

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

**LOK SABHA
UNSTARRED QUESTION NO.3639
TO BE ANSWERED ON 2ND JANUARY, 2019**

BANKING ACCESS POINTS

3639. SHRI FEROZE VARUN GANDHI:
SHRI RAJIV PRATAP RUDY:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) the number of post offices that have been converted into banking access points so far, State/UT-wise;
- (b) the funds allocated, released and utilised for establishment and operations of the India Post Payments Bank (IPPB), State/UT-wise;
- (c) the details of the revenue streams the Government is capitalising on;
- (d) whether any particular incentives are being put in place for promoting use by women, senior citizens and other disadvantaged groups;
- (e) whether IPPB is trying to include the unorganized retail sector on the platform and if so, the details thereof; and
- (f) whether the Government thinks the said model is financially viable over a long period of time given the revenue stream of a payments bank and if so, the details thereof?

ANSWER

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

- (a) The details of number of Post offices that have been converted into banking access points of India Post Payments Bank (IPPB) are enclosed at **Annexure I**.
- (b) Total outlay approved by the Central Government for the project of Setting up of India Post Payments Bank (IPPB) is Rs. 1435 Cr. Till date Rs 1100 crores has been allocated to IPPB through Department of Posts (DoP). The remaining fund to the tune of Rs 335 crores will be released to IPPB as and when allocated by Ministry of Finance. The allocation and release of funds to IPPB in three years is as under:

Year	Allocated (Amount in crores)		Released to IPPB till date (in crores)
	Equity	Grants-In-Aid	
2016-17	275	25	300
2017-18	125	375	500
2018-19	300	-	300
Total	700	400	1100

Rs 700 crores have been utilized by way of equity infusion to the IPPB for establishment and operations. Bank has utilized 21.05 crores out of Grants-In- Aid as on 30.12.2018. The funds have not been allocated to State/UT.

(c) The India Post Payments Bank (IPPB) has been set up based on the payments bank guidelines issued by Reserve Bank of India and can undertake certain restricted activities specified therein. Revenue from these activities include:

- Commission earned on remittances, bill payments including utility bill payments, Direct Bank transfer (DBT) payments.
- Commission from sales of third party products like insurance, credit, Mutual funds etc.
- Doorstep banking service charge.
- Interest income from investments etc.

(d) IPPB has enabled opening of accounts, distribution of DBT, cash transactions (deposits and withdrawal), money transfers and bill payments, which will target senior citizens, homemakers and other disadvantaged groups including migrant labourers through the doorstep banking services delivered by Postmen and Grameen Dak Sevaks (GDSs) with nominal fees.

(e) IPPB's objective is to create digital and less-cash economy by enabling a digital acceptance merchant eco-system. Therefore, IPPB is focusing on unorganized retailer sector such as kirana shops, mobile recharge vendors, laundrymen, tea vendors, food stalls etc. to promote acceptance of digital payments using a simplified, less capital intensive (Quick Response) QR code-based solution.

(f) As per the Reserve Bank of India's guidelines, the Payments Bank can only offer payments and accept deposits of their customers directly. However, a Payment Bank can tie up with third party financial institutions to provide complete bouquet of financial products and services which includes credit, insurance and mutual funds etc. which will add to the revenue stream of IPPB and are critical for payments bank to self sustain. IPPB is anticipated to break even in the fourth year of operations by growth in the customer base, transaction income and tight control on cost centers.

ANNEXURE I

S No	Name of the State /UT	Total No of Post office Access points rolled out as on 30.12.2018
1	Andaman & Nicobar Islands	1
2	Andhra	8810
3	Arunachal Pradesh	57
4	Assam	770
5	Bihar	3742
6	Chandigarh	52
7	Chhattisgarh	734
8	Dadra & Nagar Haveli	32
9	Daman & Diu	15
10	Delhi	453
11	Goa	223
12	Gujarat	6126
13	Haryana	2528
14	Himachal Pradesh	2059
15	Jammu & Kashmir	1068
16	Jharkhand	1328
17	Karnataka	4477
18	Kerala	2503
19	Lakshadweep (UT)	0
20	Madhya Pradesh	5701
21	Maharashtra	7594
22	Manipur	47
23	Meghalaya	55
24	Mizoram	37
25	Nagaland	51
26	Odisha	3316
27	Puducherry (UT)	90
28	Punjab	2578
29	Rajasthan	2884
30	Sikkim	7
31	Tamil Nadu	7245
32	Telangana	4467
33	Tripura	104
34	Uttar Pradesh	8469
35	Uttarakhand	1323
36	West Bengal	1358
	Total	80304
