
BANKING AND FINANCIAL AWARENESS

FEBRUARY 2020: WEEK IV

RBI APPROVED APPOINTMENT OF SUNIL GURBAXANI FOR DHANLAXMI BANK MD

- RBI has approved the appointment of Sunil Gurbaxani as Managing Director and CEO of the Bank for a period of three years from the date of assuming the charge.
- Gurbaxani is working with Axis Bank at present.
- The Bank was removed from the RBI PCA framework, subject to certain conditions and continuous monitoring, as the bank is found to be not breaching any of the risk thresholds of the framework.
- During the third quarter ended December, the bank reported a 26 % rise in net profit to Rs 21.28 crore for the third quarter ended December.

UNIFORM GST RATE OF 28% ON LOTTERIES

- According to the notification, the GST rate on supply of lotteries has been amended to 14% and a similar percentage will be levied by the states. As a result, the total GST on lotteries will increase to 28%.
- In December 2019, the GST council, led by Finance Minister Nirmala Sitharaman, had decided to impose a single rate of 28% on state run authorised lotteries.
- Currently, a state-run lottery attracts 12% GST, while a state-authorized lottery attracts 28% tax.
- The eight-member group of ministers headed by Maharashtra Finance Minister Sudhir Mungantiwar, was set up to suggest the GST rate on lotteries.

RBI ISSUED NORMS FOR CRR

- The clarification is given on CRR calculations for incremental credit extended for automobiles, residential housing and micro, small and medium enterprises (MSMEs).
- RBI clarified that the incremental credit eligible for CRR exemption, which can be set off against the net demand and time liabilities (NDTL) for calculating CRR has to be net of repayments.
- RBI said that to calculate the incremental credit, the outstanding retail loans to the specified segments as on every reporting Friday beginning 14th February up to that of 31st July 2020, will be deducted from the outstanding credit to the specified segments as on 31st January, 2020.
- If the difference between the outstanding credit is positive, the equivalent amount of difference should be deducted from Net Demand and Time Liabilities (NDTL) for the purpose of CRR maintenance.

INDIAN BANK TO STOP USING RS 2,000 NOTES IN ATMS

- State-owned Indian Bank has announced that it has decided to stop using Rs 2,000 notes in all their ATMs.
- According to a circular issued by the lender's digital banking division on 17th February 2020, cash dispensation from Rs 2,000 currency cassettes would be disabled at all ATMs and cash recyclers on March 1, 2020.
- The bank has decided to use Rs 500 denominated notes instead of Rs 2000 notes on its own, as there has been no dictate from the Finance Ministry for the same.
- The move is taken to prevent hoarding of the high-value currency (and thus, curb black money) and for the customer ease as they found it hard to exchange those in retail outlets and other places.

COMPANIES (AUDITOR'S REPORT) ORDER, 2020

- The objective of the CARO 2020 is to strengthen the corporate governance framework under the Companies Act, 2013 to attain the national objective of becoming a \$ 5 Trillion economy.
- The CARO, 2020 is applicable for an audit of financial statements of eligible companies for the financial years commencing on or after the 1st April 2019.
- The CARO, 2020 shall be applicable to all those companies on which CARO, 2016 was applicable.

