

# 'Blue-painted' West Bengal gives India its newest bank

**The first microfinance institution in the country launches operations as Bandhan Bank with 1.43 crore accounts in 501 branches across 24 states**

Kolkata

Bandhan Financial Services Pvt Ltd, the first microfinance institution in the country to get a provisional bank licence, launched operations as Bandhan Bank with 1.43 crore accounts, around Rs 10,500 crore loan book in 501 branches across 24 states, Chief Executive Officer and Managing Director Chandra Shekhar Ghosh said. To begin with, it has got 2022 service centres, 19,500 employees and 50 ATMs.

"All the existing microfinance customers will migrate to the bank. We have a loan book 10,400 crore, which will come under the bank from day one," he said.

The savings bank account interest rate has been fixed at 4.25% for balance up to Rs 1 lakh and 5% for balance above Rs 1 lakh. For term deposits, the maximum interest rate has been fixed at 8.5% for 1-3 years, with an additional 0.5% for senior citizens.

The latest private sector lender has fixed its Base Rate at 12% and hopes to lower it down over time as the low-cost deposit mobilisation increases, he said.

It plans to have 632 branches and 250 ATMs in 27 states by the end of fiscal year 2016, the bank said after Finance Minister Arun Jaitley inaugurated its operations here at the Science City Auditorium in Kolkata.

"Till now, as a microfinance institution, we did



**Finance Minister Arun Jaitley with Chandra Shekhar Ghosh (centre), MD and CEO of Bandhan bank and West Bengal Finance Minister, Amit Mitra during the inauguration of Bandhan Bank in Kolkata on Sunday.**

not have access to low-cost deposits and bank funding was the main source of money. Now, that we can mobilise public deposits, the interest rate will gradually come down, but not immediately," he added.

Jaitley said a 'blue-painted' city has given birth to a new institution which was not the case when it was 'painted red' -- referring to the past Left rule.

The size of banking assets in India reached USD 1.8 trillion in the fiscal 2013-14 and is expected to touch

USD 28.5 trillion by 2024-25.

However, the Indian banking sector is highly fragmented with 46 commercial banks jostling for business with dozens of foreign banks as well as rural and co-operative lenders. State banks control a significant chunk of the market share.

The RBI licensing norms stipulates that a new bank must have at least Rs 500 crore capital. Against this, Bandhan has started with Rs 2,570 crore capital which will soon be ramped up close to Rs 3,052 crore.

## Bandhan Bank to fund SMEs, not lend to large corporates

**//Bandhan Bank will not just boost the growth of Bangla entrepreneurs, but signify the return of entrepreneurs to West Bengal"**

Kolkata

Newly-launched Bandhan Bank will fund lakhs of small and medium entrepreneurs, create jobs and act as a response to agrarian poverty, Finance Minister Arun Jaitley said.

Bandhan Bank Chairman and Managing Director Chandra Shekhar Ghosh said the bank will not be lending to large corporates and will focus on small and medium enterprises as its primary customers.

"Small entrepreneurs, from shopkeepers to hawkers, they are generating almost 11-12 crore jobs in this country. The large organised industry is able to generate only a small fraction of that," Jaitley said. "West Bengal is known for producing several intellectuals, but no entrepreneurs. The launch of Bandhan Bank will not just boost the growth of Bangla entrepreneurs, but signify the return of entrepreneurs to West Bengal," the Finance Minister said.

RBI Deputy Governor H R Khan, who was also present at the inaugural ceremony, said, "Bandhan Bank has been born at a challenging time of the Indian economy. With 11 payment banks and two universal banks being

added to this sector, banking space in India is getting crowded. "The need of the hour is to focus on cost minimisation and customer convenience, digital literacy, partnership to cooperate and compete with other banks, and provide protection to customers by having a holistic approach towards banking."

### REGULATORY HURDLES

Meanwhile, Ghosh requested that the banking regulator should be considerate and flexible with some regulations as the bank will be operating in the unbanked and rural areas with little or no financial literacy.

"As we will be operating in unbanked areas with small and marginal players we would request the regulator to be flexible and considerate when it comes to certain norms like KYC (know your customers)," he said. "There are many challenges which call for some flexibility in regulations."

Responding to Bandhan Bank's call for flexibility in assured that the central bank would look into the matter.

