

## FROM GENERAL MANAGER'S DESK

Dear NRI Customer,

I am glad to stay connected with you through this newsletter. Your patronage has been inspiring and motivating our team in scripting the bank's growth story.

The youth population of India is inspired by NRIs like you to take up employment abroad or to setup business ventures out of india and we sincerely appreciate all the NRIs for being an inspiration.

As you know, your bank is always in the forefront for providing excellent services to NRIs. Our bank has further w.e.f 01.02.2018 increased the FCNR B deposit rates.

We owe you a debt of gratitude for your support to bank of Baroda all these years. Your bank has effectively leveraged technology and has introduced several products and services to different types of customers. The bank has taken a resolution to give a feel at home when you are at your own motherland.

We believe in continued customer focused service backed by high quality delivery channels for which we welcome your valuable suggestions.

Wishing all our customers a happy and prosperous new year 2018.

With Greetings

Yours sincerely,

## HIGHLIGHTS OF BUDGET 2018-19 FOR NRIs

### I. New regime for taxation of long-term capital gains on sale of equity shares and units of equity oriented fund and business trust

At present, capital gains arising on sale of listed equity shares of a Company and units of equity oriented fund and business trust, which are held for more than 12 months ('long term capital asset'), are exempt from tax, subject to satisfaction of certain conditions.

However, it is proposed to withdraw the aforesaid exemption for transaction undertaken from 1 April 2018 and tax such capital gains at the rate of 10%, if such capital gains exceeds ₹1 lakh.

Further, all gains upto 31 January 2018 will be grandfathered i.e. any appreciation in value of aforesaid capital asset shall be exempt from tax. For instance, if an equity share is purchased on 1 September 2017 i.e. before 31 January 2018 at ₹100 and the highest price quoted on 31 January 2018 is ₹120, there will be no tax on the gain of ₹20, if this share is sold after one year i.e. 1 September 2018. However, any gain in excess of ₹20 earned will be taxed at 10% if this shares are sold after 1 September 2018 (i.e. after 1 year of purchase).

### II. Incentive for real estate

At present, while taxing income from capital gains, business income and other income arising on transfer of immovable property, the sale consideration or stamp duty value, whichever is higher, is adopted and the difference is counted as income both in the hands of purchaser and seller.

It is proposed to amend the above provision so as to provide that no adjustments shall be made in case of sale consideration for computation of income arising on sale of immovable property, in case, where the variation between the stamp duty value and the sale consideration is not more than 5% of the sale consideration.

### III. Capital Gains exemption for re-investment in bonds

It is now proposed to restrict the scope of capital gains exemption only to longterm capital gains arising on transfer of 'land or building or both (i.e. immovable property)'. Further, it is also proposed to amend the definition of 'long term specified asset' to mean bonds which are redeemable after '5 years' (as against current 3 years) and issued by NHAI, REC or any other bond notified by the Central Government.

### I. For Non Resident Individuals

There has been no change in tax rates for Non-resident individuals except for increase in health and education cess from 3% to 4%. The basic rate of tax as well as surcharge has remained the same.

Financial Year (April 2018 to March 2019)	
Individual's Total Income	Rate
Up to ₹2,50,000	Nil**
₹2,50,001/- to ₹5,00,000/-	₹12,500/- plus 20% of the amount by which the total income exceeds ₹5,00,000/-
Exceeds ₹10,00,000	₹1,12,500/- plus 30% of the amount by which income exceeds ₹10,00,000/- (Refer note 1)

Note 1:- The amount shall be increased by a surcharge at the rate of 10% in case total income exceeds ₹50 Lakhs but not exceeding ₹1 Crore and @ 15% in case total income exceeds ₹1 Crore. Hence, the highest effective rate of tax in case of individual shall be "35.88%" i.e. Maximum Marginal Rate of Tax (after including the Health and Education Cess @ 4%). Marginal Tax Rate relief is available.

\*\*If NRI is having only Capital Gains (including Long term and Short term) in Equity shares or Equity Oriented Mutual Fund (on which STT is paid), there is no benefit of basic exemption available.

**II. For Foreign Companies**

- Foreign companies are taxable at 40%
- 2% surcharge is applicable if the total income exceeds ₹1 Crore but does not exceed ₹10 crores
- 5% surcharge is applicable if the total income exceeds Rs.10 Crores
- 4% Health and Education cess is applicable on income tax (inclusive of surcharge, if any)
- Marginal Tax Rate relief is available.

