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US TAX IMPLICATION ON GREEN CARD HOLDERS – FEDERAL TAX IMPACT

An additional compliance requirement is put forth by The US Internal Revenue Service (IRS) by way of “Form 8938 – Statement of Specified Foreign Financial Assets”, which has to be filed by US citizens and its residents along with their annual tax returns. Through this form these Tax payers are required to report their Foreign Financial Assets as specified by the IRS.

In light of the above compliance requirement, a brief attempt is made by way of this article, to analyze the US – Federal Tax implication particularly on Green Card Holders.

Click on the under-mentioned link to read this article:

<http://www.prteli.com/announcements/usfederaltaximplicationsongreencardholders>

FOREIGN EXCHANGE CONVERSION RATE W.E.F. 01st February 2012

The Central Board of Excise and Customs have vide *Notification No. 9/2012-Custom (N.T.)- dated 30th January, 2012*, declared Rate of Exchange of conversion for foreign currency into Indian currency and vice versa to be used for import and export of goods. These rates shall be effective from 1st February 2012.

S.No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	53.45	52.20
2.	Canadian Dollar	50.30	49.00
3.	Danish Kroner	8.90	8.65
4.	EURO	66.00	64.40
5.	Hong Kong Dollar	6.45	6.35
6.	Norwegian Kroner	8.65	8.60
7.	Pound Sterling	78.90	77.15
8.	Swedish Kroner	7.45	7.25
9.	Swiss Franc	54.70	53.35
10.	Singapore Dollar	40.05	39.10
11.	US Dollar	50.20	49.40

S.No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	65.40	63.65

RESERVE BANK OF INDIA RAISES BANK RATE W.E.F. 13th February 2012

With effect from 13th February 2012, The Reserve Bank of India (RBI) has raised its Bank Rate by 350 basis points i.e. from 6.00% p.a. to 9.50% p.a. *vide Notification No: RBI/2011-2012/396 , Ref No. MPD.BC./05.03.004/2011-12 dated February 13, 2012.*

Bank Rate is used by the Central bank of a country to finance its Commercial Banks. It is a Discount Rate and a tool used by the Central Bank for Short Term finance purposes. Bank Rate also acts as a penal rate charged on Banks for their shortfalls in meeting the reserve requirements (Cash Reserve ratio and Statutory Liquid Ratio).

This rate is not only used by Banks but also by several other organizations as a reference rate for indexation purpose. Hence any upward revision in Bank Rates, indicates that Banks might also increase their deposit rates and also hike their own lending rates and vice versa.

It should however be noted that, the Bank Rate was kept at 6.00% p.a. since April 2003 as modulations were done under Liquidity adjustment facility till May 3, 2011 and Revised operating procedure of Monetary policy from May 3, 2011 onwards. Reserve Bank has (based on the feed back received from various organization/stakeholders) determined that, the Bank rate should stay aligned with the Marginal Standing Facility (MSF) and hence an upward revision in the Bank rate was opted for. The Notification has however clarified that, this increase in Bank rate should be viewed and understood as one-time technical adjustment to align the Bank Rate with the MSF rate rather than a change in the monetary policy stance.

In light of the above facts we need to wait and see what will be the impact of this upward revision in the Bank rate on a Common man?

NEW COMPANIES BILL, 2011

The Budget Session of Parliament is likely to present a New Companies Bill, 2011. Some of the Salient features of the New Companies Bill, 2011 are mentioned hereunder:

1. Rules to tighten laws for raising funds from Public.
2. Rules on Corporate Social Responsibility (CSR) whereby large companies will have to earmark 2% of their three year average profit for CSR activities.
3. A Check on insider trading by Companies Director and/or Key Managerial Personnel
4. Disclosure norms for private placement of shares
5. Fixed Term for independent Directors and Rules to initiate Class Action Suits.

This new legislation will replace half a century old Companies Act, 1956 and is likely to modernize corporate practices in line with developments happening across the globe

MVAT- LIST OF SUSPICIOUS DEALERS

The Sales Tax Department, Maharashtra State has published a List of Suspicious Dealers, who has issued false bills without delivery of goods on their website. The link can be downloaded from the under-mentioned link:

<http://www.mahavat.gov.in/Mahavat/index.jsp>

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