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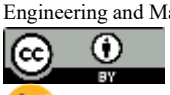
A Study of Banking Operations, Financial Performance and Financial Inclusion at India Post Payments Bank

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A B S T R A C T

This paper examines the banking operations and financial performance of India Post Payments Bank (IPPB), a wholly Government-owned payments bank that delivers banking services through the India Post network. The study is based on an on-the-job training (OJT) undertaken at IPPB and follows a descriptive and exploratory design. Primary information was gathered through observation of account opening, customer onboarding, KYC and Re-KYC procedures and Individual Business Correspondent (IBC) onboarding, together with interaction with employees and officials. Secondary data were drawn from IPPB Annual Reports for FY 2020–21 to FY 2024–25 and other official sources. The analysis shows that total deposits rose from ₹2,300 crore to ₹19,345.23 crore (about 8.4 times), total income increased from ₹461.20 crore to ₹2,148.12 crore, and the bank moved from a net loss of ₹159.62 crore in FY 2021–22 to a net profit of ₹133.85 crore in FY 2024–25. IPPB also holds a markedly larger CASA base than the other payments banks compared, and its model depends on deposits, digital transactions and fee-based income rather than on lending. Customer awareness, technology dependence, cybersecurity and operational coordination emerge as the main challenges, and recommendations for improving service delivery are proposed.

Keywords: India Post Payments Bank; Payments bank; Financial inclusion; Digital banking; Deposit growth; Banking operations

Nomenclature

AePS	Aadhaar Enabled Payment System
CASA	Current Account and Savings Account
DBT	Direct Benefit Transfer
GDS	Gramin Dak Sevak
IBC	Individual Business Correspondent
IPPB	India Post Payments Bank
KYC	Know Your Customer
OJT	On-the-Job Training
POSA	Post Office Savings Account
RBI	Reserve Bank of India
UPI	Unified Payments Interface

1. Introduction

1.1. Background

The banking sector is central to the financial system of a country because it mobilises savings, facilitates payments and fund transfers, provides credit and supports investment. The spread of digital technology has made banking faster and more convenient and has created new opportunities to reach customers in rural and semi-urban areas who were earlier outside the formal financial system. Within this context, payments banks were introduced as a differentiated category of banks designed mainly to provide basic banking, payment and remittance services to customers with limited access to conventional banking facilities (Sikdar & Kumar, 2017).

India Post Payments Bank (IPPB) is a payments bank established under the Department of Posts, Ministry of Communications, Government of India, and is 100% owned by the Government. It was incorporated as a public limited company on 17 August 2016, pilot-launched on 30 January 2017 at Ranchi and Raipur, and launched across India on 1 September 2018 (India Post Payments Bank [IPPB], n.d.). The bank combines the reach of India Post with digital technology and serves customers through branches, post-office banking access points, postmen and Gramin Dak Sevaks (GDS) in a hub-and-spoke



model. Its services include savings and current accounts, domestic money transfer, digital payments, bill payments, Direct Benefit Transfer (DBT), doorstep banking, insurance distribution and loan referral.

1.2. Rationale and problem statement

IPPB has expanded rapidly: in FY 2024–25 it crossed 11.67 crore customers and held total deposits of ₹19,345.23 crore (IPPB, 2025). Because a payments bank cannot undertake normal lending, its sustainability depends on deposits, transaction volumes, interest earned on permitted investments and fee-based services. It is therefore important to understand how day-to-day operations, such as account opening, KYC verification and business-correspondent onboarding, connect with the bank's financial results. Most available studies of payments banks concentrate on customer perception, adoption or financial inclusion in general; fewer combine ground-level operational understanding with published financial performance. This paper attempts to bridge that gap using practical exposure gained during an on-the-job training (OJT) at IPPB together with annual-report data.

1.3. Contribution and organisation of the paper

The paper makes three contributions. First, it documents the operational processes observed at IPPB during the OJT. Second, it analyses deposit growth, income, expenditure, profitability and net worth over FY 2020–21 to FY 2024–25 and benchmarks IPPB's CASA deposits against other payments banks. Third, it links these operational and financial observations to the literature on financial inclusion and digital banking and offers practical recommendations. Section 2 reviews the literature, Section 3 states the objectives, Section 4 describes the methodology, Section 5 profiles IPPB, Section 6 describes the banking operations observed, Section 7 analyses financial performance, Section 8 presents findings and discussion, Section 9 covers challenges and limitations, Section 10 gives recommendations and Section 11 concludes.

