

KYC norms hindering financial penetration



FRANKLY SPEAKING

HARSH ROONGTA

A doctor got a call from India's largest nationalised bank. He was told his account would be blocked unless he came and completed a few pending KYC (know your customer) formalities. He rushed to the branch where he was subjected to a pitch for a premium credit card. Annoyed at being pulled out of his schedule on a false pretext, he demanded to know what KYC formalities were pending. He was informed that KYC formality was only an excuse for marketing the bank's latest product to him.

A story about mafia king pin Al Capone (1930s in the US) illustrates the importance of KYC. Al Capone could not be convicted on violence charges because no witness dared to testify against him. He was ultimately put away on tax evasion charges. The story underlines the importance of following the money and making sure illegal money does not use legal channels and become legitimate. Money laundering can be spotted and prevented only when all users have been identified before being allowed to use the financial system, that is, when their KYC requirements have been completed.

The need for KYC leads to paperwork at the time of opening an account, but that is unavoidable. To prevent a repeat of KYC procedures every time a financial account is opened or details have to be updated, India launched the Centralised Know your Client (CKYC) where information and documents about an individual could be kept in a central repository and be made available to eligible entities. The individual would have to provide information only

at one place—the CKYC repository. All financial system players would access the information and documents from there after obtaining the individual's approval. This is in theory. In practice, each intermediary is forced to duplicate many of the steps.

Why is CKYC failing to have the desired impact? The biggest reasons are lack of clear directions from the various regulators (RBI, Sebi, IRDAI, PFRDA, etc), lack of online connectivity between the various players and the central repository, lack of process standardisation across regulators, lack of clarity on who and how the cost of the central repository will be borne, etc.

KYC poses even more onerous challenges for companies, firms, trusts, etc. They may have multiple changes in authorised signatories or ultimate beneficiaries. They also have to update their KYC periodically. Every time this happens, they have to complete the process with each player with whom they have an account.

Consider the case of Moneylife Foundation, a non-government organisation engaged in spreading financial literacy and consumer awareness. Its bank account was frozen due to alleged non-fulfilment of some KYC condition, which was ultimately found to be not required.

Solving the KYC problem will have a huge positive impact. The lack of standardisation and ease in fulfilling KYC norms is slowing down the financialisation of the economy and the shift from a cash to an electronic economy. It is not a difficult issue to solve as the infrastructure already exists. All it requires is a multi-regulatory body like the Financial Stability and Development Council to create a consensus on cross-regulatory standardisation and implementation.

Till that happens, there will be more instances like that of the opportunist salesman who tried to market a credit card to a customer who agreed to listen to him only because he uttered the magic words: "You are not KYC compliant".

The writer heads Fee Only Investment Advisers LLP, a Sebi-registered investment adviser

Your family can help you save on income tax

But make sure you don't fall afoul of the income-clubbing provisions

BINDISHA SARANG

It's the tax planning season. While most of us know about the common tax-saving deductions under Section 80C, 80D, 24, etc, not many are aware that your family can help you reduce your tax burden. Rajesh Bansal, managing director, Midas FinServe, a financial services firm says, "Certain income heads can be linked to specific family members in ways that get you tax breaks."

Tax saving via spouse

Leave travel: A person can avail of the benefit of leave travel allowance (LTA) on two trips in a block of four years. Kapil Rana, founder & chairman, HostBooks Limited says, "If both the spouses are employed, both can together claim LTA for four trips in four years."

Business: Spouses of business persons can help them reduce their tax liability. Vivek Jalan, partner, Tax Connect Advisory Services says, "If you are an entrepreneur or professional and your spouse is also professionally qualified and assists in the business or profession, then you can split the invoices between your firm and the spouse." Suppose that both the spouses are advocates and work together. Invoices to clients can be split so that both can avail of slab benefit under Income Tax. This would also mean double threshold benefit in Goods and Services Tax (GST). GST is chargeable when the supply of service exceeds ₹20 lakh in a year.

