

To cite this article: Dr. Md. Aijaz Khan and Dr. Mehdi Bano (2025). BUSINESS PERFORMANCE OF PAYMENTS BANKS IN INDIA: AN ANALYTICAL STUDY, International Journal of Research in Commerce and Management Studies (IJRCMS) 7 (1): 241-259 Article No. 342 Sub Id 643

BUSINESS PERFORMANCE OF PAYMENTS BANKS IN INDIA: AN ANALYTICAL STUDY

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DOI: <https://doi.org/10.38193/IJRCMS.2025.7119>

ABSTRACT

RBI is apex body of the banks in India and granted licenses to all types of banks to commence the operations. In 2015 RBI granted licenses to differentiated banks that consist of small finance banks and Payments banks. They are banking institutions that are providing specific services and products. These banks are special banks, or "banks of payments." The aim of Payments Banks is to promote financial inclusion to serve small companies and low-income populations. So that every Indian citizen will have access to a global bank account to reach the nation's unbanked populace, who reside in remote areas and villages. Objectives of this study is to study the conceptual frame work, product, services offering by Payments banks in India and financial performance of the banks.

KEYWORDS: RBI, Differentiated Bank, Payment's bank, Financial Inclusions

INTRODUCTION

Most of the Indian citizens don't have bank account, majority of them are small entrepreneur and businesses and they don't have access to financial resources. Therefore, Government of India started the Pradhan Mantri Jan Dhan Yojana scheme in 2014 with the aim to make sure that every citizen should have the account and they can access the financial resources provided by the financial institutions and banks. Most of the people opened the account under this scheme. In September, 2013 the RBI constituted a committee to investigate comprehensive financial services for low-income people and small companies. The committee aimed to attain financial inclusion and expand access to financial services. The committee submitted the report based on findings to the RBI in January 2014.

Further, on August 19, 2015, the RBI issued "in-principle" licenses to eleven applicants for the establishment of payment banks. Payment banks serve low-income and small enterprises by providing financial services like internet banking, deposit taking, payment processing, and more, ensuring that all Indian citizens have access to banking facilities.

In order to serve small companies and low-income populations, committee suggested to established special banks, or "banks of payments," so that by January 1, 2016; every Indian citizen will have access to a global bank account and they can carry out most banking operations like fund transfer services and other banking services such as ATM / Debit cards, net banking, and they can also accept demand deposits up to ₹ 1 lac, except loans and issue credit cards. Payments Bank, a bank like others that operates on a small scale without taking any credit risk.

Rules and Regulations for Payments Bank:

1. Full network systems from the ground up.
2. The promoters' minimum stake is 40% for the first five years.
3. Foreign direct investments made it possible for private banks to abide by the regulations.
4. A minimum of 100 crores in capital is needed.
5. Each user is initially given a ceiling of Rs. 1 lakh for reserves, but the RBI may increase this amount based on performance.
6. Limitations on loans.
7. Establishing subsidiaries and engaging in non-banking activities are prohibited.
8. The RBI's rules should be followed when appointing directors, with the independent director holding the majority.
9. 10% of the vote is allotted to shareholders; the RBI may raise this to 26%.
10. They have voting right as per the Banking Regulation Act, 1949.
11. They have established a minimum of twenty-five branches in rural regions.
12. It needs to be registered as a public limited company under the Companies Act of 2013.
13. The term "Payments Bank" ought to be included in its name to set it apart from other banks.

Features of Payments Bank:

Mobile Bank: It is a mobile-only bank; however, akin to other banks, it will not possess full fledged branches. Mobile applications will be available for users of Payments bank to manage their accounts.

Small Saving: Customer can deposit up to ₹ 2 lacs only in Payments Bank account.

ATMs and Debit Cards: "Payments banks are able to set up ATMs and provide debit cards to account holders, allowing them to make cash withdrawals from any ATM in India."

Mobile Services: Being a part of the gateway that transacts over the phone and connects the banks through mobile, payments bank users can pay the bills, remittance services, and transfer money

directly to the bank account at nearly no cost. Additionally, it provides cashless and cheque-less transactions.

Interest on savings account: "Payments Bank also provides the high rate of interest due to low infrastructure cost.

Licensees of Payments Banks in India: The RBI granted permission to the following eleven firms in August 2015 to establish Payments Banks.