2. Review of literature

2.1. Theoretical background

Financial inclusion refers to providing affordable and convenient financial services, including savings, payments, remittances, insurance and pension, to people who have limited or no access to formal banking. It is particularly important in rural and semi-urban areas where bank branches are distant, and a bank with a wide physical network and digital facilities can help reduce this accessibility gap. IPPB's operating model, which delivers services through post offices, access points, doorstep banking and digital channels, rests directly on this idea.

Technology acceptance theory explains why customers accept or reject technology-based services. Adoption is more likely when a service is seen as useful, easy to use, safe and reliable, and when support is available. The theory is relevant to IPPB because many of its services run through mobile banking, UPI, AePS and QR-code payments, and the perceived usefulness and ease of these channels influence adoption, especially among first-time digital users.

Service quality theory evaluates banking through reliability, responsiveness, assurance, accessibility and customer support. Since IPPB serves customers through post offices, banking outlets, doorstep services and digital platforms, consistent quality across channels is central to customer trust and to greater use of digital services.

The *payments bank business model* differs from that of traditional commercial banks. Payments banks focus on savings and current accounts, domestic money transfers, digital payments, bill payments and government benefit transfers, and they do not lend in the way conventional banks do. Their income therefore depends on transaction-based charges, interest on permitted investments, partnerships and other permitted services, and the regulatory restrictions create challenges for profitability and competition.

2.2. Review of existing studies

Sikdar and Kumar (2017) studied the role of payment banks in achieving financial-inclusion objectives in India. They examined how payment banks could serve marginalised and migrant sections through digital financial services, stressed the importance of technology in making basic services available to excluded groups, and discussed the competitive implications of payment banks for traditional banks. A grounded-theory study on the adoption of payments banks ("Adoption of Payments Banks," n.d.) explained that these banks were created to provide affordable and accessible services to migrant workers, small businesses and low-income households, and highlighted the role of technology and digital infrastructure in their business model.

A study published in the *International Journal of Asian Business and Information Management* ("Study on Payment Banks in India," n.d.) examined customers' perceptions of payment banks and found that customers valued convenience, speed, safety and ease of use. Customers commonly used payment banks for mobile recharge, ticket booking and bill payments, but not for all their banking requirements. Focusing specifically on IPPB, Shyla and Kochu Tresya (2022) studied customer perception of the bank's role in financial inclusion and highlighted its potential to reach customers with limited access to traditional banking, particularly in rural and underserved areas.

Tejasmayee et al. (2025) examined the relationship between financial inclusion and rural economic development through post offices, IPPB and regional rural banks. Using primary data from rural respondents, they found a positive relationship between the two and underlined the importance of financial technology and financial literacy. Bhasme and Karthikeyan (2025) studied IPPB's role in rural financial inclusion in Karnataka and examined services such as the Aadhaar Enabled Payment System (AePS), mobile banking, bill payments, digital money transfers and doorstep banking; they found that these digital services contributed significantly to access to formal banking.



On the financial side, Kumar and Verma (2025) examined the performance of six payment banks in the post-COVID-19 period using indicators such as return on assets, profit margin, liquidity, banking business, leverage and efficiency, and showed that financial performance is central to the sustainability of payment banks. At the macro level, the World Bank (2025) Global Findex database provides international indicators on account ownership, digital payments, savings and borrowing, using data collected in 2024. The Reserve Bank of India (RBI, 2025) reports continued efforts to expand banking access and digital payments and notes that its Financial Inclusion Index rose to 64.2 in March 2024.

2.3. Research gap

The studies reviewed above establish why payments banks exist, how customers perceive them and how IPPB contributes to financial inclusion, while Kumar and Verma (2025) address financial performance across payment banks. However, among the studies reviewed here, few connect the day-to-day operational processes of IPPB, such as account opening, KYC and Re-KYC and IBC onboarding, with its published deposit, income and profitability trends. The present paper addresses this gap through an OJT-based, finance-oriented study of a single bank.