Gains: A person can claim exemption of ₹1 lakh on long-term capital gain arising from



OBSERVE THESE CLUBBING PROVISIONS UNDER SECTION 64 OF I-T ACT

Specified scenario

Income received by spouse of an individual from a concern in which the individual has substantial interest

Income to be clubbed

To be clubbed in the hands of either husband or wife, whose total income (excluding the income referred to in that clause) is greater

Exceptions

Remuneration received on account of spouse's technical or professional qualifications and experience

Source: RSM India

Specified scenario

Income of a minor child

Income to be clubbed

Parent whose income is higher before such clubbing. If the parent's marriage does not survive, then the parent who is maintaining the child

Exceptions

Income accruing to the minor child on account of manual work done by him, or activity involving application of his skill, talent or specialised knowledge and experience; or the minor child suffers from specified disability

Specified scenario

Income arising to spouse/son's wife from asset transferred for no/inadequate consideration

Income to be clubbed

Transferor

Exceptions

a. Asset transferred to spouse under an agreement to live apart
b. The relationship of husband-wife and mother/father-in-law and daughter-in-law does not exist either at the time of transfer of asset or time of generation of income to which the clubbing provisions are applicable
c. Asset is transferred for adequate consideration

the sale of listed equity shares or units of equity-oriented mutual funds on which Securities Transaction Tax (STT) has been paid. Rana says, "Invest in your name and that of your spouse to avail of this exemption every year."

Loan: If you gift money to your wife and she invests it, the income will be clubbed with your income and taxed, unless you

have chosen a tax-free instrument like Public Provident Fund (PPF). Bansal says, "Instead, give a loan to your spouse who has no or low income at a reasonable rate of interest."

Tax saving via children

Fees: Section 80C offers tax deduction on tuition fees paid for the full-time education of up to two children.

Loan: If you have taken an education loan for your child, you get a tax deduction under Section 80E on repayment of interest for up to eight years, starting from the year in which interest payment begins. You can also give your child a loan. Rana says, "You can reduce your taxable income by giving an interest-free loan to your children." **Investments:** Invest in your

child's name in PPF, mutual funds, ULIPs and traditional insurance plans, and avail of deduction under Section 80C. Bansal says, "The income from these instruments will be clubbed with yours and taxed at the applicable rate. To avoid this, invest in tax-free instruments like the PPF. You can also invest in equity mutual funds as there is no tax if the gain is less than ₹1 lakh a year." If you have opened a savings account for your child, ₹1,500 interest income per child (for up to two kids) will be tax-exempt under Section 10(32).

Savings via parents

Rent: If you pay rent to your parents, you can claim the benefit of house rent allowance (HRA). Gopal Bohra, partner, NA Shah Associates says, "To demonstrate that it is a bona fide arrangement, keep the rental agreement, bank statement for payment, intimation to society about tenancy, etc."

Investments: If your parents are in a lower tax bracket, transfer money to them and invest in their names. The amount transferred will be a tax-free financial gift. They can invest in schemes like the Senior Citizens Savings Scheme, the post office monthly income scheme, or fixed deposits. Senior citizens get an annual exemption of ₹50,000 on interest earned from deposits. Also, the tax exemption limit is ₹3 lakh for citizens above 60 years and ₹5 lakh for those above 80.

Sell shares to parents: Long-term capital loss can be set off against long-term capital gains. Rana says, "If you have loss-making shares in your portfolio for more than a year, sell them to your parents through an off-market transaction (without using the stock exchange). This transaction should be done at the current market price and payment should be done via a banking channel."

Parents-in-law: If your parents-in-law fall under a lower tax bracket than you, gift money to them which they can invest. Rana says, "The gifted amount will be tax-exempt in the hands of parents-in-law. Income earned on that investment will be treated as their income and will be taxed at a lower rate."

