

Published: March 1, 2015 08:05 IST | Updated: March 1, 2015 08:05 IST

### 63% post offices ready for core banking in Chennai

K. Lakshmi



Widening network: Nearly 20 lakh people hold various types of savings accounts in the 230 post offices in Chennai and its fringe areas. Photo: R. Ragu

The Hindu

**Customers can make payments, withdraw money and receive benefits of schemes**

Post offices in the city will soon double up as 'payment banks'.

Not only will they accept payments, but also disburse money to beneficiaries of various social welfare schemes, apart from old-age pension.

As part of its efforts to step into banking services, the postal department is already in the process of migrating to core banking solutions (CBS) and installing automated teller machines (ATMs).

At present, nearly 145 of the 230 post offices across the city and its fringes have been networked for CBS. Customers can carry out transactions in any of these post offices.

With their vast network in both urban and rural areas, post offices will function as payment banks to help people hold savings bank accounts, particularly in places where access to banks is limited.

In his speech, Finance Minister Arun Jaitley said the payment bank venture of the postal department would help contribute to the Pradhan Mantri Jan Dhan Yojana.

Responding to this, officials of the postal department said they are prepared to provide more people with access to banking services.

At present, nearly 20 lakh people hold various types of savings accounts in the 230 post offices.

"Most of our head post offices are already networked with CBS. We are already disbursing old-age pension to over two lakh beneficiaries in the city and its fringes. With the payment bank facility, we will be able to disburse funds from other welfare schemes under the direct benefit transfer," said Mervin Alexander, postmaster general (Chennai city region).

The facility will also help customers avail of overdraft facility. However, post offices cannot issue credit cards or undertake lending activities.

Keywords: [Arun Jaitley](#), [Post offices](#), [core banking](#), [payment banks](#), [social welfare schemes](#)