3. Objectives

The main purpose of the study is to understand the banking operations and financial services of India Post Payments Bank. The specific objectives are:

- To study the functioning of IPPB at branch and regional levels, including customer onboarding, KYC and Re-KYC procedures and the IBC onboarding process.
- To understand the financial services and digital banking facilities offered by IPPB, including insurance distribution and loan referral.
- To analyse the financial performance of IPPB, in terms of deposits, income, expenditure, profitability and net worth, using annual-report data for FY 2020–21 to FY 2024–25.
- To examine IPPB's competitive position among payments banks and its contribution to financial inclusion through the India Post network.
- To identify operational challenges and suggest practical measures for improving service delivery.

4. Research methodology

4.1. Research design

The study is descriptive and exploratory in nature (Kothari & Garg, 2019). The descriptive component presents the banking operations, customer-oriented services, digital and payment services and financial performance of IPPB. The exploratory component develops practical understanding of banking processes through OJT exposure, observation, interaction with employees and study of organisational information, and relates it to concepts studied in the MBA (Finance) programme.

4.2. Data sources and collection tools

Both primary and secondary data were used. Primary information was obtained through direct observation of banking operations, interaction with employees and officials, a visit to the IPPB Sub-Division Office, participation in meetings and video-conference sessions, and practical understanding of financial services. Secondary data were collected from IPPB Annual Reports for FY 2022–23, 2023–24 and 2024–25, the IPPB website, RBI publications, Government reports, banking-sector reports and relevant research papers. The collection tools were observation, personal interaction, study of documents and reports, online sources and assigned OJT activities.

4.3. Sampling

Because the study rests mainly on OJT experience, observation and organisational information, a large-scale customer survey was not undertaken. Purposive sampling was used wherever interaction with employees or officials was required, so that persons relevant to the banking operations under study were consulted. The sampling frame consisted of IPPB banking operations, financial-service activities, the employees and officials interacted with during the OJT, operational information observed during the internship and relevant reports. The sampling unit was the banking operation, financial-service activity or associated employee or official. A statistical sample-size calculation was not applicable.

4.4. Analytical tools

Published figures were organised in tables and charts and analysed using year-on-year growth rates, composition analysis and simple ratios (net profit margin, expenditure-to-income ratio and return on year-end net worth). Growth over multiple years is expressed as the compound annual growth rate (CAGR):

$$\mathbf{CAGR = (V_n / V_0)^{1/n} - 1}$$

where V_0 and V_n are the values in the first and last year and n is the number of years between them. All derived values in this paper were computed by the author from the published figures.



5. Overview of India Post Payments Bank

5.1. Organisation profile

IPPB follows the payments-bank model, so its operations differ from those of traditional commercial banks: it concentrates on deposits, payments, remittances, digital transactions, doorstep banking and the distribution of selected third-party financial products. Table 1 summarises its profile. As an unlisted, wholly Government-owned entity, IPPB has no market capitalisation, share price or earnings per share, so its financial analysis rests on income, profit, deposits, net worth and related ratios.

Table 1 - Profile of India Post Payments Bank

Particular	Details
Name	India Post Payments Bank Limited
Banking category	Payments bank
Ownership	100% Government of India
Incorporated	17 August 2016
Pilot launch	30 January 2017 (Ranchi and Raipur)
Pan-India launch	1 September 2018
Parent department	Department of Posts, Ministry of Communications
Headquarters	New Delhi
Regulator	Reserve Bank of India
Stock-exchange listing	Not listed on NSE/BSE
Customer base (FY 2024–25)	More than 11.67 crore

Source: IPPB (n.d.); IPPB (2025).

5.2. Network and services

The principal competitive advantage of IPPB is its association with the India Post network. According to the bank's network information, its infrastructure includes approximately 650 branches and control offices, 136,078 post-office banking access points, 25,259 counters and more than two lakh postmen and GDS supporting doorstep banking (IPPB, n.d.). This gives IPPB a presence in areas where conventional banking infrastructure is limited.