**RESIDENT FOREIGN CURRENCY ACCOUNT - FOR NRIs RETURNING TO INDIA FOR SETTLING IN INDIA**

Name of Deposit Product	Resident Foreign Currency Account - for NRIs returning to India for settling in India
Features	Bank of Baroda offers remunerative deposits for NRI's returning to India with the intention of permanently settling down here. All existing repatriable accounts will be renamed as RFC ACCOUNTS. These accounts are maintained in any of six currencies in which FCNR is maintained. It can be Savings or Term Deposit account. (at present our Bank maintains only TD accounts)
Ordinary Non- Resident Accounts	Ordinary non-resident accounts will be converted to resident accounts by banks in India on return of the account holder to India and consequently becoming a legal resident of India.
Non-Resident (External) Rupee Accounts	NRE accounts will also be converted to resident rupee accounts or RFC accounts (if eligible) at the option in of the account holder on the return of the account holder to India and their becoming legal residents in India. In case of NR(E) Fixed Deposit, the accounts will continue to earn agreed rate of interest till maturity even after these being converted to resident account.
FCNR Accounts	FCNR accounts will be converted to resident rupee accounts or RFC account (if eligible) at the option of the account holder on the return of the account holder to India and their becoming residents in India.  In case the account is converted to resident rupee account, the foreign currency amount will be converted to Indian Rupees at TT buying rate ruling on the day of conversion. Interest on the new deposit would be payable at the relevant rate applicable on such deposit.  Existing FCNR shall continue to earn agreed rate of interest till maturity even after these being converted to resident account.
RFC Accounts:	In case the amount is transferred to a RFC account, the rate of interest applicable to RFC account will be payable.  NRI's returning to India can also open RFC account with the ASSETS brought by him on return as well as his foreign assets held abroad at any future date, should he so desire.  Present NRI accounts will be re classified and called RFC accounts while the continuity of the deposit will be maintained till maturity date of the deposit.
Tenure	Money will be held as TERM DEPOSITS for periods from twelve months up to five years.
Interest	RFC deposits of 12 months up to 60 months will be charged with the same interest rates as FCNR DEPOSITS (No interest will be paid for premature payment before 12 months).

Repatriate	<p>Amount held in RFC accounts are deemed to be freely repatriable for the bona-fide purposes of the NRI.</p> <p>RFC funds can be freely drawn in Indian Rupees for use locally.</p> <p>On becoming NRI again, the existing RFC accounts can be re-designated as FCNR and NRE accounts.</p>
Income Tax Exemption	<ul style="list-style-type: none"> <li>As per FEMA Rules.</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>Amounts in RFC accounts are deemed to be freely repatriable for the bona-fide purposes of the NRI.</li> <li>No permission of Reserve Bank is required for opening or transferring RFC funds abroad.</li> <li>RFC funds can be freely drawn in Indian Rupees for use locally.</li> <li>For going abroad again, an NRI can freely use this money and also have the accounts re-designated as FCNR and NRE ACCOUNTS just as they were before 'RETURN to India'.</li> </ul>
Web link	<p><a href="http://www.bankofbaroda.com/int/rfca.asp">http://www.bankofbaroda.com/int/rfca.asp</a></p>



**GOOD NEWS  
FOR OUR NRI CUSTOMERS**

**10%  DISCOUNT**

**on In-Patient Bill and Executive Health checkup**

We always wish you and your family to be in good health and lead a happy life. To reduce your financial burden, we have negotiated 10% discount on In-Patient Bill and Executive Health checkup (Excluding consumables pharmacy and package), if you are taking treatment in Kokilaben Dhirubhai Ambani Hospital, Mumbai. You may avail this facility on production of reference letter issued by authorize signatory of the Bank at your request.

**Hospital Address :**

**Kokilaben Dhirubhai Ambani Hospital,**  
 Four Bungalows, Andheri (West), Mumbai-400053.  
 Tel.: 91 22 30666666, 30999999, 30696969, 30919191  
 Contact Person- MR. JAMES ARANHA (Chief Manager, Corporate Sales)  
 Mobile no :9022908897 Email <http://www.kokilaben.hospital.com>

**NRI MEET, NAVSARI - JANUARY 2018**



Shri Pradeep Shrivastava (Zonal Head-Baroda Zone), Shri Anoop Kumar (Dy. General Manager, International Operations, BCC, Mumbai)



Shri S. C. Sharma (Regional Head, Navsari Region) welcoming Shri Pradeep Shrivastava (Zonal Head-Baroda Zone)



Shri S. C. Sharma (Regional Head, Navsari Region) welcoming Shri Anoop Kumar (Dy. General Manager, International Operations, BCC, Mumbai)



Shri Anoop Kumar (Dy. General Manager, International Operations, BCC, Mumbai)

**NRI MEGA MEET, BHUJ - JANUARY 2018**



NRI Meet inaugurated by Zonal Head Mr. J.V Mehta, Zonal Head – Ahmedabad Zone. Our oldest NRI customer of Baladia Branch Mr. V.K Raghwani lighting the inaugural lamp.



Mr. Bhimjibhai, valued NRI customer of Mankuva Branch being facilitated by Ahmedabad Zonal Head Mr. J.V Mehta.



Mr. J.V Mehta, Zonal Head – Ahmedabad Zone, addressing the gathering.



Mr. Kanjibhai Mepani, one of the oldest NRI customer being facilitated by Mr. J.V Mehta, Zonal Head – Ahmedabad.