

Distances can never keep
friends apart.

NRI BANKING
SERVICES

NRI Sampark

A Quarterly Newsletter for esteemed NRI clients by IDBI Bank – Vol. 11, January – March 2016

Dear NRI friends,

April 1, 2016

Season's greetings from IDBI Bank.

At the outset, I take this opportunity to share with you about the developments in January – March 2016 quarter across a gamut of topics ranging from banking, economic outlook and NRI Products & regulations. I am pleased to present the 11th edition of Bank's quarterly newsletter "NRI Sampark". Trust you shall find the same useful.

Suggestions, as always are welcome and may be shared on e-mail Id nri@idbi.co.in

Warm regards,
R P Maheshwari
General Manager – NRI Services
IDBI Bank



IDBI Bank in News

1. IDBI Bank Ltd. received the ASSOCHAM Award 2015 for Financial Inclusion under Large Bank class and Government schemes category. The Award was handed over by Hon'ble Minister of state for Finance, Shri Jayant Sinha, at the 11th Annual Banking Summit cum Social Banking Excellence Awards 2015 of ASSOCHAM held at Mumbai on 29th January, 2016. The ASSOCHAM Social Banking Awards 2015 (Inclusive Growth for Sustainable Development) has been an initiative to honor the banks who have made significant contribution in elevating and uplifting the life of the people from all strata, especially the lower strata of society.
2. IDBI Bank Ltd., inaugurated the nation's first of its kind "G-Sec Investment Facility through ATM for Retail Investors" on March 15, 2016, at the IDBI Bank's ATM at Corporate Centre, Mumbai. This facility is unique and first of its kind initiative of the Bank to provide easy access to retail investors to invest in Government Securities. This furthers the Bank's contribution to promote and popularize retail participation in Government Securities in line with the Government of India and RBI's efforts towards broad basing and expanding retail holding of Government Securities in the country. The process of transacting in G-Sec through the ATM is very simple, convenient, transparent and cost-effective.
3. IDBI Bank conducted 'Kisan Sangosthi' at various villages all over India to mark the celebration of 'Farmers Day' and to acknowledge the role played by farming community in the economic development of the country. MD & CEO Shri Kishor Kharat emphasized the Bank's commitment on funding the Small and Marginal Farmers, Woman SHG etc., and providing hassle free loans to the farming community at competitive interest rates.



Interest Rates on NRI Deposits

Non Resident Ordinary - NRO Deposit rates (Effective February 08, 2016)

Tenure	Interest rate (% p.a.) for deposit less than Rs 1 Cr
15 - 30 days	4.50
31 days to 45 months	5.25
46 months to 60 days	6.25
61days to 90 days	6.75
91 days to 6 months	7.25
6 months 1 days to 270 days	7.50
271 days to < 1year	7.50
1 year to <2 years	7.75
2 year to 10 years	7.50

Recurring NRO Deposits (Effective February 08, 2016)

Tenure	Interest rate (% p.a.)
1 year < 2 years	7.75
2 yrs – 10 yrs	7.50

Non Resident External - NRE Deposit rates (Effective February 08, 2016)

Tenure	Interest rate (% p.a.) for deposit less than Rs 1 Cr
1 year to < 2years	7.75
2 years to < 3 years	7.50
3 years to <5 yrs	7.50
5 yrs	7.50
> 5 yrs - 7 yrs	7.50
> 7 yrs - 10 yrs	7.50

Recurring NRE Deposits (Effective February 08, 2016)

Tenure	Interest rate (% p.a.)
1 year < 2 years	7.75
2 Year to 5 Years	7.50

Important Points:

The rates mentioned are subject to change from time to time. Please verify the rates on our website www.idbi.com

No interest is payable on NRE / FCNR (B) deposit closed prematurely in less than a year

DTAA benefit available for TDS on NRO Deposits

Foreign Currency Non Resident (Bank) - FCNR (B) deposit rates (% p.a.) (Effective April 1, 2016)