Paytm, Vodafone M-Pesa, Tech Mahindra, Idea Cellular, Cholamandalam Distribution Services, Sun Pharmaceuticals, Fino Pay tech., Airtel M-Commerce Services, National Securities Depository Limited, India Post and Reliance Industries. Three of the eleven applicants—Tech Mahindra, Dilip Shanghvi, and Cholamandalam Finance cancelled their licenses. Out of 11 applicants six applicants established the Payments Bank viz. Airtel Payments Bank, Fino Payments bank, Paytm Payments Bank, Jio Payments Bank, India Post Payments bank and NSDL Payments Bank.

Objectives of the study

1. To study the conceptual framework and need of Payments Banks in India.
2. To examine the product and services offering by the Payments Banks in India.
3. To assess the performance of Payments Banks operating in India.

Scope and limitations of the study: This study is based on select Payments banks operating in the India. This study assessed the performance of the business of Payments Banks on the basis of growth trends. It is confined the period of five years from 2018-19 to 2023-24 and it is does not reflect the overall performance of Payments Banks.

Period of the study: This study based on the period of five years from financial year 2018-19 to 2023-24. Whereas in case of Jio Payments Bank, NSDL Payments Bank period is five years and Paytm Payments Bank is three years based on 2019-20 to 2023-24 and 2020-21 to 2022-23 respectively.

Research Methodology

This study is descriptive and analytical in nature

Data Collection: Present study is based on secondary source of data which is collected from annual reports of Payments Banks, research papers magazines, newspapers websites of Payments Banks, MCA etc.

Study Organisations: The study based on Active Payments Banks operating in India Viz.

1. Airtel Payments Bank (APBL)
2. Fino Payments Bank (FBPL)
3. Paytm Payments Bank (PPBL)
4. Jio Payments Bank (JPBL)
5. India Post Payments Bank (IPPBL)
6. NSDL Payments Bank (NSDLPBL)

Financial Performance Indicators: Following financial indicators has been used in this study to measure the business performance of Payments banks.

1. Customers
2. Digital Financial Transactions in volume and value
3. Total Deposits
4. Total Income
5. Total Expenditure
6. Net Profit/Net Loss
7. Capital
8. Total Assets
9. Capital Adequacy Ratio.

Data Analysis techniques: following techniques had been used for analyzing the data.

1. Trend Percentages
2. Average
3. Standard Deviation
4. Coefficient of Variation
5. Compound annual growth rate

Review of Literature

Sultana (2022) in her doctoral thesis studied the customer perception towards cashless economy and Payments banks, study explores the various instruments of digital payments such as AEPS, IPMS, NEFT, RTGS, UPI, POS and Payments banks as a gateway of payments. It also shows the growth trend of Payments banks. Study concludes that Payments Banks have customers from all age group but 16-30 years age groups, graduate and post graduates and employees preferably using Payments Banks and Paytm Payment Banks has huge share of customers and stood as on first place than Airtel Payments Banks has significant huge share and stood on second position.

Mittal et. Al. (2017) focuses on assessing customers' preferences in using services of payment banks over universal banks. Study reveals that most of the respondents preferred payment banks for mobile recharge, payment of utility bills, restaurants bill, booking of cabs, fund transfer, and other usage. Customer did not prefer payment banks for saving purpose. Study also reveals that young generation is tech savvy therefore they preferred payments banks for payments.

Chandreprabha (2017) shows how the Payment Bank encourages the financial inclusion, initiatives of cashless transactions, promoting internet literacy in Indian unbaked Population rural and urban people of the society due to the lack of digital literacy and encouraging the people to innovative banking modes of payments.

Aggarwal & Bhatnagar (2016) shows that payment banks are likely challenge to traditional banks on the basis of 6 C's i.e. Cost, Capital, Customer engagement, Culture, Collaboration and Channel of providing services. Payment Banks are providing services to their customers 24x7. Payment banks are charging minimum cost of services to their doorsteps which are accessible them anytime. Traditional Banks are more capital intensive whereas Payment banks are less Capital intensive there is no need of opening branches at different locations.

Research Gap: Most of the studies are descriptive in nature i.e. based on meaning, conceptual framework, of Payments banks. It's also found that attempts were made to study the concepts, rules and regulation of Payments Banks. Very few studies are based on analytical in nature. There is need to know the growth trends, financial performance, of Payments Banks.

