



India Post Payments Bank 8th Foundation Day

Why in News?

[India Post Payments Bank \(IPPB\)](#) celebrated its **8th Foundation Day** on **1st September 2025**, reaffirming its commitment to providing inclusive, accessible, and affordable banking services at the last mile.

Key Points

- **About:** IPPB, established in 2018 under the **Department of Posts**, is a government-backed initiative focused on promoting [financial inclusion](#) and advancing [Digital India](#).
- **Scope:** It utilizes over **1.64 lakh post offices**, **1.90 lakh Postmen and Gramin Dak Sevaks (GDS)**, serving more than **12 crore customers**, processes billions of digital transactions, and offers doorstep banking in rural, semi-urban, and remote areas.
- **Objective:** IPPB aims to digitally empower every Indian and pave the way for **economic independence**. It strives to **deliver banking services** to the last mile, ensuring that even rural and underserved populations are financially included.
- **Services:** It has expanded into areas such as [direct benefit transfer](#) disbursements, pension payments, credit facilitation, and insurance and investment products in partnership with institutions.
 - New services like **Digismart digital savings accounts**, Premium Aarogya Savings Account, Aadhaar-based face authentication, RuPay virtual debit card, AePS-enabled payments, cross-border remittances, and **Bharat BillPay integration** have enhanced customer convenience.

Payment Bank

- **About:** A payments bank is a differentiated bank, offering a limited range of products.
 - A [committee headed by Dr. Nachiket Mor](#) recommended the setting up of a '**Payments Bank**' to cater to the lower-income groups and small businesses.
- **Features:**
 - 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.