Maturity Slab	USD	GBP	EUR	AUD	CAD	JPY	SGD	HKD	CHF
1 Year - less than 2 Years	1.75	1.47	0.30	3.10	1.65	0.12	2.07	1.76	0.00
2 Years - less than 3 Years	1.86	1.52	0.34	3.12	1.67	0.15	2.44	1.98	0.00
3yrs - less than 4yrs	2.97	2.60	1.33	4.14	2.73	0.95	3.36	3.04	0.60
4yrs - less than 5yrs	3.11	2.72	1.37	4.31	2.84	0.95	3.42	3.18	0.66
5yrs only	3.22	2.80	1.41	4.38	2.91	0.95	3.48	3.22	0.67



Interest Rates on loans for NRIs

The Bank offers Home Loans, Loan against property and Auto Loans to Salaried NRIs. Bank also offers Education Loan to students enrolling for various courses. The interest rates for various loans across loan amounts and tenure are as under:

Products	Loan Amount	Rate of Interest (per annum)	Max Tenure	NRI Category
Home Loan(Floating)	For all loan amounts	9.60% (MCLR+0.15%)	30 years	Salaried
Home Loan-Interest Saver(Floating)	For all loan amounts	9.75% (MCLR+0.30%)	30 years	Salaried
Home Loan(Fixed) (From 3 years to 10 years)	For all loan amounts	10.10% (For 3 Years)	30 years	Salaried
		10.35% (For >3 year)		
Home Loan Balance Transfer Facility + Top-up	For all loan amounts	Applicable Home Loan Rates	Applicable Home Loan Tenure	Salaried
Loan against Property	For all loan amount	11.10% -11.85% (MCLR +(1.65% to 2.40%))	10 - 15 years	Salaried
Loan against rent receivables.				
Loan against Property-Interest Saver				
Auto Loan	For all loan amount	9.95%	7 years	Salaried
Education Loan (Floating)	For studies in India Rs. 20 Lakh For studies abroad Rs. 30 Lakh	Non-Vocational Courses 10.60% to 11.60% (MCLR+1.15 % to MCLR+2.15%)	10 to 15 years	Student should be Indian National
		Vocational Courses 10.60% (MCLR+1.15 %)		
		Studies in Premier Education Institutes (including ISB) 9.60% (MCLR+0.15%)		
		Studies with Admission under Management Quota 12.50 % (MCLR+3.05%)		

MCLR = Marginal Cost of Funds Based Lending Rates

Note : The interest rates are subject to change from time to time. Please verify the rates on our website www.idbi.com

Product Focus – Foreign Currency Non Resident- FCNR(B)

FCNR Fixed Deposits are an excellent investment option for NRIs looking to retain their money in foreign currency to avoid any foreign currency exchange risk and ensuring the highest and guaranteed returns on their earnings.

IDBI Bank offers FCNR (B) deposit in nine currencies viz USD, GBP, Euro, CAD, AUD, SGD, HKD, JPY and CHF.

Features & Benefits of FCNR (B) deposit

- ❖ Flexibility in opening account in multiple currencies
- ❖ Multiple tenure option ranging from minimum 1 year to maximum 5 years
- ❖ Interest Payment is on either Half Yearly intervals or Cumulative interest credit on maturity.
- ❖ Both Principal and Interest are freely repatriable
- ❖ There is no penalty on pre-closure of FCNR (B) deposit. However, minimum tenure required for accrual of interest is 1 year. The interest payable on prematurely withdrawn FCNR(B) deposit after 1st year will be the contracted rate or the rate applicable for which the deposit remained with the Bank, whichever is lower
- ❖ Tax Benefit: There is no TDS on interest on FCNR(B) deposit
- ❖ Attractive Loan Option available

