GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF POSTS

LOK SABHA
UNSTARRED QUESTION NO. 1794
TO BE ANSWERED ON 8TH DECEMBER, 2021

INDIA POST PAYMENT BANK

1794. SHRI THOMAS CHAZHIKADAN:
Will the Minister of COMMUNICATIONS be pleased to state:

(a) the plans that have been formulated till now for the development of India Post Payments Bank (IPPB) into a profitable organization;

(b) the criteria undertaken by IPPB to tie up with a private company like Bajaj Insurance to sell products at a much lower rate; and

(c) whether the Government will reconsider the decision and if so, the details thereof?

ANSWER

MINISTER OF STATE FOR COMMUNICATIONS
(SHRI DEVUSINH CHAUHAN)

(a) India Post Payments Bank (IPPB) has been established to leverage the vast network of Department of Posts for furthering the goal of financial inclusion and to improve delivery of citizen centric public services. As a Payments Bank, its revenue is derived in the form of fee levied on transactions of various products & services. Accordingly, average revenue earned per user is a direct function of the range of products and services offered and their enhanced uptake. In this pursuit, IPPB is constantly working to enlarge the bouquet of its products and service offerings and increase their uptake. Current products and services offered by IPPB are attached as Annexure.

(b) IPPB is authorised by IRDA (Insurance Regulatory Development Authority) to carry out sale and distribution of Insurance products that are governed under the provisions of IRDA (Registration of Corporate Agents) regulations, 2015. Accordingly, IPPB has tied up with IRDA regulated insurance service providers (known as Bancassurance Partnership) to distribute insurance products through the extensive network of post offices as well as at the doorstep through Postmen/Gramin Dak Sevaks. Bajaj Allianz Life Insurance Corporation being a IRDA licensed Insurance services provider is permitted to tie up with Regulated entities such as Banks for sale and distribution of its Insurance products. Bajaj Allianz Life Insurance Company was shortlisted through a bidding process among top ten life insurance companies (as per IRDA data) in the year 2018. IPPB in partnership with Bajaj Allianz Life Insurance Company offers term and annuity insurance products to the customers of IPPB through the Department of Posts network.

(c) IPPB, as per the Bancassurance partnership norms of IRDA is permitted to partner with three Insurance service providers under each Insurance categories such as Life, General and Health. The terms of such arrangements is guided and governed by the IRDA norms for such partnerships.
Current products and services offered by India Post Payments Bank (IPPB) are as under:

- Paperless & Instant account opening
  - Savings accounts for citizens including Aadhaar Seeding for DBT (Direct Benefit Transfer) beneficiaries
  - Current Accounts for merchants
- Virtual Debit Card
- Cash Deposit/ Cash Withdrawal services
- Domestic Money Transfer services – Immediate Payment Service (IMPS), National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), Unified Payment Interface (UPI)
- Bill Payment services - Bill payment of utility bills, (Direct-to-Home) DTH/Mobile recharges, EMI (Equated Monthly Instalment) payments, insurance etc.
- Insurance services for IPPB customers – Life, Health, Vehicle insurance & Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)
- Post Office Savings Account (POSA) linkage with IPPB accounts
- Online Payment for Post Office Savings schemes – Public Provident Fund (PPF), Sukanya Samriddhi Yojana (SSY), Recurring Deposit (RD)
- Digital Life Certificate (DLC) services – Facilitate submission of DLC for any pensioners of central/state/ Employees Provident Fund Organisation (EPFO)
- Aadhaar based services – Mobile Number update in Aadhaar for any citizen and Child Enrolment services for any child (0 - 5-year-old)
- Cash Management services – Collection of dues from customers of corporates/ govt. bodies

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