavor called 'Niveshak Didi' to promote Financial Literacy 'By the women, for the women', in Srinagar, J&K on 2nd Nov 2022. Niveshak Didi' initiative is based on the ideology of women for women as rural area women feel more comfortable to share their queries with a female itself. Three representatives 'Niveshak Didi' from the Kashmir valley were given certificates during the recent IEPFA Conference in Srinagar, J&K, by the Union Minister of State for Ministry of Corporate Affairs, Shri Rao Inderjit Singh and the Member of Parliament, Dr. Farooq Abdullah along with Smt. Anita Shah Akella, CEO IEPFA & JS MCA & other dignitaries from IEPFA, Department of Posts, India Post Payments Bank, CSC e-governance, Institute of Company Secretaries of India, Kashmir Chamber of Commerce & Central Reserve Police Force. IPPB created a new legacy with the help of world's largest postal network to extend its reach to the last mile and bridge financial inclusion gaps.

IPPB's reach and operating model is built on the key pillars of the India Stack, enabling paperless, cashless payment at the customer's doorstep in an easy and secure manner via smart phones and biometric devices integrated with CBS. Realize wireless, presence less banking. Leveraging thrifty innovation and focusing on banking simplicity for the masses, IPPB offers simple and affordable banking solutions through an intuitive interface available in 13 languages. IPPB is committed to giving impetus to the cashless economy and contributing to Digital India's vision.

'Dak-Pay' Launches as digital payment services by IPPB on 15th December 2020 that enables the access to banking services and postal products online that postal financial services can be easy reach to customer's Doorsteps which brings simplified payment solution to all either by postman or through app.

More than 430 million peoples serve by DOP and IPPB Collectively. On 21st April 2022, for financial inclusion Fincluvation was launched to get the financial solution for startup companies. Fincluvation invites startups to Participate, Ideate, Develop and Market intuitive and tailored products and services that can be taken to the customers. Fincluvation gives the ways like paperless microcredit using alternate data sources that targets the retails (farmers, kirana shop owners, farmers) and micro entrepreneurs and other large merchant's customers.

### **Fincluvation can benefit the startups like**

- Scaling to the startup solutions by selling products & services to readymade customer base of 430 million customers with advantage of first mover.
- Offering direct access to customer base of 500 million and a channel of more than 200000 strong postmen with unprecedented reach across the country.
- Startups will get the benefits of mentorship by experts.
- Startups find the opportunity to partner with IPPB.

- Startups can raise their revenue with reaching large number of customer by using infrastructure of DOP and IPPB.

Some of startups selected for next stage of 'Fincluvation'

- Rang De P2P Financial Services Pvt Ltd.
- Xtracap Fintech India Pvt Ltd
- Esthenos Technologies Private Limited
- iServeU Technology Private Limited
- M2P Solutions Pvt. Ltd.
- WorkApps Product Solutions Pvt Ltd
- Onestack Solution Private Limited
- FinTech Products and Solutions India Private Limited Gullak

India Post Payments Bank is poised to lead the next banking revolution as one of the largest financial inclusion networks in India, covering both urban and rural areas. Our new banking model aims to enable individuals, small businesses, merchants and others to enjoy full digital banking services. We are paving the way for India's largest banking network to reach every corner of the country.

The main objective of payment banks is to enhance financial inclusion according to the RBI's payment bank licensing guidelines. Payment bank is operated on smaller scale compare to other banks. They does not offer loan and credit cards to avoid credit risk. There are some other payments bank like Aditya birla ,Bharti Airtel, Paytm and Fino payment bank offer different rate of interest on saving accounts.RBI had give approval to 11 entities including IPPB to start payment banks in India on august 2015.IPPB is driving financial inclusion through digitalization from journey beyond barriers to digitalizing bank ecosystem.

During the financial year 2020-2021 IPPB has been setting a new benchmark and milestone by creating universal service platform with the launches of digital life certificate (Jeevan pramaan), unified payment interface (UPI) in IPPB's mobile banking app , virtual debit card and DakPay - UPI PSP Application are accelerating the pace of digitalization of service delivery at the last mile.(4.32 lakh digital life certificate issued and 61000 plus customer insured through PMJJY)

IPPB has enabled more than 136000 post offices to provide complete suite of banking services, Out of these 11000 post offices are leading in rural India banking infrastructure increasing by almost 2.5 times. Over 1.89 lakh Postman & Gramin Dak Sevak (GDS) Has been equipped with Smartphone's and biometric devices to provide Door-step banking Services. Over 90% accounts opened at customer door step covering rural area.

50% accountholders was women's.

To reach the every village an almost daily basis has brought down the distance to '0 kms' truly fulfilled the Moto 'Aapka Bank , Aapke Dwaar'.

The Aadhar Enabled payment Service (AePS) launched on august 2019 to provide interoperable Door step banking services to Any Bank Customer.

### CONCLUSION :

This scheme of IPPB has revolutionized the financial inclusion in the country in a modern and digital banking system. IPPB has enabled its services by covering urban and rural areas with diverse 13 languages of the country. Based on the Annual Report 2020-2021, IPPB has earned 130 Crore Transactional Revenue and 213 Crore Total Income. IPPB's journey towards digitization and financial empowerment with reach to every small and big district has been implemented in more than 141000 post office branches as last mile banking access points fulfilling the agenda. IPPB has not only transformed the lives of users by bringing banking services to their doorsteps but has also created an ecosystem that promotes and supports inclusive growth. IPPB is now leading as a women centric bank in India. Around 40 lakh women customers have received government benefits directly into their IPPB bank accounts. This has become the measure point of success of this scheme.

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