STATE BANK OF INDIA
Local Head Office, Tilak Marg, C-Scheme, Jaipur (Raj.)-302005

PUBLIC NOTICE
EMANELMENT OF STOCK & RECEIVABLE AUDITORS

State Bank of India, Local Head Office, Jaipur invites applications in the prescribed format from Proprietorship Firms, Partnership Firms, Companies, Limited Liability Partnership of Chartered Accountants/ Cost Accountants registered with Institute of Chartered Accountants of India/ Cost Accountant of India for empanelment of Stock & Receivable Auditor for conducting Stock and Receivable Audit for the Bank and willing to get them empaneled for the period 01.05.2021 to 30.04.2023. **Eligibility criteria, general guidelines, Bio-data format/ application form, List of SME Intensive Branches etc. is placed on our Bank's website www.sbi.co.in under "Empanelment of vendors" section in "Procurement news".**

Those willing to get empaneled and having Branches/Office in Rajasthan State shall submit their applications in prescribed format with relevant enclosures/documents etc. to the nearest SME (RBO)/ Zonal Office (ZO)/ SME Intensive Branch **on or before 15-03-2021.** The Stock & Receivable Auditors already in the Bank's panel have to apply afresh. The bank reserves the right to amend/modify any terms and conditions of empanelment and withdraw the advertisement without any notice.

Date: 01.03.2021 **Authorised Signatory**

THE ASKA COOPERATIVE SUGAR INDUSTRIES LTD.
P.O. Nuagam (Aska) - 761111, Ganjam District, Odisha
Ph.No.06822-273464, 273465, 273737, Fax: 06822-273023
email: askasugar@yahoo.co.in, GSTIN : 21AAAT5989L120

QUOTATION CALL NOTICE
No. PUR/5049 Dt. 27.02.2021

The Aska Cooperative Sugar Industries Ltd., Aska invites sealed Quotations from Manufacturer having GSTIN for supply of 200ML Empty Glass Bottles, Parties are requested to give their offer with detail terms & conditions on or before **05:00PM on 15.03.2021.** Please visit our website www.askasugar.com for details of the Quotation Call Notice.

Managing Director

UCO BANK
Honours Your Trust (A Govt. of India Undertaking)

Head Office - II, Department of Information Technology
3 & 4, DD Block, Sector - 1, Salt Lake, Kolkata-700064

NOTICE INVITING TENDER

UCO Bank invites Request for Proposals (RFPs) for:

- Supply, Installation and Maintenance of Centralized Queue Management System for Installation in Branches of UCO Bank (Re-Tendering)
- Procurement of 300 Cash Recycler Machines
- Supply, Commissioning, Maintenance & Management of Link on Dual SIM Based 4G/5G Connectivity (Re-tendering)
- Selection of Vendor for Supply, Installation & Maintenance of 550 Barcode Based Self Service Passbook Printing Kiosk

For details, please refer to our website <https://www.ucobank.com>
Date : 01.03.2021 **Deputy General Manager (DIT, BPR & BTD)**
Honours your Trust

INDIAN TONERS & DEVELOPERS LIMITED
CIN: L74993UP1990PLC015721
Registered Office: 10.5 KM Mile Stone, Rampur - Bareilly Road, Rampur, Uttar Pradesh, 244901
Ph: +91-45017000, Fax: +91-45017043
Website: www.indiantoners.com, E-mail: investors@indiantoners.com
Contact Person : Mr. S.C. Singhal, Company Secretary & Compliance Officer

CORRIGENDUM FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES (TO WHOM THE PRINTED COPY OF LETTER OF OFFER DATED FEBRUARY 18, 2021 HAS BEEN SENT) OF INDIAN TONERS & DEVELOPERS LIMITED FOR THE BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER PROCESS UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED.

Kindly read the date of Letter of Offer as February 18, 2021 appearing on page 8 of the Printed copy of Letter of Offer. Further last line of first para of clause 18 on Page 32 of the Printed copy Letter of Offer, the date shall be read as Monday, March 22, 2021 instead of Thursday, March 18, 2021.

