

Banking Awareness February 2018- Week II

Small Finance banks and payment banks to offer Atal pension Yojana.

- The Union Finance Ministry has relaxed norms of Atal Pension Yojana to enable small finance banks and Payment banks to offer APY distribution.
- This will help to expand, to cover and to extend the current channel of APY distribution.
- Currently, 233 Banks and Department of Post are included to implement the scheme.
- By relaxing the norms, 11 Payment Banks and 10 Small Finance Banks (SFBs) are qualified to offer APY distribution.

CriSidEx, India's first sentiment index for micro and small enterprises (MSEs)

- CRISIL-SIDBI MSE Sentiment Index is launched by Finance minister, Mr Arun Jaitley launched.
- It is India's first sentiment index for micro and small enterprises developed collectively by CRISIL & Small Industries Development Bank of India
- It is based on 8 parameters which will help to show the current state and expected opportunity on the MSME sector quarterly.
- It ranks MSE business sentiment on a scale of 0 (extremely negative) to 200 (extremely positive).
- CriSidEx have 2 indices, one for 'survey quarter' and second for 'next quarter'.

Indian Overseas Bank Receives Rs173 Cr Capital Infusion from Central Government

- In the 2017-18 fiscal, Indian Overseas Bank (IOB) has got Rs173.06 crore capital infusion from the government.
- This capital is given in the preferential allotment of equity shares of the bank as a part of government's stake during the financial year 2017-18.

Axis Bank Launches 4th Edition of "Evolve".

- Axis bank has launched the 4th edition of 'Evolve' in Coimbatore, Tamil Nadu for its Small and Medium Enterprises clients, was first started in the year 2014.

- The theme of this version is “Transform your Family Business into your dream company”.
- This is sprayed in 30 cities which include Nagpur, Surat, Rajkot, Pune, Vishakhapatnam, Trichy, Kanpur, Ludhiana and Jamshedpur.
- The main aim is to provide SMEs with new-age approaches, case-studies, operational know-how, supervisory and governmental activities.

Six Bi-Monthly Monetary Policy Released By Reserve bank of India

- In the 6th Bi-Monthly Monetary Policy, The Monetary Policy Committee (MPC)'s has appraised the current and evolving macroeconomic situation.
- The committee has decided to keep the policy repo rate, the reserve repo rate and the Marginal Standing Facility (MSF) rate remains same.
- Repo rate: 6.0%
- Reserve repo rate 5.75 %
- The marginal standing facility (MSF) rate and the Bank Rate at 6.25 %
- For the year 2017 -18, GVA growth is projected at 6.6 %
- For the year 2018 -19, GVA growth is projected at 7.2 %

RBI will link the base rate for loans

- From the 1st April 2018, RBI will connect the base rate for loans given by banks with the marginal cost of funds based lending rate.
- This will improve monetary policy transmission by narrowing the gap between base rate and MCLR.
- This will benefit borrowers who will use base rate for a loan.
- The Marginal Cost of Funds based Lending Rates (MCLR) system was introduced on April 1, 2016, to solve the problems of the Base Rate Regime.

IndusInd Bank launched its new musical logo named Sonic Identity

- IndusInd Bank has launched a new musical logo, Sonic Identity which is used to develop the brand.
- This will help to strengthen bank's brand image with the strategic use of music and sound for brand experiences and to connect public.

- This logo will show bank's core values of innovation, change, courage and dynamism as well as its strong desire to put customers first.
- The musical logo is also known as the MOGO (short for musical LOGO). The MOGO is a short, 4 note pieces of 2-3 seconds surrounding.
- The sonic identity will be used to attract customers and stakeholders across all platforms like ATMs, net banking, mobile apps, TV, radio, social media and on-ground activation.

RBI announced to set up an ombudsman in NBFCs also

- RBI has decided to introduce an ombudsman to solve the customer grievances in the non-banking finance companies.
- The ombudsman mechanism will exercise control over the companies in a phased manner, beginning with deposit-taking NBFCs, and at a next stage, it will include all NBFCs which have an asset size of Rs 1 billion and above with customer interface.
- There are nearly 20 banking ombudsmen have been appointed with offices mostly in state capitals.
- One can register a complaint before the banking ombudsman if the reply is not obtained from the bank within one month after the bank involved has received one's complaint, or the bank denies the complaint, or if the complainant is not convinced with the reply given by the bank.

Banks to accept only online applications for education loan

- The central government has ordered the banks to only take online applications for education loans in an attempt to make the loan payment process transparent and efficient.
- The banks have also been asked to not grant any application received in physical form.