# Trying to bring back Maggi by year-end: Nestle India

New Delhi

Bolstered by the Bombay High Court order overturning ban on Maggi, Nestle India plans to bring back the popular instant noodles back in the market by end of this year subject to certain clearances, reports PTI. The company, which has taken a hit of Rs 450 crore, including destroying over 30,000 tonnes of the instant noodles since June when it was banned because of alleged excessive lead content, says it will continue with the existing formula of the product and not change the ingredients.

"We will try and target something that is better than that. My desire is to do it before that but let's see," Nestle India Managing Director Suresh Narayanan told PTI when asked

whether Maggi noodles could be back in the market by start of the next year.

He said as per court directives, this quarter it would go in for testing of Maggi samples at three independent laboratories in Punjab, Hyderabad and Jaipur which are accredited with National Accreditation Board for Testing and Calibration Laboratories (NABL). "By the time we get everything done (all clearances), it will be middle of September. I can tell you this quarter no, unlikely. Subsequent quarter, we will try (to bring back Maggi)," Narayanan said. He said the company has to test the Maggi samples within six weeks and after that it would start manufacturing and then the noodles would be tested again.

Acknowledging that the ban has 'dented' the compa-

ny, Narayanan said the company has to win back consumer confidence and will "spend aggressively" on rebuilding the brand from a "zero" level through customer engagement activities and advertisements. When asked if the company would consider seeking damages from food regulators on the back of Bombay High Court judgement, Narayanan remained non-committal said the company's focus would be to bring back Maggi as soon as possible, look ahead and move on while working together with authorities.

The Consumer Affairs Ministry has filed a class action suit against Nestle India seeking about Rs 640 crore in damages for alleged unfair trade practices, false labeling and misleading advertisements.

## 8-10% growth rate achievable, says Jaitley

Kolkata

Amidst global slowdown, Finance Minister Arun Jaitley expressed confidence that 8-10% growth rate is achievable on the back on increased investment and right mix of policies.

"I do believe it is (8 per cent and above growth) achievable... if we take right steps in right direction and hopefully we don't have too many adverse global trend. It could be reasonably achievable. In order to achieve it is extremely important that we open ourselves for investments," he said. Jaitley said roadmap for phasing out of exemptions to corporate will be announced soon.

## Call drops: Regulator to probe tariff plans, issue draft paper

New Delhi

To check the call drops menace, telecom regulator TRAI is examining whether mobile operators are minting money by inducing the phone calls to drop midway, while it also plans to launch a consultation paper to devise a broader mechanism to address this problem.

"We are coming out with a consultation paper on call drops. We will consult all the stakeholders on the various facets of call drops," Telecom Regulatory Authority of India (TRAI) Chairman R S Sharma told PTI. The regulator is also examining whether there are any tariff plans of the service providers wherein call drops actually incentivise or benefit the companies, he added.

The industry has refuted charges of deliberate call drops and the companies have instead put the blame on lack of mobile towers and spectrum for the problem. Bharti Airtel (India and South Asia) Gopal Vittal had recently said that about 95 per cent plans are second-based, so they don't earn anything if a call gets dropped. However, Telecom Secretary Rakesh Garg said there are certain plans wherein customers get some free minutes and the billing is minute-based, which need to be examined.

## Derivatives expiry, rupee to drive volatility in equities

New Delhi

The upcoming expiry of derivatives, the movement of the rupee and polls in Greece - coupled with Chinese currency and stock positions - are expected to trigger volatility in the Indian equity markets in the coming week, reports IANS. Last week, Sensex lost 701.24 points to 27,366.07. Analysts cautioned that the slide in the rupee value, which saw it close Friday at Rs.65.83/\$ - a two-year low and breaching of the Rs.66 mark in futures markets - has unnerved investors. The major catalyst for the slide has been the devaluation of yuan, intended to boost Chinese exports.

# Legal, education services may be opened to foreign players

New Delhi

The government is following a "calibrated approach" to open its education and legal services for foreigners, a move aimed at boosting country's services sector. Commerce Secretary Rita Teatota said that work is under progress for opening education and legal services for foreign players.

In a country like India, "this (the liberalisation of the services sector) is to be slow and should have a calibrated approach...it is at a very early stage. A roadmap has been prepared," she told PTI.

Explaining about the country's approach to open

education sector, the secretary said, in the beginning, opening online courses could be an option.

"Indira Gandhi National Open University (IGNOU) is doing something. Some professional bodies are also offering online courses. So, when we have such strong technical institutions with high reputation, can they do more of opening online courses and make those accessible to other countries. So, this could be one step," she said.