IPPB's services fall into six groups: (i) banking services, namely savings and current accounts, mobile, SMS, missed-call and phone banking, doorstep banking and linkage with Post Office Savings Accounts (POSA); (ii) payment services, namely UPI, QR-based payments, AePS, IMPS, NEFT, RTGS, bill, utility and merchant payments; (iii) domestic money transfer and remittance; (iv) government-related services such as DBT and Digital Life Certificate; (v) insurance distribution through partner insurers, covering life, term, general, health, personal accident, travel and cyber insurance; and (vi) loan referral. IPPB does not operate as a conventional lending bank; it acts as a loan lead and referral partner for banks and NBFCs, with partners including HDFC Bank, Aadhar Housing Finance, Aavas Financiers, FIBE, Aditya Birla Capital and Muthoot Fincorp (IPPB, n.d.).

5.3. Competitive environment and recent developments

The major competitors in the payments-bank segment are Airtel Payments Bank, Fino Payments Bank, Jio Payments Bank, NSDL Payments Bank and Paytm Payments Bank. IPPB also competes with commercial banks, fintech companies, digital payment applications and NBFCs. Its growth strategy has relied on partnerships rather than mergers and acquisitions, for example in loan referral, insurance and remittances, and through Fincluvation, a platform launched with the Department of Posts to collaborate with fintech start-ups on financial-inclusion solutions. In June 2025 IPPB received the Digital Payments Award 2024–25, and the Government stated that it ranked first among payments banks in the Performance Index for FY 2024–25 (Press Information Bureau, n.d.).

6. Banking operations observed during the OJT

The OJT provided exposure to the operational side of IPPB, mainly account opening, digital banking services and customer onboarding. Table 2 summarises the operations studied and the observations made.



Table 2 - Banking operations at IPPB and observations

Banking operation	Observation
Account opening	Customer accounts are opened through prescribed banking processes with documentation and verification
Cash deposit and withdrawal	Basic cash services are provided through banking access points
Money transfer	Domestic money-transfer facilities are available
Digital payments	Digital channels support payment transactions
Bill payments	Customers can make utility and other bill payments
DBT services	Government benefits can be received through DBT
Doorstep banking	Selected banking services are provided at the customer's doorstep
POSA linkage	IPPB accounts can be linked with Post Office Savings Accounts
Merchant services	Digital payment facilities are available for eligible merchants
Financial product referral	Customers can access selected third-party financial products

Source: Author's observation during the OJT and IPPB (n.d.).

6.1. Account opening, KYC and Re-KYC

Account opening is the entry point to formal banking for a customer. The process requires proper documentation and verification, and accuracy at this stage matters for regulatory compliance and customer security. Customer onboarding, KYC and Re-KYC procedures help maintain accurate customer records and support compliance with banking requirements, which in turn underpins trust in the bank.

6.2. IBC onboarding

The onboarding of Individual Business Correspondents (IBCs) supports the expansion of banking services beyond branches. The process involves documentation, verification and prescribed procedures, and it must be completed correctly so that business correspondents can deliver services reliably at the last mile.

6.3. Service delivery and coordination

Service delivery depends on coordination between branches, banking access points, postal staff and higher offices. Digital services depend on technology and network connectivity, and technical issues can occasionally affect transaction processing. Some customers, particularly first-time digital users, need additional guidance on account-related services and on the correct use of banking applications. These observations connect directly with the technology-acceptance and service-quality perspectives discussed in Section 2.

7. Financial performance analysis

7.1. Income, expenditure and profitability

Table 3 reports the key financial parameters of IPPB for FY 2021–22 to FY 2024–25. Total income rose from ₹461.20 crore to ₹2,148.12 crore, an increase of about 4.7 times and a CAGR of 67.0% over three years. Total expenditure rose more slowly, from ₹620.82 crore to ₹2,014.26 crore (CAGR 48.0%), which allowed the bank to move from a net loss of ₹159.62 crore in FY 2021–22 to profits in each subsequent year.