For and on behalf of the Board of Directors of Indian Toners & Developers Limited

Sd/- Sushil Jain Chairperson & Chief Executive Officer (DIN: 00323952) Date : March 1, 2021 Place : New Delhi	Sd/- Akshat Jain Executive Director (DIN: 03328275)	Sd/- N K Maheshwari Chief Financial Officer	Sd/- S.C. Singhal Company Secretary & Compliance Officer (Membership No. A951)
--	--	---	---

TPCODL
TP CENTRAL ODISHA DISTRIBUTION LIMITED
(Purchase Department)
2nd Floor, IDCO Tower, Janpath Bhubaneswar, Odisha 751022

NOTICE INVITING TENDER

TP Central Odisha Distribution Limited (TPCODL) invites tender from eligible vendors for following:

Sl No	Tender Description	Tender Enquiry No.	EMD (Rs. Lakhs)	Tender Fee inclusive of GST (Rs)	Last date and time of payment of Tender Fee
1	Rate Contract for Operational Assistance of 33/11KV Substations of all TPCODL Circles.	TPCODL/P&S/ 215/20-21	5.00	5,000	10.03.2021, 15:00 Hrs
2	Rate Contract for Supply of 1-Phase DLMS Energy Meter with Meter Box.	TPCODL/P&S/ 216/20-21	15.83	5,000	09.03.2021, 15:00 Hrs
3	Rate Contract for Supply of 33 KV & 11KV 3P4W Oil Cooled CTPT Units with other accessories such as Meter Box, GI Pipe, Control Cable etc.	TPCODL/P&S/ 221/20-21	0.50	5,000	09.03.2021, 15:00 Hrs
4	P/S to Habishyal Govt Building at Narendrakona under electrical Section Paschimdwara on Turn Key.	TPCODL/P&S/ 220/20-21	0.50	5,000	10.03.2021, 15:00 Hrs
5	SCADA & ADMS System for TPCODL Distribution Network.	TPCODL/P&S/ 222/20-21	50.00	5000	21.03.2021, 15:00 Hrs

For detail tender, please visit Tender section on website <https://www.tpcentralodisha.com>. Interested bidders have to submit Tender Fee and Authorization Letter before Last Date and time, as indicated above, after which link from TPCODL e-tender system will be shared for further communication and bid submission. Please note that all future correspondence regarding the tender, bid submission, bid submission date extension, etc. will happen only through TPCODL E-tender system. Also all future corrigendums if any, to be informed on Tender section on website <https://www.tpcentralodisha.com>.

Business Standard
MUMBAI EDITION

Printed and Published by Sangita Kheora on behalf of Business Standard Private Limited and Printed at M/s. Dangat Media Private Limited, 22 Digha M.I.D.C., TTC Industrial Area, Vishnu Nagar, Digha, Navi Mumbai, 400708 and M/s. Nari Duna 23/4, 23/5, Sector-D, Industrial Area, J.K. Road, Near Minal Residency, Bhopal (M.P.)-462023. & Published at H/4 & I/3, Building H, Paragon Centre, Opp. Birla Centurion, PB.Marg, Worli, Mumbai-400013

Editor : Shyamal Majumdar

RNI No: 66308/1996

Readers should write their feedback at feedback@bsmail.in
Fax : +91-11-23720201

For Subscription and Circulation enquiries please contact:
Ms. Mansi Singh
Head-Customer Relations
Business Standard Private Limited, H/4 & I/3, Building H, Paragon Centre, Opp. Birla Centurion, PB.Marg, Worli, Mumbai - 400013
E-mail: subs_bs@bsmail.in "or sms, SUB BS to 57007"

Overseas subscription: (Mumbai Edition Only)
One year subscription rate by air mail INR 51765 + USD 725

DISCLAIMER News reports and feature articles in Business Standard seek to present an unbiased picture of developments in the markets, the corporate world and the government. Actual developments can turn out to be different owing to circumstances beyond Business Standard's control and knowledge. Business Standard does not take any responsibility for investment or business decisions taken by readers on the basis of reports and articles published in the newspaper. Readers are expected to form their own judgement. Business Standard does not associate itself with or stand by the contents of any of the advertisements accepted in good faith and published by it. Any claim related to the advertisements should be directed to the advertisers concerned. Unless explicitly stated otherwise, all rights reserved by M/s Business Standard Pvt. Ltd. Any printing, publication, reproduction, transmission or dissemination of the contents, in any form or by any means, is prohibited without the prior written consent of M/s Business Standard Pvt. Ltd. Any such prohibited and unauthorised act by any person/legal entity shall invite civil and criminal liabilities.

