



India Post Payments Bank

[Source: PIB](#)

Why in News?

[India Post Payments Bank \(IPPB\)](#) has marked a significant milestone in the world of banking services with its continued profit streak, demonstrating its commitment to sustainable financial inclusion and citizen empowerment.

- IPPB on August 22, 2023 reported its **first-ever operational profit of Rs 20.16 crore for 2022-23**. The bank saw a **66.12% growth in overall revenue**.

What is India Post Payments Bank (IPPB)?

▪ About:

- Launched on September 1, 2018, with **100% equity owned by the Government of India**.
- IPPB embarks on its transformative journey with the launch of pilot branches.
 - Pilot branches opened in **Ranchi, Jharkhand, and Raipur, Chhattisgarh**.
- Leveraging **India's vast postal infrastructure with 1,55,000 Post Offices and 3,00,000 postal employees**.

▪ Vision: To create an **accessible, affordable, and trusted bank for all citizens**.

▪ Principles and Approach:

- IPPB adopts the principles of [India Stack](#) to drive its operations.
 - **Paperless, Cashless, and Presence-less Banking:** Aims to facilitate banking through innovative technology and secure transactions.
- Implements Biometrics integrated smartphones and biometric devices for seamless transactions.
- IPPB delivers simple and affordable banking solutions through intuitive interfaces available in 13 languages.

▪ Empowering Financial Inclusion:

- IPPB is committed to serving the **unbanked and underbanked**.
- Contributed to the **vision of a less cash economy and Digital India**.
- Ensured **equal opportunities for financial security and empowerment**.

▪ Empowerment Initiatives:

- Recognized the tireless contributions of **Postmen/Gramin Dak Sevaks**.
- Introduced **'Niveshak Didi'** initiative, for empowering women beneficiaries.
- IPPB introduced services including **loan referral services, low-cost health & accidental products** like **Antyodaya Shramik Suraksha Yojana for Shramyogis registered on the e-Shram portal, Digital Life Certificate to pensioners**, citizen services initiatives like **Aadhaar-mobile update, child Aadhaar enrolment, Aadhaar based banking transactions (AePS), enabling citizen access to govt. Direct Benefit Transfer programmes like PM KISAN** etc.

▪ Future Goals:

- Aims to **transform into a Universal Service platform**.
- Leverages technology for expanded accessibility and reach.
- Focuses on innovation to **empower citizens and contribute to a digitally inclusive**

society.

Payment Bank:

- Payments banks were part of the [Reserve Bank of India's](#) strategy of offering differentiated banking licenses.
- A [committee headed by Dr. Nachiket Mor](#) recommended setting up of 'Payments Bank' to cater to the lower income groups and small businesses.
 - A payments bank is a differentiated bank, offering a limited range of products.
- It can accept **demand deposits only that is savings and current accounts, not time deposits.**
- Payment banks are restricted to holding a maximum balance of Rs. 2,00,000 (Rupees Two lakh only) per individual customer.
 - Payment Banks cannot accept [Non-Resident Indian \(NRI\)](#) deposits.
- The Payment Banks cannot set up **subsidiaries to undertake non-banking financial services activities.**

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