Table 3 - Financial performance of IPPB, FY 2021–22 to FY 2024–25 (₹ crore)

Financial year	Total deposits	Total income	Total expenditure	Net profit / (loss)	Net worth
2021–22	3,691.72	461.20	620.82	(159.62)	277.76
2022–23	6,292.36	766.15	745.99	20.16	506.11
2023–24	11,552.19	1,265.29	1,231.04	34.23	959.57
2024–25	19,345.23	2,148.12	2,014.26	133.85	1,384.12

Source: IPPB Annual Reports.

The bank turned profitable in FY 2022–23 with a net profit of ₹20.16 crore, and profit in FY 2024–25 (₹133.85 crore) was about 3.9 times that of FY 2023–24 (₹34.23 crore). Income grew by 66.1%, 65.1% and 69.8% in successive years, while expenditure growth slowed to 20.2% in FY 2022–23 before rising to about 65% and 64% in the following two years. As Figure 1 shows, the gap between income and expenditure widened in FY 2024–25, which is consistent with improving operating leverage: higher business volume spread over a cost base that grew more slowly than income.

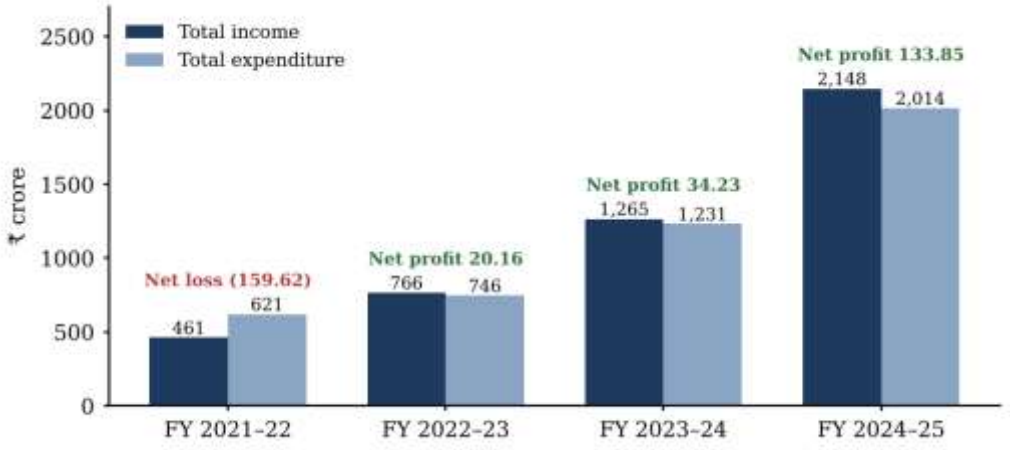


Fig. 1 - Total income, total expenditure and net profit/(loss) of IPPB (₹ crore).

7.2. Deposit growth

Deposits are the foundation of a payments bank's balance sheet. Table 4 and Figure 2 show that IPPB's total deposits rose continuously from ₹2,300 crore in FY 2020–21 to ₹19,345.23 crore in FY 2024–25, an increase of about 8.4 times and a CAGR of 70.3% over four years. Annual growth was 60.5% in FY 2021–22, 70.4% in FY 2022–23, 83.6% in FY 2023–24 and 67.5% in FY 2024–25, so the strongest year of growth was FY 2023–24.

Table 4 - Total deposits of IPPB and annual growth

Financial year	Total deposits (₹ crore)	Year-on-year growth (%)
2020–21	2,300.00	–
2021–22	3,691.72	60.5
2022–23	6,292.36	70.4
2023–24	11,552.19	83.6
2024–25	19,345.23	67.5

Source: IPPB Annual Reports; growth rates computed by the author.

Dividing FY 2024–25 deposits by the reported 11.67 crore customers gives an average of roughly ₹1,658 per customer. This is only a rough indicator, but it suggests that the deposit base is built on a very large number of small balances, which is consistent with IPPB's financial-inclusion mandate and its reach among customers who have limited access to conventional banking.