Data Analysis

Table 1.0: Date of Incorporation, date of services launched and parents' company of the Payments Banks in India.

S. No	Payments Bank	Date of Incorporation	Date of Services launched	Owned by
1	Airtel Payments Bank	01-04-2010	12-01-2017	Bharti Airtel
2	Fino Payments Bank	23-06-2007	30-06-2017	Fino Pay tech Ltd.
3	Paytm Payments Ban	22-08-2016	28-11-2017	Paytm
4	Jio Payments Bank	10-11-2016	03-04-2018	Reliance Industries
5	India Post Payments Bank	17-08-2016	01-09-2018	India Post, Govt. of India
6	NSDL Payments Bank	17-08-2016	29-10-2018	National Securities Depository Limited (NSDL)

(Source: Respective websites of Payments Banks)

Table 1 depicts the information of date of incorporation, date of services launched and parent company of the Payments Banks. During the study period, Airtel is first payments bank who launched their services owned by Bharti Airtel and India Post Payments Bank is last one owned by India Post, Govt. of India on the basis of services launched till date.

Table 1.1: Common Products and Services offered by the Payments Banks in India

Products & Services Offered	IPPBL	APBL	FPBL	JPBL	PPBL	NSDLPBL
Saving Accounts	Yes	Yes	Yes	Yes	Yes	Yes
Current Accounts	Yes	Yes	Yes	Yes	Yes	Yes
Mobile Banking	Yes	Yes	Yes	Yes	Yes	Yes
Domestic Money Transfer	Yes	Yes	Yes	Yes	Yes	Yes
Bills Payments	Yes	Yes	Yes	Yes	Yes	Yes
Remittance & Fund Transfer	Yes	Yes	Yes	Yes	Yes	Yes
Cards	Yes	Yes	Yes	Yes	Yes	Yes
Insurance	Yes	Yes	Yes	Yes	Yes	Yes
Loan Referral Services	Yes	Yes	Yes	Yes	Yes	Yes
Recharge Mobile & DTH	Yes	Yes	Yes	Yes	Yes	Yes

(Source: Respective websites of Payments Banks)

Table 1.1 depicts about the common or similar products and services offered by the Payments Banks in India. It is observed that most of the Payments Banks are offering same banking services such as saving accounts, current accounts, fixed deposits mobile banking fund transfer services bill payments etc.

Table 1.2: Products and Services in addition to common/similar products and services offered by the Payments Banks.

Products & Services Offered	IPPBL	APBL	FPBL	JPBL	PPBL	NSDLPBL
Fixed Deposits	Yes	Yes	Yes	Yes	Yes	No
Salary Accounts	Yes	Yes	Yes	Yes	Yes	No
SMS banking	Yes	No	No	No	No	Yes
Missed Call Banking	Yes	No	No	No	No	No
Phone banking	Yes	No	No	No	No	Yes
IPPB & POSA linkages	Yes	No	No	No	No	No
Digital Life Certificate	Yes	No	No	No	No	No
CELC services	Yes	No	No	No	No	No
Doorstep Banking	Yes	No	No	No	No	No
Direct Benefit Transfer	Yes	No	No	No	No	Yes
e- NACH	Yes	No	No	No	Yes	Yes
DoP Product Payment	Yes	No	No	No	No	No

Fastag	No	Yes	No	No	Yes	Yes
NCMC enabled card	No	Yes	No	No	Yes	Yes
Digi Gold	No	Yes	No	No	Yes	No
Payments Smart Watch	No	Yes	No	No	No	No
WhatsApp Banking	No	Yes	Yes	No	No	No
Rewards 123	No	Yes	No	No	No	No
Safe pay	No	Yes	No	No	No	No
Money Wallet	No	Yes	No	Yes	Yes	Yes
Travellers Bundle	No	Yes	No	No	No	No
Atal Pension Yojana	No	Yes	No	No	No	Yes
DICGC	No	Yes	No	No	Yes	Yes
Food Wallet	No	No	No	No	Yes	No
Cash Management Services	No	Yes	Yes	No	No	Yes
Salary solutions	No	Yes	No	No	No	Yes
API Banking	No	No	Yes	No	No	Yes
Outreach solutions	No	No	Yes	No	No	No
BC Banking	No	No	Yes	No	No	Yes
Mutual Funds	No	No	No	No	No	Yes
Linked Trading Account	No	No	No	No	No	Yes

(Source: Respective websites of Payments Banks)

Table 1.2 shows the Products and Services offered by the Payments banks in addition to common/similar products and services offered by the Payments Banks. It is observed that they are providing the services other than individual as well as merchant services. Some of the notable services such as doorstep banking services, Fastag, cash management services, direct benefit transfers, digital life certificates, food wallet, loan referral services Child Enrolment Lite Client (CELC) Services etc.