About opening legal services for foreign players, she said the Commerce Ministry's intention is to work with Bar Council of India (BCI) to move in a direction

which is "calibrated and always reciprocal".

"How do we make an environment which allows for the growth of our legal services sector," she said. She said that the roadmap developed by the Department of Commerce with stakeholders is to first permit the "multi-professional firms to come in, and to allow them to increase size of the firms".

"So, these could be early stage reforms which we would touch on. Once we do that, in next stage, we can have consultation with the BCI," she added. The UK and the US have been pushing India to open up the sector to foreign firms.

## United Spirits, Kingfisher Air face axe for listing violations

New Delhi

More than 100 listed companies, including United Spirits Ltd and long-grounded Kingfisher Airlines, have been slapped penalties for violating the Listing Agreement provisions set forth by Sebi and exchanges.

Kingfisher, once a premium airline operated by Vijay Mallya-led UB Group, has faced penal actions including freezing of promoter shares, for violation to norms relating to timely submissions of Annual Report, shareholding pattern, financial results and reconciliation of share capital audit report.

United Spirits, wherein UB Group has sold majority con-

trol to UK-based liquor giant Diageo Plc, has also been found in non-compliance to the provision related to reconciliation of share capital audit report. USL as also UB group's holding company United Breweries Holdings Ltd were slapped with fines last year for late submission of financial results.

Among others, NSE has also found Zylg Systems, Birla Power, Rajesh Exports, Tulip Telecom, Varun Industries and Bharati Shipyard to be non-compliant to one or more provisions of the Listing Agreement norms. BSE has also imposed penalties on 127 companies, including Dhanlaxmi Bank for late submission of corporate governance report.

# Missed the August 31st deadline? You can still file tax returns



**In the wonderland of Investment**  
A N Shanbhag

The last date of filing your tax return for FY 14-15 is August 31st. So what happens, if for any reason, you were unable to file your return in time? Well - we have good news for you. There is no cause to worry as such - the law allows you to file a belated return at any time before the end of one year from the end of the relevant assessment year. In other words, if you file a return after August 31st, it will be termed as a belated return and the same can be submitted any-time up to 31st of March, 2017. Yes - 31st of March, 2017 and not just 31st of March, 2016!

In terms of repercussions, an interest of 1% per month will be levied on any tax due. Also, the tax official has the option of imposing a penalty of Rs. 5,000 on account of the late submission. So say you are a salaried employee who has not filed his or her return in time, however, the tax due from you has already been deducted at source in the usual

course. In this case, the maximum downside even for a late filing would be the Rs. 5,000 penalty amount. Since the tax due from you has already been paid (by way of the TDS), there would be no liability on account of interest. Remember, interest is levied only if you owe any tax to the government.

However, there does exist a small drawback of not filing the tax return in time. If you have any business loss or capital loss (short-term or long-term), the same cannot be carried forward for set-off against future income, if the tax return is not filed in time.

So all in all, it is always advisable to submit your tax return in time -- however, if you cannot do so due to unavoidable circumstances, then the consequences are as detailed above. But never ever make the mistake of not filing your return at all just because you didn't make the deadline.

### More tax return related misconceptions

There are many taxpayers who seem to be under the impression that having a PAN makes it mandatory to file the tax return. The issue has especially come up

ever since PAN was made compulsory for investing in mutual funds. There are many who feel that now that they have been allotted a PAN, return filing would also be a must, no matter that they don't have any taxable income.

On the other hand, there are those who feel that as long as their income has been subject to

### Advance Tax

All taxable income including capital gains is liable for payment of advance tax. Advance tax is mandatorily payable where the tax payable for the financial year works out to Rs. 10,000 or more. The following table contains the due dates for payment of advance tax. (See table)

Advance Tax Payable	In the case of a non-corporate assessee
On or before September 15 of FY	Up to 30 percent of advance tax payable
On or before December 15 of FY	Up to 60 percent of advance tax payable
On or before March 15 of FY	Up to 100 percent of advance tax payable

TDS, they have no further obligation as far as the taxman is concerned. In other words, they feel that since the income is already subjected to tax, there is no further action needed on their part.

Both are misconceptions. Though a taxpayer needs to have a PAN to file the tax return, the reverse is not true. And similarly, even though TDS has been deducted on one's income, filing a tax return could be obligatory.

Basically the rule is that if one earns an income above the basic exemption limit, it is obligatory on such a person to file his or her tax return.