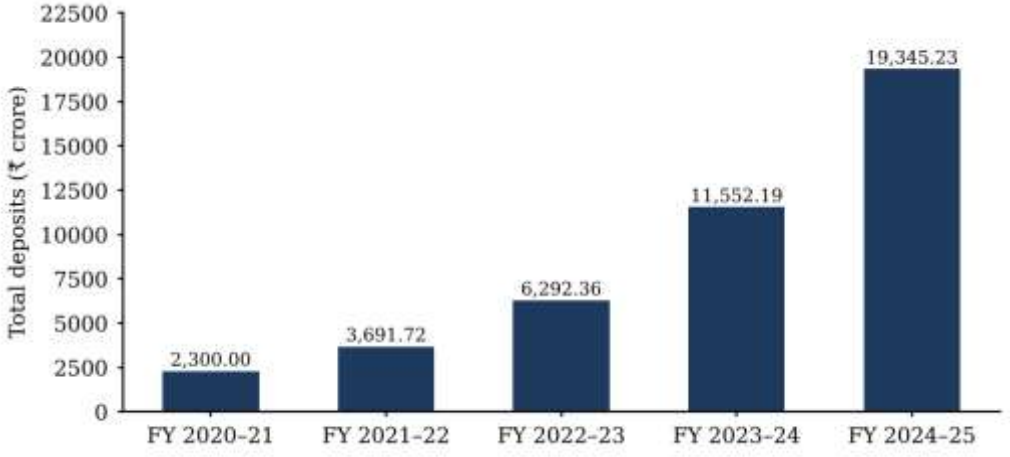


Fig. 2 - Total deposits of IPPB, FY 2020–21 to FY 2024–25 (₹ crore).



7.3. Income composition and profitability ratios

Table 5 splits total income into interest earned and other income (fee, commission and related income) for the three years for which the split is available, and reports profitability ratios for all four years. Interest earned rose from ₹279.05 crore to ₹1,122.85 crore, about 4.0 times, while other income rose from ₹487.10 crore to ₹1,025.28 crore, about 2.1 times. The share of interest income in total income therefore increased from 36.4% to 52.3%, and interest income overtook other income in FY 2023–24.

Table 5 - Income composition and profitability ratios

Particulars	2021–22	2022–23	2023–24	2024–25
Interest earned (₹ crore)	n.a.	279.05	607.58	1,122.85
Other income (₹ crore)	n.a.	487.10	657.72	1,025.28
Interest share of total income (%)	n.a.	36.4	48.0	52.3
Other income share of total income (%)	n.a.	63.6	52.0	47.7
Expenditure as % of income	134.6	97.4	97.3	93.8
Net profit margin (%)	(34.6)	2.6	2.7	6.2
Return on year-end net worth (%)	(57.5)	4.0	3.6	9.7

Source: IPPB Annual Reports; ratios computed by the author. n.a. = split not available in the data used.

Expenditure fell from 134.6% of income in FY 2021–22 to 93.8% in FY 2024–25, and net profit margin improved from –34.6% to 6.2%. Return on year-end net worth rose from 3.6% in FY 2023–24 to 9.7% in FY 2024–25. Net worth itself grew about 5.0 times, from ₹277.76 crore to ₹1,384.12 crore; since this increase of ₹1,106.36 crore is much larger than the cumulative profit of ₹188.24 crore earned over FY 2022–23 to FY 2024–25, the capital base appears to have been strengthened by sources other than retained earnings, although the data used here do not itemise them. The growing weight of interest income implies that profitability is increasingly linked to the size of the deposit base and the returns on permitted investments, alongside fee-based services such as insurance distribution, remittances, bill payments and loan referral.

7.4. Position among payments banks

A 2024 peer comparison reported by SEBI/CRISIL shows IPPB with a much larger CASA base than the other payments banks in the comparison (Table 6 and Figure 3). IPPB's CASA deposits of ₹115.52 billion were about 4.4 times those of Airtel Payments Bank and about 8.2 times those of Fino Payments Bank, and accounted for roughly 71% of the combined CASA deposits of the six banks. The figure equals ₹11,552 crore, which matches IPPB's total deposits for FY 2023–24 in Table 4 and is consistent with a model built on savings and current accounts.

