

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF POSTS**

**LOK SABHA
UNSTARRED QUESTION NO.3493
TO BE ANSWERED ON 7TH DECEMBER, 2016**

SETTING UP OF IPPB

3493. SHRIMATI VANAROJA R.:
SHRIMATI POONAMBEN MAADAM:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Government has given its approval for setting up of the India Post Payment Bank (IPPB) as a Public Limited Company under the Department of Posts, with 100% Government of India equity;
- (b) if not, the funding pattern thereof;
- (c) whether the India Post Payment Bank can hold a maximum balance of Rs. 1 lakh per customer and can issue ATM/Debit Cards but not credit cards;
- (d) if so, the details thereof; and
- (e) whether the said bank is likely to offer payments and remittance services, deal in simple financial products like mutual fund units and insurance products but not likely to undertake lending services and if so, the details thereof and the reasons therefor?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)**

- (a) Yes Madam, Cabinet has approved the proposal of 'Setting up of India Post Payments Bank (IPPB)' as a Public Limited Company under Department of Posts with 100% Government of India equity in its meeting held on 1/6/2016.
- (b) Does not arise in view of (a) above.
- (c) & (d) Yes Madam. As per RBI guidelines for payments bank, IPPB can hold a maximum balance of Rs. 100,000 per individual customer. IPPB can issue ATM/Debit cards, but cannot issue credit cards.
- (e) Yes Madam, As per RBI guidelines for payments banks, the IPPB cannot undertake lending services, however, can tie-up with banks and financial institutions to offer third party credit products to its customers. The IPPB would offer payment and remittance services like third party products, international and domestic remittances, bill payments, Customer to Government (C2G) and Government to Customer (G2C) payments like Direct Benefit Transfer (DBT), Mahatma Gandhi National Rural Employment Gurantee Act (MNREGA), National Social Assistance Programme (NSAP); and provide platform for enabling online purchase to facilitate e-commerce.