No Air Surcharge

SIDBI
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA
Call of RfP

SIDBI invites Request for Proposal (RfP) from eligible/interested bidders/agencies for "cluster intervention program in 15 select clusters on pan India basis"

For detailed tender document please visit our website at www.sidbi.in or www.eprocure.gov.in/cppp. Last date for submission of bids is **March 22, 2021 at 1700 Hrs.** Addendum/Corrigendum, if any, will be published in the above-mentioned website only.

FORM NO. RSC - 4
[Pursuant to Rule 3(3)]

Before the National Company Law Tribunal Bench at Hyderabad
Company Petition No. 19/2021
Stampede Capital Limited—Applicant
(CIN: L67120TG1995PLC020170)

Publication of Notice

Notice may be taken that an application was presented to the Tribunal at Hyderabad, on the 6th day of February, 2021 for confirming the reduction of the share capital of the above company from ₹.28,62,64,000/- to ₹.11,45,05,600/-.

The notices to individual creditors have been issued. The list of creditors prepared on the 2nd day of February, 2021 by the company is available at the registered office of the company for inspection on all working days during 11 AM to 4 PM between Monday to Saturday (days when the inspection would be available).

If any creditor of the company has any objection to the application or the details in the list of creditors, the same may be sent (alongwith supporting documents) and details about his name and address and the name and address of his Authorised Representative, if any, to the undersigned at 402 to 404, 4th Floor, Saptagiri Towers, Begumpet, above Pantaloons, Hyderabad-500016, Telangana within three months of date of this notice.

If no objection is received within the time stated above, entries in the list of creditors will, in all the proceedings under the above petition to reduce the share capital of the company, be treated as correct.

It may also be noted that a hearing has been fixed for 1st day June, 2021 on which the Tribunal shall hear the application. In case any creditor intends to attend the hearing, he should make a request along with his objections, if any.

Authorized Signatory
Srinivas Maya
Whole-time Director
(DIN: 08679514)
Dated this 28th day of February 2021
Place: Hyderabad

Business Standard
FORM IV
(see Rule 8)

- Place of Publication : Mumbai
- Periodicity of its Publication : Daily (Monday to Friday)
- Printer's Name : Sangita Kheora
Nationality : Indian
Whether a citizen of India? : Yes
If a foreigner, the country of origin Address : H/4 & 1/3 Building H, Paragon Centre, Opp. Birla Centurion P.B. marg, Worli, Mumbai-400 013
- Publisher's Name : Sangita Kheora
Nationality : Indian
Whether a citizen of India : Yes
If a foreigner, the country of origin Address : H/4 & 1/3 Building H, Paragon Centre, Opp. Birla Centurion P.B. marg, Worli, Mumbai-400 013
- Editor's Name : Shyamal Majumdar
Nationality : Indian
Whether a citizen of India? : Yes
If a foreigner, the country of origin Address : 3rd & 4th Floor Building - H, Paragon Condominium Opp. Century Mills, P.B.Marg, Worli, Mumbai - 400 013
- Names and addresses of individuals : Owner : Business Standard Private Limited, Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi - 110 002
who own the newspaper and partners or shareholders holding more than one percent of the total capital

Shareholders holdings more than one percent of the total capital : Komal Financial Services Limited, 240, Navsari Building, 1st Floor, D. N. Road, Mumbai, Maharashtra-400 001. Cumulus Trading Company Pvt. Ltd. 240, Navsari Building, 1st Floor, D.N. Road, Mumbai, Maharashtra-400 001. Infina Finance (P) Ltd., 7th Floor, Dani Corporate Park, 158, CST Road, Kalina, Santacruz (East), Mumbai, Maharashtra-400098. Harisiddha Trading & Finance Private Limited 240, Navsari Building, 1st Floor, D. N. Road, Mumbai, Maharashtra-400 001.

I **Sangita Kheora**, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Sd/-
Sangita Kheora
Printer & Publisher

Date : 01.03.2021