Table 6 - CASA deposits of payments banks, FY 2024

Payments bank	CASA deposits (₹ billion)	Share of six-bank total (%)
India Post Payments Bank	115.52	70.7
Airtel Payments Bank	26.31	16.1
Fino Payments Bank	14.13	8.7
Paytm Payments Bank	5.89	3.6
Jio Payments Bank	0.88	0.5
NSDL Payments Bank	0.59	0.4

Source: Peer comparison reported by SEBI/CRISIL (2024); shares computed by the author.

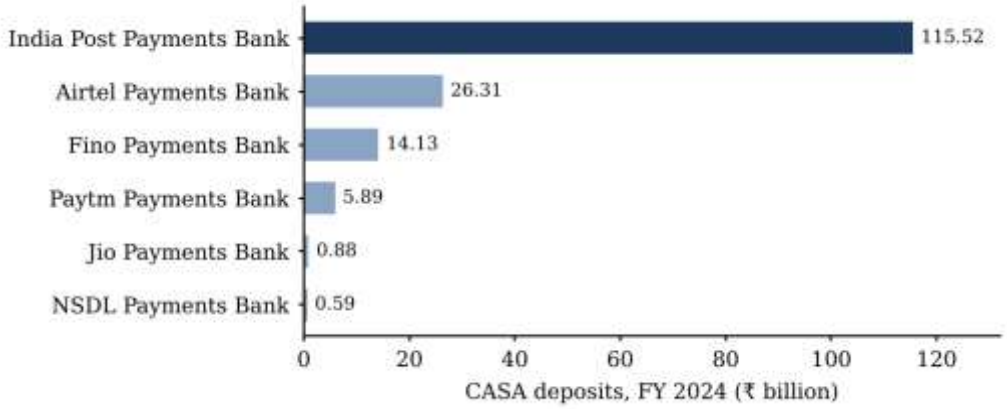


Fig. 3 - CASA deposits of payments banks, FY 2024 (₹ billion).

8. Findings and discussion

8.1. Operational findings

- Account opening is an important banking activity because it gives customers access to formal banking, and proper documentation and verification are essential parts of the process.
- Digital banking provides convenient access to payment facilities and other banking services through digital channels.
- IPPB uses the India Post network to serve urban, semi-urban and rural customers, which supports financial inclusion, particularly for customers with limited access to conventional banking.
- Customer onboarding, KYC and related verification maintain accurate customer records and support regulatory compliance.
- IBC onboarding supports the expansion of banking services through business correspondents, provided documentation and verification are completed correctly.
- IPPB offers money transfer, digital payments, bill payments, DBT, doorstep banking and insurance-related services that meet different financial needs of customers.
- Smooth coordination between employees, branches, banking outlets and postal staff is necessary for effective service delivery.

8.2. Financial findings

- Deposits grew about 8.4 times between FY 2020–21 and FY 2024–25 (CAGR 70.3%), and total income grew about 4.7 times between FY 2021–22 and FY 2024–25 (CAGR 67.0%).
- IPPB moved from a net loss of ₹159.62 crore in FY 2021–22 to a net profit of ₹133.85 crore in FY 2024–25, with expenditure falling from 134.6% to 93.8% of income.
- The share of interest income in total income rose from 36.4% to 52.3%, so deposits and returns on permitted investments are becoming a larger driver of income, alongside fee-based services.
- IPPB holds a far larger CASA base than other payments banks in the 2024 peer comparison, about 71% of the six-bank total.

8.3. Discussion

The results are consistent with the literature. The expansion of deposits and customers through a postal network supports the view of Sikdar and Kumar (2017) that payment banks can serve as a catalyst for financial inclusion, and the importance of doorstep banking, AePS and mobile banking observed during the OJT echoes the findings of Bhasme and Karthikeyan (2025) on rural access. The need for customer guidance in using digital services is in line with the adoption and perception studies reviewed earlier (Shyla & Kochu Tresya, 2022; "Study on Payment Banks in India," n.d.) and with technology acceptance theory. On the financial side, the improvement in expenditure-to-income, margin and return ratios reflects the emphasis that Kumar and Verma (2025) place on profitability and efficiency as indicators of the sustainability of payment banks. At the same time, the profit margin of 6.2% in FY 2024–25 remains thin, which confirms that the payments-bank model leaves limited room for interest income compared with lending banks and that further growth in transaction volumes and fee-based services is needed for lasting profitability.



