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friends apart.

**NRI** BANKING  
SERVICES



## *NRI Sampark*

*A Quarterly Newsletter for esteemed NRI clients by IDBI Bank – Vol. 8, April – June 2015*

July 1, 2015

*Dear NRI friends,*

Season's greetings from IDBI Bank.

At the outset, I take this opportunity to share with you about the developments in April – June 2015 quarter across a gamut of topics ranging from banking, economic outlook and NRI Products & regulations. I am pleased to present the 8<sup>th</sup> edition of Bank's quarterly newsletter "NRI Sampark". Trust you shall find the same useful.

W.e.f July 1, 2015, our Bank has introduced revised charges for certain services and non-maintenance of stipulated Monthly Average Balance in certain variants of Savings Bank Account. **However, non-maintenance of Monthly Average Balance is not applicable to the NRI SB accounts.**

Suggestions, as always are welcome and may be shared on e-mail Id [nri@idbi.co.in](mailto:nri@idbi.co.in)

Warm regards,  
R P Maheshwari  
General Manager – RBG  
IDBI Bank



## ***IDBI Bank in News***

1. IDBI Bank in association with National Payments Corporation of India (NPCI) launched the “Rupay Platinum Debit card”. This card enables cost-effective, fast, and secure access to large number of ATMs, POS terminal, e-commerce websites and participating merchant establishments across the country. The card fulfills the vision of RBI of offering a domestic, open-loop, multilateral payment system to all banks and financial institutions in India. It will be instrumental in creating a less-cash economy and furthering the electronic payments system to make India a financial inclusive economy.
2. IDBI Bank and Life Insurance Corporation of India (LIC) have entered into a Memorandum of Understanding (MOU) to implement the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) for savings account holders of the Bank which was announced by Hon’ble Finance Minister in Union Budget for year 2015-16.
3. IDBI Bank and Bajaj Allianz General Insurance Company (BAGIC) have entered into a Memorandum of Understanding (MOU) to implement the Pradhan Mantri Suraksha Bima Yojana (PMSBY) for savings account holders of the Bank which was announced by Hon’ble Finance Minister in Union Budget for year 2015-16.
4. IDBI Bank and Micro Units Development and Refinance Agency (MUDRA) Ltd. has signed General Refinance Agreement (GRA) on July 01, 2015. IDBI Bank is one of the leading banks identified by MUDRA, eligible for the refinance scheme. As per the agreement, the Bank will offer credit facilities up to Rs.10 lakh to Micro Enterprises, at a competitive interest rate under Pradhan Mantri Mudra Yojana (PMMY) and MUDRA will be providing refinance assistance to IDBI Bank for eligible sanctioned loan cases. The arrangement will be implemented through the branches of IDBI Bank on pan India basis.



## *IDBI Bank in News*

6. IDBI Bank Ltd. received Elets Knowledge Exchange Award 2015 under Financial Inclusion Initiatives – PSU category by Elets Technomedia, a technology media and research organization working in the fields of ICT in government, education, healthcare, agriculture and rural development sectors. Elets Awards aims to recognize the seminal role that various organizations have been playing in the areas of Financial Inclusion, Banking Technology, Payment Systems, Mobile Banking, Health Insurance and other verticals
  
7. IDBI Bank introduced charges for certain services and non-maintenance of stipulated Monthly Average Balance in certain variants of Savings Bank Account. The charge of non-maintenance of Monthly Average Balance is not applicable for NRI Accounts. However, the charges for certain services would be applicable for NRI accounts also. Kindly refer to our website <http://www.idbi.com/service-charges.asp> for the details regarding the service charges.



## Interest Rates on NRI Deposits

### Non Resident Ordinary - NRO Deposit rates (Effective June 10, 2015)

Tenure	Interest rate (% p.a.) for deposit less than Rs 1 Cr
15 - 30 days	4.50
31 days to 45 months	5.75
46 months to 60 days	6.25
61days to 90 days	6.75
91 days to 6 months	7.50
6 months 1 day	8.00
6 months 2 days to 270 days	8.00
271 days to < 1year	8.00
1 year to <2 years	8.25
2 year to 10 years	8.25

### Recurring NRO Deposits (Effective June 10, 2015)

Tenure	Interest rate (% p.a.)
1 year < 2 years	8.25
2 yrs – 10 yrs	8.25

### Non Resident External - NRE Deposit rates (Effective June 10, 2015)

Tenure	Interest rate (% p.a.) for deposit less than Rs 1 Cr
1 year to < 2years	8.25
2 years to < 3 years	8.25
3 years to <5 yrs	8.25
5 yrs	8.25
> 5 yrs - 7 yrs	8.25
> 7 yrs - 10 yrs	8.25

### Recurring NRE Deposits (Effective June 10, 2015)

Tenure	Interest rate (% p.a.)
1 year < 2 years	8.25
2 Year to 5 Years	8.25

#### Important Points:

The rates mentioned are subject to change from time to time. Please verify the rates on our website [www.idbi.com](http://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 July 1, 2015)