Economic Outlook



- ❖ Index of Industrial Production (IIP) contracted for the third consecutive month in Jan '16, mirroring the contraction in manufacturing sector, which constitutes more than 75% of the overall index. IIP was at -1.5% in Jan '16 as compared to -1.2% in Dec '15 and a growth of 2.8% in Jan '15. However, on a sequential basis, IIP registered a growth of 1.4% in Jan '15 from Dec '15. On a three-month moving average (3MMA) basis, IIP contracted by 2.0% during the three months ending Jan '16 as compared to a growth of 1.8% during the three months ending Dec '15. Growth in IIP was at 2.7% in Apr '15 – Jan '16 period, same as in Apr '15 – Jan '15 period.
- ❖ India's overall BoP was in surplus in Q3 FY16, aided by lower CAD and improvement in Foreign Direct Investment (FDI) inflows, marking reversal from the deficit witnessed in Q2 FY16. Prior to Q2 FY16, the BoP had remained in surplus for seven consecutive quarters.
- ❖ India's CAD narrowed in Q3 FY16 vis-à-vis Q2 FY16 and Q3 FY15 mainly due to lower merchandise trade deficit. Even in Apr-Dec '15 period, lower merchandise trade deficit helped to ensure a lower CAD. The improvement in CAD was also aided by continued surplus in services account.
- ❖ The Govt.'s Fiscal Deficit was estimated at Rs.5.73 lakh crore or 107.1% of the Revised Estimates (RE) of Rs.5.35 lakh crore at end-Feb '16. However, the fiscal deficit was lower as at end-Feb '15 as compared to the fiscal deficit as at end-Feb '15 when it was at Rs. 6.03 lakh crore or 117.5% of the RE. Higher growth in receipts vis-à-vis growth in expenditure helped in ensuring that the deficit is relatively lower.

Disclaimer: - The contents of the above article are based on information received from various sources and while compiling every effort has been made to ensure that the information is accurate and authentic. IDBI Bank does not accept any responsibility for interpretation of various rules or any errors/omissions in the newsletter.

Banking Updates



- ❖ The RBI has permitted Status Holders to export freely exportable items on free of cost basis, subject to an annual limit of Rs 10 lakh or 2% of average annual export realization during preceding three licensing years whichever is lower. This is aimed at promoting exports and thereby, aiding further improvement in the external sector position as also drive economic growth
- ❖ The Government has decided to relax the norms pertaining to prior experience and turnover for Start-up MSMEs subject to condition that they can deliver the goods and services as per the prescribed technical and quality specifications. This will enable the Start-up MSMEs to take part in the mandatory 20% public procurement from MSMEs. In the backdrop of increased focus of the Government on start-ups, relaxation of the norms for the Start-up MSMEs is expected to aid in creation of a conducive environment for start-ups in India.
- ❖ RBI has allowed banks to extend all their banking products and services through ATMs. Customers will now be able to apply for credit cards and avail cash loans using the 1.9Lakh ATMs across the country. RBI has taken the decision after reviewing a proposal made by some leading private banks to start such transactions. Many banks have already upgraded some ATMs into e-banking hubs

Disclaimer: - The contents of the above article are based on information received from various sources and while compiling every effort has been made to ensure that the information is accurate and authentic. IDBI Bank does not accept any responsibility for interpretation of various rules or any errors/omissions in the newsletter.

Frequently asked Questions & Answers (FAQs)



Q.1 What type of accounts can a Non Resident Indian (NRI) / Person of Indian Origin (PIO) open?

<u>Currency</u>	<u>Savings Bank Account</u>	<u>Current Account</u>	<u>Fixed Deposit</u>	<u>Recurring Deposit</u>
Indian Rupees	NRE SB Account	NRE Current Account	NRE Fixed Deposit	NRE Recurring Deposit
	NRO SB Account	NRO Current Account	NRO Fixed Deposit	NRO Recurring Deposit
Foreign Currency	Not Applicable	Not Applicable	FCNR (B) Deposit	Not Applicable

Reach us at

Email: nri@idbi.co.in

Website: www.idbi.com

Customer Care: (+91-22) 6693 7000

SWIFT: **IBKLINBB**

Remittance information: <http://www.idbi.com/remittance.asp>



IDBI Bank Limited, Regd Office : IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005

Visit us: www.idbi.com |  | CIN Number - L65190MH2004GOI148838