

UNIT 14 - Airtel Payment Bank- Everything You Need To Know



Introduction

Airtel Payments Bank is the first company in India to receive a payments bank license from the RBI; plans to launch operations in the second quarter of the current FY 2016-17. Airtel M-Commerce Services Limited, a subsidiary of Bharti Airtel Limited, has been renamed as Airtel Payments Bank Limited after receiving necessary approvals from RBI.

MD and CEO : Shashi Aurora

Key stakeholder : Kotak Mahendra bank (19.9%).

Kotak Mahendra bank contribution : INR 98.38 crore

Significance of the logo

The Company also unveiled a new logo to reflect its new identity. The new logo is a modified form of Bharti Airtel telecom services. It can be observed that Indian rupee symbol has been inscribed in it.

The '=' sign denotes 'Equality'. A bank that gives equal access to everyone.(as declared officially by the Payment bank).

Significance of Airtel payment bank

- Airtel Payments Bank Limited is the first payment bank in India to receive a payments bank license from the Reserve Bank of India (RBI), on April 11, 2016.
- It is a joint venture between Airtel M Commerce and Kotak Mahindra bank. The bank strongly focuses on the payments bank segment and to the Government's vision of financial inclusion and banking services for every citizen.
- With Airtel's wide distribution network in the country, it claims that Airtel Payments Bank would deliver quality banking services to customers by leveraging the power of mobile the network which is well established.
- The bank accounts will be opened with Aadhar numbers without the need for any other documentation and the customer's mobile number will be the bank account number.
- The rate of interest offered is 7.25 % on demand deposits as the best in the banking industry, while other banks offer 4-5% on demand deposits.
- It will allow money transfer to any bank account in India and free money transfer from Airtel to Airtel numbers within Airtel Bank.
- The bank also offers personal accidental insurance of Rs 1 lakh with every savings account
- At present the bank is operating on a pilot test basis in Rajasthan, it plans to expand this network to 100,000 retailers in Rajasthan by the end of this year.
- Merchants who are part of the network would accept digital payments, helping customers go cashless.
- The network of merchants (sellers/shops) across Rajasthan will accept digital payments from Airtel Bank from day one, offering customers the convenience of cashless purchase of goods and services via their mobile phones in a quick and secure manner.