Table 2.1: Customers and Total Deposits of India Post Payments Bank

India Post Payments Bank				
Year	Customers (₹ in Crores)	Change	Total Deposits (₹ in Crores)	Change
2018-19	0.557		95	
2019-20	2.36	324%	855	800%
2020-21	4.31	83%	2300	169%
2021-22	5.26	22%	3691	60%
2022-23	6.63	26%	6292	70%

Average	3.8234		2646.6	
S.D	2.3973		2460.7081	
CV	56%		83%	
CAGR	64%		131%	

(Source: Annual reports of respective Payments Bank)

Table 2.1 displays the information relating to number of customers and total deposits of India Post payments Bank. It is observed that annual compound growth rate of customers and deposits are 64% and 131% respectively. In the year 2019-20 customers are increased by 324% from ₹ 0.557 lacs to ₹ 2.36 crores. In case of deposits, it is increased by 800% in the year 2019-20 and 169% in 2020-21.

Table 2.2: Digital Financial Transactions in Value and Volume of India Post Payments Bank

India Post Payments Bank				
Year	Digital Financial Transactions (Value ₹ in Crores)	Change	Digital Financial Transactions (Volume in Crores)	Change
2018-19	15000		5.5	
2019-20	58709	291%	15.91	189%
2020-21	154367	163%	83.84	427%
2021-22	320579	108%	162	93%
Average	137163.75		66.8125	
S.D	117277.6997		62.6515	
CV	86%		94%	
CAGR	115%		133%	

(Source: Annual reports of respective Payments Bank)

Table 2.2 reveals the information about digital financial transactions in value and volume of India Post Payments bank. It is observed that digital financial transactions in value and volume have been increasing by the 115% & 133% annually. Average digital financial transactions in value and volume are ₹137163.75 crores and 66.82 crores respectively and in case of coefficient of variation are 86 & 94% respectively.

Table 2.3: Total Income, Total Expenditure and Net Profit /Net Loss of India Post Payments Bank

India Post Payments Bank						
Year	Total Income (₹ in Crores)	Change	Total Expenditure (₹ in Crores)	Change	Net Profit/Net Loss (₹ in Crores)	Change
2018-19	48.28		213.38		-165.1	
2019-20	54.76	13%	388.77	82%	-334.01	102%
2020-21	213.04	289%	533.58	37%	-320.54	-4%
2021-22	461.2	116%	620.82	16%	-159.62	-50%
2022-23	766	66%	745.99	20%	20.16	-113%
Average	308.656		500.508		-191.822	
S.D	305.7100		206.6144		144.4586	
CV	89%		37%		-67%	
CAGR	74%		28%		-166%	

(Source: Annual reports of respective Payments Bank)

Table 2.3 reveals the information of Total Income, Total Expenditure and Net Profit/ Loss of India Post Payments bank. It is noticed that average total income of India Post Payments Bank is ₹ 308.656 Crores whereas, average total expenditure of the bank is 500.508 crores which is more than the Average total income that resulted Average net loss is ₹ 191.822 crores. It is also observed that India Post Payments bank recorded profit of 20.16 crores in 2022-23 first times after continuous losses. During the study period annual compound growth rate of total income, total expenditure and net loss are 74%, 28% and -166%. CV in total income, total expenditure and net loss are 89%, 37% -67% respectively.