For the purposes of payment of this tax, taxpayers have to estimate their income for the year and pay the required installment of advance tax (net of TDS already deducted) by the due date specified.

If advance tax is not paid on time, by way of a penalty, broadly simple interest @2% p.m. is payable on the short-fall.

Mistake while filing return There is yet another concept known as 'revised return' As the name suggests, if you were to discover any omission or wrong treatment of any income or deduction or a wrong statement in

your originally filed return, then within one year from the end of the relevant assessment year, you may file a revised return. Therefore, just like in the case of a belated return, you have time till March 31st, 2017 for filing the revised return.

In terms of a real life example, Mr. Mehta (name changed upon request) had originally filed his return for FY 13-14 well within the time limit of 31st July, 2014. However, later on somewhere around December 2014, while making his advance tax calculations, he realized that he had erroneously claimed an amount of Rs. 2 lakh as tax exempt.

What he thought was the maturity amount from an equity mutual fund was in fact interest income from an old bond investment. After paying the requisite amount of tax with interest due thereon, Mr. Desai went on to file a revised return correcting the error in the previously filed return. And such a revised return may be filed by Mr. Mehta by 31st of March, 2016. Again note that a revised return can be filed if and only if the original return has been submitted in time.

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## Corporate Briefs

### Unitech leases office space to Google; to get Rs 600 cr rental

**NEW DELHI:** Realty firm Unitech has given on lease a large office space in Gurgaon to Google, generating about Rs 600 crore of rental income over the next nine years. According to sources, Google has taken on lease a little over 4,30,000 square feet of office space in Unitech's office building 'Unitech Signature Tower- II'. The leasing has been done at Rs 120-130 per square feet, sources said, adding that the deal would lead to rental revenue of around Rs 600 crore over the 9-year lease period. With this leasing deal, search engine giant Google would fully occupy this building. Google had earlier occupied more than 1.25 lakh square feet of space in Signature Tower II.

### S.B. Mainak inducted on CARE Board

S.B. Mainak, Managing Director Life Insurance Corporation of India (LIC) has been inducted on the Board of CARE Ratings as Director and also elected as Non-Executive Chairman of the Board. He now joins the Board which comprises 6 other Directors who are A.K. Bansal, Dr Ashima Goyal, S. Ananthkrishnan, B. S. Keshava Murthy, D. R. Dogra, MD & CEO, CARE Ratings and Rajesh Mokashi, DMD, CARE Ratings. Mainak is a Chartered Accountant and has been with LIC since 1983. As Executive Director (Investment Operations) he managed LIC's funds of more than Rs 14 lakh crore.

### Foundation stone of Sub Office of Export Inspection Council laid

Commending the role of Commerce Ministry in facilitating the export trade from India, Nirmala Sitharaman, Minister of State (Independent Charge) for Commerce and Industry, has said that "We are going to conduct the India International Seafood Show in Visakhapatnam. She assured that whatever support is required to facilitate the export trade the commerce ministry will provide to develop the region. She laid the foundation stone of Sub Office and Laboratory Complex of Export Inspection Council at Vishakhapatnam and also assured that Export Inspection Council should get the building ready at earliest by 2017.

### Worldwide achievers felicitate biz leaders

**MUMBAI:** Worldwide Achievers organised Business Leaders Summit & Awards 2015 Ceremony to felicitate India's leading companies for increased efficiency and improved performance at large. Ramanlal Vora, Minister of Social Justice and Empowerment-Govt. of Gujarat, Shivanand Hulyalkar - Vice Chairman, Ministry of Textile, Adarsh Shastri (M.L.A Govt. of Delhi) and Maninderjeet Singh Bitta (Chairman of the All-India Anti-Terrorist Front), were the chief guest & Guest of Honor and gave away the award certificates & trophy to the winners which included Individuals/organizations from all across India.

### Humswadeshi.com launched

**MUMBAI:** Humswadeshi.com is a part of Lokmanya Retail Private Limited, a start up, launched with a vision to be India's most preferred e-commerce platform. At the launch stage, Humswadeshi.com has managed to register over 250 manufacturers and sellers. Kiran Dixit, former Group Head Marketing of TBZ Limited, and presently the Managing Director of Humswadeshi.com, said, "The concept of 'Swadeshi' is not new to Indians. Great visionaries and freedom fighters have always supported 'Swadeshi' in order to make nation strong and self reliant."