

OFFSHORE ACCOUNTING AND TAXATION SERVICES PVT. LTD. (OATS)



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IFRS convergence roadmap in India

India has embarked on the journey of converging its Accounting Standards with International Financial Reporting Standards (IFRS). Following roadmap has been prescribed-

- There will be two sets of standards- Converged and Existing.
- Insurance companies will adopt IFRS converged standards from 1st April 2012
- Large banking companies to converge from 1st April 2013 and other banks from 1st April 2014.

IFRS Convergence roadmap for companies other than insurance and banking companies-

Phase 1: 1 st April 2011	<ul style="list-style-type: none">•Companies which are part of NSE Nifty-50 and BSE Sensex-30.•Companies which are listed outside India•Companies whose net worth is greater than \$220 million
Phase 2: 1 st April 2013	<ul style="list-style-type: none">•Companies whose net worth is greater than \$ 110 million
Phase 3: 1 st April 2014	<ul style="list-style-type: none">•All other listed companies

Direct and indirect taxes- recent changes

New Direct Taxes Code introduced.

To be effective from 1st April, 2012.

Some key provisions-

- Corporate income tax rate 30%
- Surcharge and education cess will be eliminated.
- Weighted deduction for in-house R&D expenses 200%
- Additional branch profit tax @ 15% on all foreign companies having any form of permanent establishment (PE) in India.
- Continuation of zero taxation on long term capital gains.

Indirect Taxes

Circulars & Amendments:

1. Amendments to Foreign Trade Policy 2009-14 made effective from 23.08.2010
2. A Circular issued by Reserve Bank of India by which Assessee code on GAR 7 is mandatory
3. Circular issued by Board in connection with valuation of goods cleared by Export Oriented Unit to Domestic Tariff Area .
4. Goods meant for Mega Power Project exempted [Notification No. 31/2010]

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