Table 2.4: Capital & Total Assets of India Post Payments Bank

India Post Payments Bank				
Year	Capital (₹ in Crores)	Change	Total Assets (₹ in Crores)	Change
2018-19	700		886.99	
2019-20	1035	48%	1645.26	85%
2020-21	1255	21%	3061.74	86%
2021-22	1455	16%	4501.11	47%
2022-23	1655	14%	7619.87	69%
Average	1220		3542.994	
S.D	370.9110		2665.8142	
CV	27%		67%	
CAGR	19%		54%	

(Source: Annual reports of respective Payments Bank)

Table 2.4 depicts about the capital and total assets of India Post Payments bank and it is observed that average capital and total assets are ₹ 1220 & ₹ 3542.99 crores respectively. Annually compound growth rates are 19% and 54% respectively. It is observed that bank is introducing capital in the business every year.

Table 3.1: Total Income, Total Expenditure and Net Profit /Net Loss of Fino Payments Bank

Fino Payments Banks						
Year	Total Income (₹ in Crores)	Change	Total Expenditure (₹ in Crores)	Change	Net Profit/Net Loss (₹ in Crores)	Change
2018-19	371.12		433.5		-62.38	
2019-20	691.4	86%	723.43	67%	-32.03	-49%
2020-21	791.03	14%	770.55	7%	20.47	-164%
2021-22	1008.85	28%	966.11	25%	42.74	109%
2022-23	1229.91	22%	1164.82	21%	65.08	52%
Average	818.462		811.682		6.776	
S.D	325.0189		274.3430		52.8412	
CV	36%		30%		697%	

CAGR	27%		22%		-201%	
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(Source: Annual reports of respective Payments Bank)

Table 3.1 depicts about the total incomes, total expenditures and net profits/losses of Fino Payments Banks. During the study period it is noticed that average of total incomes, total expenditure and net profits are recorded ₹ 818.462 crores ₹ 811.682 crores and ₹ 6.776 crores respectively and Annual compound growth rates are 27%, 22% and -201% respectively. During the study period it is also observed that first two years it shows the net losses and in 2020-21 first time bank recorded profit afterwards banks recorded profits continuously.

Table 3.2: Capital and Total Assets of Fino Payments Bank

Fino Payments Bank				
Year	Capital (₹ in Crores)	Change	Total Assets (₹ in Crores)	Change
2018-19	44.58		684.07	
2019-20	44.58	0%	624	-9%
2020-21	44.58	0%	1010.29	62%
2021-22	83.21	87%	1680	66%
2022-23	83.21	0%	2466.4	47%
Average	60.032		1292.952	
S.D	21.1585		778.6074	
CV	32%		54%	
CAGR	13%		29%	

(Source: Annual reports of respective Payments Bank)

Table 3.2 shows the trends of capital and total assets of Fino Payments bank. During the study period bank has raised the capital ₹ 38.63 crores in the financial year 2021-22 and it is noticed that average of capital and total assets are 60.032 and 1292.952 crores respectively. It is also found that Annual compound growth rates were 13% and 29% respectively.

Table 4.1: Total Income, Total Expenditure and Net Profit /Net Loss of Airtel Payments Bank

Airtel Payments Bank						
Year	Total Income (₹ in Crores)	Change	Total Expenditure (₹ in Crores)	Change	Net Profit/Net Loss (₹ in Crores)	Change
2018-19	254.45		593.27		-1113.25	
2019-20	474.36	86%	938.853	58%	-1577.74	42%
2020-21	627.19	32%	1,061.55	13%	-2,012.11	28%
2021-22	941.34	50%	932.32	-12%	-2,003.09	0%
2022-23	1291.08	37%	1269.44	36%	-1983.7	-1%
Average	717.684		959.0866		-1737.978	
S.D	406.4439		245.8483		394.2630	
CV	51%		23%		-20%	
CAGR	38%		16%		12%	

(Source: Annual reports of respective Payments Bank)

Table 4.1 shows the information of total incomes, total expenditures and net profit/losses of Airtel Payments bank. During the study period it is noticed that average of total incomes, total expenditures and net losses are ₹ 717.684, ₹ 959.0866 and ₹ - 1737.978 crores respectively during the study period and annual compound growth rates are 38%, 16% and 12% respectively. It is also observed that bank has recorded losses 12% per annum during the study period.

