

# FINANCIAL INCLUSION AT INDIAN POST PAYMENT BANK-AN INTRODUCTORY APPROACH.

## Abstract

Reserve Bank Innovation Hub (RBIH) and India Post Payments Bank (IPPB) are working together to focus their efforts on how to enhance the scope of providing financial solutions to large segments of our society across India and thereby enabling frictionless financial services to the billions of Indians. The last thirty years, India has got strong economic growth. Over the last decade, the country has also observed rapid improvement and acceptance of mobile technology, even at low data usage cost. Though, there remains a large section of the people as well as micro and small businesses who have an inadequate access to crucial financial services and expertise.

**Keywords:** Azadi ka Amrit Mahotsav, Financial Inclusion, IPPB, Gramin Dak Sevaks.

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## I. INTRODUCTION

The 75th celebration of Indian Independence anniversary & current Azadi ka Amrit Mahotasav earmarked the launch of “Finclusion”. INDIA POST PAYMENTS BANK (IPPB) is established as hundred percent government owned unit, working under Department of Posts (DoP) declared the inauguration of Finclusion – a combined inventiveness to collaborate with Fintech Startups to inject innovative solutions for financial inclusion.

Finclusion will soon be an enduring platform of Indian Post Payment Banks to bring all-inclusive financial solutions with their participating start-ups. Indian Post Payment Banks and Department of Posts will jointly serve millions of customers through nearby Post Offices to their convenient places, with more than 410,000 reliable and proficient employees of Post Offices. It includes Gramin Dak Employees (Sevaks) too. This would make postal services making as the biggest and reliable net work of postal services in the country.

1. **Payment Banks:** Nachiket Mor Committee made a useful suggestion for the establishment of the Payments Bank. Accordingly, it was formed to facilitate functions on a minor range with very negligible risk profile.

The principal purpose was to promote schemes financial inclusion and it offered banking and financial product and services to the doorstep of most unprivileged areas. It was also aimed at helping the migratory work force, small-income families and budding entrepreneurs etc.

Payment Banks are registered under the Companies Act 2013. They are ruled by a multitude of legislatures. For example, Banking Regulation Act, 1949; RBI Act, 1934; Foreign Exchange Management Act, 1999, Payment and Settlement Systems Act, 2007 and the like.

We have currently 6 Payment Banks-

- Airtel Payment Bank.
- India Post Payment Bank.
- Fino.
- Paytm Payment Bank.
- NSDL Payment Bank, and
- Jio Payment Bank.

2. **Indian Post Payment Bank (IPPB):** Post Payments Bank (IPPB) has been established under the aegis Department of Posts, Ministry of Tele Communication, Government of India has hundred percent equity stake at Post Payment Bank. Post Payment Bank was inaugurated by our honorable Prime Minister Shri Narendra Modi, dated on September 1, 2018. The entity has been founded with the assignment to build the most accessible, inexpensive and unflinching banking facilities meant for reserving common mass. The basic decree of Post Payment Bank is to eliminate all the existing barriers for the most unbanked and under-banked people.

Post Payment Bank’s scope, as well as its basic function is primarily constructed on the three key pillars of India- aiding Presence-less, Cashless and Paper less

financial services system in the most simplistic and secured method to the clients 'convenience. It is implemented through a Core Banking System-integrated biometric device and smartphone.

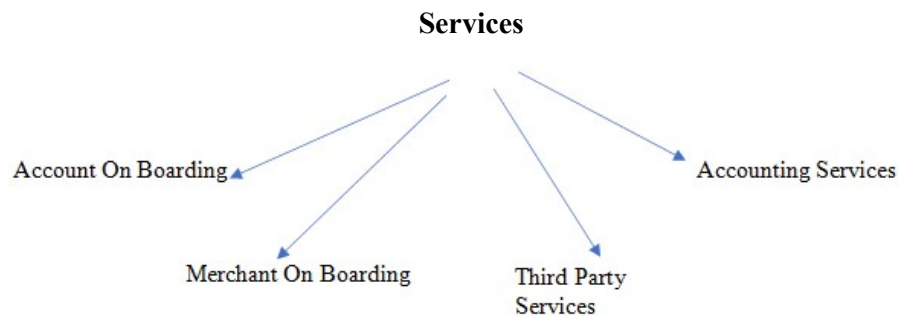
**3. Essential Features of Post Payment Bank:** Indian Post Payment Bank understands customer needs. They have tailored their product and services to be simple and easy to avail. Some prominent features of Post Payment Bank include-

- Deposit.
- Money Transfer.
- Direct Benefit Transfers.
- Third Party Products.
- Billing & Utility Payments.
- Enterprise & Merchant payments.
- Built in Mechanism.
- Available in almost 12 languages.
- Cash less facilities.

**4. Current Operational Strength-**



**Indian Post Payment Bank**

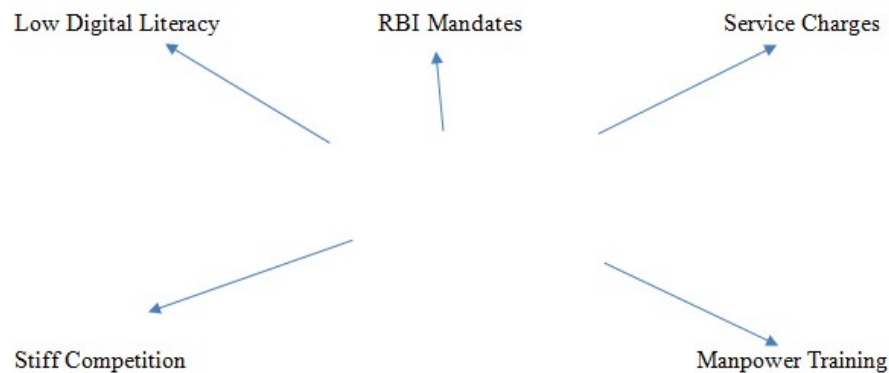


Other Account Related Services includes-

- Updating PAN.
- Beneficiary Management.
- Account statement.
- QR card.
- Linking Adhaar Card.
- Sharing complaints, etc.

**5. Some Specific Attention to Rural Needs:** Indian Post Payment Bank has a specific orientation to rural sectors-

- Leveraging the trust which the India Post enjoys in the minds of the public.
- Minimizing and recovering NPAs.
- Helping to increase per capita income of rural people.
- Providing an effective financial service.
- Social Inclusion is another area, where IPPB is working rigorously.
- Rural MSME is getting leverage from Indian Post Payment Bank.
- IPPB has enabled Direct Benefit Transfer.



**6. Useful Strategies to Overcome Challenges-**

- Collaborate with Department of Postal Services.
- Mobilization of small savings,
- Low-cost services to their customers.
- Creating customer awareness for their financial products.
- Medium for Direct Bank Transfer.
- Engage in partnership with other Commercial Banks.

**II. CONCLUSION**

Payment Banks have all the potentiality to provide most affordable banking services in our country.

Payment Bank is all set to transform the edifice of Postal Department in all aspects. A modernization of Post Offices is highly recommended to take the leverage of Post Payment Banks.

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