9. Challenges and limitations

9.1. Challenges

Operational challenges observed during the OJT were: understanding the full sequence of banking operations, account opening and customer documentation, which required practical observation and guidance from employees; dependence of digital services on technology and connectivity; customer awareness and the need for guidance in using digital services; accuracy in documentation and verification during onboarding; understanding the IBC onboarding journey; and coordination between branches, access points, postal staff and other officials. At the institutional level, IPPB faces the restrictions of the payments-bank model, which prevent independent lending; cybersecurity and fraud risks as digital transactions grow; operational coordination across a very large network; competition from payments banks, commercial banks, fintech companies and digital payment applications; and pressure on profitability because of limited avenues for interest income.

9.2. Limitations

The study has the following limitations. (i) It was conducted over a limited OJT period, so not all banking activities and procedures could be observed in detail. (ii) Some internal information and customer records were not accessible because of the bank's policies and data-privacy requirements. (iii) The financial analysis depends on published figures for the period FY 2020–21 to FY 2024–25 only. (iv) Practical exposure was mainly related to account opening, digital banking and customer onboarding, so other departments could not be studied in depth. (v) Digital banking services and procedures change over time, so the observations may not represent future developments. (vi) The peer comparison draws on a single 2024 secondary source, and different sources may define items such as net worth differently, so only the CASA comparison is used. (vii) No customer survey was conducted, so customer satisfaction and usage are not measured directly.

10. Recommendations

Based on the study, Table 7 sets out six recommendations, the measures through which they can be implemented and the outcomes expected.

Table 7 - Recommendations, implementation measures and expected outcomes

Recommendation	Implementation measure	Expected outcome
Increase customer awareness of digital banking, doorstep banking, insurance, remittance and DBT	Regular financial-literacy and awareness programmes; simple regional-language communication for rural and semi-urban customers	Better understanding and use of IPPB services
Strengthen digital banking services	Continuous improvement of mobile and digital platforms for speed, simplicity and reliability	Faster and more convenient transactions
Improve customer support	Better digital support and grievance-resolution mechanisms; monitoring of service quality and complaints	Higher customer satisfaction
Strengthen cybersecurity awareness	Periodic campaigns for customers and employees on safe digital transactions, passwords, OTPs and fraud prevention	Safer digital banking practices
Improve operational coordination	Stronger coordination between IPPB and the India Post network, branches, outlets and higher offices	Fewer delays and operational difficulties
Expand awareness of financial services and train staff	Regular training of employees and banking correspondents; use of customer and employee feedback to identify gaps	Greater use of insurance and other services; better service quality

Future research can extend this study in five directions: a customer-satisfaction survey of IPPB services; research on the adoption and usage of digital banking; a comparative study of IPPB and other payments banks on deposits, customers, digital transactions and financial performance; a detailed measurement of IPPB's contribution to financial inclusion in rural and semi-urban areas; and an analysis of service quality from the customer's perspective.

11. Conclusion

This paper studied the banking operations and financial performance of India Post Payments Bank using OJT-based observation and annual-report data. The operational evidence shows that account opening, customer onboarding, KYC and Re-KYC, IBC onboarding and coordinated service delivery are the foundations on which IPPB delivers banking services through the India Post network and digital channels. The financial evidence shows strong growth: deposits rose about 8.4 times over FY 2020–21 to FY 2024–25, income about 4.7 times over FY 2021–22 to FY 2024–25, and the bank moved from a net loss to a net profit of ₹133.85 crore, while its CASA base is far larger than that of the other payments banks compared.

The results also show that the payments-bank model leaves IPPB dependent on deposits, interest on permitted investments, digital transactions and fee-based services rather than on lending, and that profit margins are still thin. Customer awareness, technology dependence, cybersecurity, operational coordination and competition therefore remain the key issues. Strengthening awareness, digital services, customer support and coordination, as



recommended above, can help IPPB convert its wide reach and growing deposit base into sustainable financial performance and deeper financial inclusion.

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