Table 4.2: Capital and Total Assets of Airtel Payments Bank

Airtel Payments Bank				
Year	Capital	Change	Total Assets	Change
2018-19	1302.88		1269.86	
2019-20	1852.88	42%	1268.53	0%
2020-21	2332.99	26%	1661.68	31%
2021-22	2348.34	1%	2128.31	28%
2022-23	2374.27	1%	3026.45	42%
Average	2042.272		1870.966	
S.D	466.6335		736.4488	
CV	20%		35%	

CAGR	13%		19%	
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(Source: Annual reports of respective Payments Bank)

Table 4.2 reveals the information of capital and total assets of Airtel Payments bank. During the study period it is noted that bank raises their capital every year and bank maintained the average capital and total assets are ₹ 2042.272 crores and 1870.966 crores respectively. It is also noticed that annual compound growth rates are 13% and 19% respectively.

Table 5.1: Total Income, Total Expenditure and Net Profit /Net Loss of Jio Payments Bank

Jio Payments Bank						
Year	Total Income (₹ in Crores)	Change	Total Expenditure (₹ in Crores)	Change	Net Profit/Net Loss (₹ in Crores)	Change
2019-20	19.39		18.89		0.5	
2020-21	13.4	-31%	103.13	446%	-89.73	-18046%
2021-22	7.28	-46%	41.13	-60%	-33.84	-62%
2022-23	13.86	90%	58.33	42%	-44.47	31%
2023-24	31.31		89.84		-58.52	
Average	17.048		62.264		-45.212	
S.D	8.0966		30.8995		29.5919	
CV	47%		50%		-65%	
CAGR	10%		37%		-359%	

(Source: Annual reports of respective Payments Bank)

Table 5.1 reveals the information of total incomes, total expenditure and net profit/losses of the Jio Payments bank. It is observed that average total incomes, total expenditure and net losses are ₹ 17.048, ₹ 62.264 and ₹ -45.212 crores during the study period from 2019-20 to 2023-24. It is also observed that bank has recorded profit only in 2019-20 afterwards bank is suffering from losses. Annual compound growth rates are 10%, 37% and -359% respectively.

Table 5.2: Capital and Total Assets of Jio Payments Bank

Jio Payments Bank				
Year	Capital (₹ in Crores)	Change	Total Assets (₹ in Crores)	Change
2019-20	232		251.23	
2020-21	232	0%	170.91	-32%
2021-22	263.6	14%	183.59	7%
2022-23	343.6	30%	212.79	16%
2023-24	347.6		224.89	
Average	283.76		208.682	
S.D	51.8093		28.7967	
CV	18%		14%	
CAGR	8%		-2%	

(Source: Annual reports of respective Payments Bank)

Table 5.2 depicts the information of capital and total assets of Jio Payments Bank. During the study period it is observed that in 2021-22 capital is raised by 14% and in 2022-23 it is increased by 30%. Average capital and total assets of the bank during the study period are ₹ 283.76 crores and 208.682 crores respectively. It is noticed that major fall in total assets during the year 2020-21. Annual compound growth rates of the bank are 8% and -2% recorded respectively.

Table 6.1: Total Income, Total Expenditure and Net Profit /Net Loss of Paytm Payments Bank

Paytm Payments Bank						
Year	Total Income (₹ in Crores)	Change	Total Expenditure (₹ in Crores)	Change	Net Profit/Net Loss (₹ in Crores)	Change
2020-21	2206.42		2,168.90		37.51	
2021-22	2540.2	15%	2521.91	16%	18.28	-51%
2022-23	2678.24	5%	2663.69	6%	14.54	-20%
Average	2474.95		2451.5		23.44	
S.D	198.06		208.0424		10.0631	
CV	8%		8%		43%	
CAGR	7%		7%		-27%	

(Source: Annual reports of respective Payments Bank)

Table 6.1 reveals total income, total expenditure and net profit of the Paytm Payments bank during the period from 2020-21 to 2022-23. It is observed that average total Income, total expenditure and Net Profit/Loss are ₹ 2474.95, ₹ 2451.5 and ₹ 23.44 crores are recorded respectively. During the period 2021-22 and 2022-23 Total Income is increased by 15% and 5% and total expenditure is 16% & 6% respectively. Annual compound growth rate recorded 7%, &7% and -27% for total income, total expenditure and net profit respectively. It is also observed that net profit also decreased by 51% and 20% during the period 2021-220 and 2022-23 respectively.

