

Banks, insurers keen on tying up with India Post

17 entities evince interest in leveraging its vast network to extend their services

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The e-mail may have replaced the snail-mail but India Post has survived the numerous obituaries written for it and become much sought-after once again on the strength of its unmatched network.

After being pursued by e-commerce firms for logistics and other support, the country's oldest postal service provider is now being wooed by banks and insurance companies as it gears up for a debut in the payment banking business. The list of those keen to tie up with India Post includes marquee names like SBI, Bajaj Alliance, IDBI, YES Bank, HDFC and Axis Bank.

There are 17 such banking and insurance companies who have

shown interest to use the postal network for delivering their services such as EMI collection and insurance.

According to government sources, these companies want to use the postal network by partnering with the India Post Payment Bank, which got licence from the RBI recently.

Sources close to the development told *BusinessLine* that SBI could be the first bank to join hands with the Postal Department. "SBI chief (Arundhati Bhat-tacharya) and Kavery Banerjee, Secretary, Department of Posts, had a meeting recently and they discussed to work hand-in-hand for providing services to customers," an official said.

Both the heads — of the largest bank and postal networks — discussed how they can leverage each other's strengths and help extend financial services to the disadvantaged, the official added.

"There was a discussion also on how a postman can work as a



bank agent in far-flung rural areas where neither a bank branch nor a bank agent can go for verification of loans. But with the Postal Department's help, farmers and students can get loans (for agriculture/education) without much hassle," the official said.

ATMs at post offices

The official said the government is also working towards banks installing ATMs at post offices; the

Department of Posts has a network of 1.55 lakh branches across the country and more than 85 per cent are in rural areas.

But it is evident that the banks are gung-ho about tying up with the Postal Department as they will only stand to benefit. "This initiative will play a pivotal role in bringing a large number of uninsured segments of the country under the safety net and improving the penetration of insurance in the country," said TA Ramalingam, Chief Distribution Officer, Bajaj Allianz General Insurance.

A tie-up with payment banks like The India Post will provide insurers an opportunity to distribute retail insurance solutions such as personal accident and health insurance policies to their huge customer base, he said.

"This will also enable insurers leverage on the payment bank's strong distribution network to take insurance solutions to the unrepresented segments in the country, especially in tier-III cities and villages," he added.