Table 6.2: Capital and Total Assets of Paytm Payments Bank

Paytm Payments Bank				
Year	Capital (₹ in Crores)	Change	Total Assets (₹ in Crores)	Change
2020-21	400		6314.32	
2021-22	400	0%	9359.76	48%
2022-23	400	0%	9843.88	5%
Average	400		8505.9866	
S.D	0.0000		1562.2943	
CV	0%		18%	
CAGR	0%		16%	

(Source: Annual reports of respective Payments Bank)

Table 6.2 reveals the capital and total assets of the Paytm Payments Bank during the period from 2020-21 to 2022-23. It is observed that there is a no change in the capital of the bank however, total assets are increased by 16% annually.it is noted that total assets are major increased in the year 2021-22 i.e. 48%. During the study period average capital and total assets are 400 crores and 8505.9866 crores recorded respectively.

Table 7.1: Total Income, Total Expenditure and Net Profit /Net Loss of NSDL Payments Bank

NSDL Payments Bank						
Year	Total Income	Change	Total Expenditure	Change	Net Profit/Net Loss	Change
2019-20	6.36		20.23		-13.87	
2020-21	62.3	880%	74.78	270%	-12.48	-10%
2021-22	299.95	381%	307.45	311%	-7.49	-40%
2022-23	541.2	80%	533.11	73%	8.09	-208%
2023-24	719.69	33%	717.98	35%	1.71	-79%
Average	325.9		330.71		-4.8	
S.D	305.65		297.23		9.44	
CV	84%		80%		-176%	
CAGR	157%		104%		-166%	

(Source: Annual reports of respective Payments Bank)

Table 7.1 reveals the total income, total expenditure and net profit or loss of the NSDL Payments bank. During the study period it is observed that Average total income, total expenditure and Net losses are recorded ₹ 325.9, ₹ 330.71 and ₹ -4.8 crores respectively. It is also observed that during the last two years bank has recorded Net profits ₹ 8.09 and ₹ 1.71 crores respectively. Bank has recorded Annual compound growth rates 157%, 104% and -166% for total income, total expenditure and net profit/losses respectively.

Table 7.2: Capital and Total Assets of NSDL Payments Bank

NSDL Payments Bank				
Year	Capital	Change	Total Assets	Change
2019-20	150.00		130.32	
2020-21	180.00	20%	245.41	88%
2021-22	180.00	0%	250.11	2%
2022-23	180.00	0%	391.91	57%
2023-24	180.00	0%	333.11	-15%
Average	174.00		270.17	
S.D	13.42		99.19	
CV	7%		33%	

CAGR	4%		21%	
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(Source: Annual reports of respective Payments Bank)

Table 7.2 reveals the capital and total assets of the NSDL Payments Bank during the period from 2019-20 to 2023-24. It is observed that there is a no change except in the year 2020-21 in the capital of the bank however, total assets are increased by 21% annually. It is noted that total assets are major increased in the year 2021-22 and 2022-253 i.e. 88% and 57% respectively. During the study period average capital and total assets are ₹ 174 crores and ₹ 270.17 crores recorded respectively.

CONCLUSIONS:

RBI has permitted eleven entities to establish Payments Bank in 2015 to reach the nation's unbanked populace who resides in remote area. RBI framed the rules and regulations as a regulatory body of payments Banks in India. Out of eleven entities only six companies established the Payments bank i.e. India Post Payments bank by India Post, Airtel Payments Bank by Bharti Airtel, Fino Payments Bank by Fino Tech Ltd., Jio Payments Bank by Reliance Industry, Paytm Payments Bank by Paytm and NSDL Payments Bank by NSDL. Few common services and product offered by the Payments banks such as saving accounts, current account, mobile Banking, domestic money transfer, bill payments, remittance & fund transfers, cards, mobile recharge, insurance and loan referral services etc. in addition to these services some other notable services provided by the Payments banks viz. Fixed Deposits, Salary accounts, doorstep banking services, Fastag, cash management services, direct benefit transfers, digital life certificates, food wallet, loan referral services Child Enrolment Lite Client (CELC) Services etc. it is found that during the study period India Post Payments Bank and NSDL Payments bank have recorded first time profit in the year 2022-23 after continuous losses since its establishment. In case of Fino payments banks its started earning profit from 2020-21 onwards and Paytm also showing the profits. However, Airtel Payments bank and Jio Payments Banks are continuously recording losses. It concludes that Payments Banks are not up to the mark as expected, their performances are disappointed.

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