Maturity Slab	USD	GBP	EUR	AUD	CAD	JPY	SGD	HKD	CHF
1 Year - less than 2 Years	1.51	1.72	0.72	3.13	1.82	0.57	1.98	1.50	0.00
2 Years - less than 3 Years	1.90	2.00	0.75	3.22	1.92	0.58	2.26	1.84	0.00
3yrs - less than 4yrs	3.26	3.25	1.82	4.35	3.06	1.51	3.57	3.15	0.82
4yrs - less than 5yrs	3.54	3.42	1.94	4.62	3.23	1.51	3.69	3.40	0.98
5yrs only	3.78	3.58	1.07	4.79	3.42	1.52	3.85	3.60	1.14



## *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	10.00% (BR+0%)	15 years	Salaried
Home Loan-Interest Saver(Floating)	For all loan amounts	10.15% (BR+0.15%)	15 years	Salaried
Home Loan(Fixed) (From 3 years to 10 years)	Below Rs 30 Lakh	10.50% (BR+0.50%)	15 years	Salaried
	Rs 30 Lakh & above	10.75% (BR+0.75%)		
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	11.50%-12.00% (BR+1.50% to 2.00%)	10 - 15 years	Salaried
Loan against rent receivables.				
Loan against Property-Interest Saver				
Auto Loan	For all loan amount	10.35% (BR+0.35%)	7 years	Salaried
Education Loan (Floating)	For studies in India Rs. 10 Lakh For studies abroad Rs. 20 Lakh	<b>Non-Vocational Courses</b> 11.00% to 12.00% (BR+1.00 % to BR+2.00%)	10 to 15 years	Student should be Indian National
		<b>Vocational Courses</b> 11.00% (BR+1.00 %)		
		<b>Studies in Premier Education Institutes (including ISB)</b> 10.00% (BR+0.00%)		
		<b>Studies with Admission under Management Quota</b> 13.50 % (BR+3.50%)		

BR = Base Rate

**Note :** The interest rates are subject to change from time to time. Please verify the rates on our website [www.idbi.com](http://www.idbi.com)

## ***Product Focus – Pradhan Mantri Social Security Schemes***

Government of India in the Union Budget 2015-16 has announced two Special Social Security Schemes for Insurance viz Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) aiming to address the critical issue of our society through social security system. This scheme is available with Resident Indian only and Non-Resident Indians are not covered under this scheme. However, your relatives and near & dear ones residing in India can avail the benefit of these schemes.

### **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)**

The scheme offers life insurance cover of Rs.2 lakh to the bank account holders in the age group of 18-50 years at an annual premium of Rs.330. The detail of the scheme is as under:

- Individuals between 18 years to 50 years
- Cover under scheme commences from June 1, 2015 to May 31, 2016
- Only 1 PMJJBY cover per Individual
- In case of cover taken under multiple accounts by a customer, the amount of premium eligible to be forfeited
- Renewable Every Year

### **Pradhan Mantri Suraksha Bima Yojana (PMSBY)**

PMSBY is an accidental insurance scheme, offering accidental death and disability cover for death or disability on account of accident. The detail of the scheme is as under:

- Individuals between 18 years to 70 years
- Cover under scheme commences from June 1, 2015 to May 31, 2016
- Annual Premium of Rs 12.00
- Only 1 PMSBY cover per Individual
- In case of cover taken under multiple accounts by a customer, the amount of premium eligible to be forfeited
- Renewable Every Year

## ***Economic Outlook***



- ❖ **2<sup>nd</sup> Bi-monthly Monetary Policy Statement 2015-16:** On June 2, 2015, the RBI reduced the key policy rate i.e Repo Rate by 25 basis points. The policy rate cut was announced largely taking into consideration the weak investment climate and the need to reduce supply constraints over the medium term to remain on the disinflationary path. Accordingly the key policy rates as follows:
  - Repo Rate revised from 7.50% to 7.25%.
  - Reverse Repo and Marginal Standing Facility (MSF) stands revised at 6.25% to 8.25% respectively.
  - CRR and SLR retained at 4% of NDTL and 21.5% of NDTL respectively.
  
- ❖ World Bank, in its India Development Update April 2015 report, has forecast India's GDP growth to accelerate from 7.2% in FY 15 to 7.5% in FY 16 and 7.9% in FY17. Pickup in reforms momentum along with supportive external environment is expected to aid in accelerating India's growth momentum.
  
- ❖ India's monthly Trade Deficit, albeit manageable, expanded by 9.0% (y-o-y) to US\$11.0 billion in Apr '15 on the back of sharper contraction in exports (-14.0%) as compared to imports (-7.5%).
  
- ❖ India's overall BoP position remained in surplus for the fifth consecutive quarter in Q3 FY15 to the tune of US\$13.2 billion. CAD-to-GDP ratio improved to 1.6% as compared to 2.0% in Q2 FY15 on account of decline in CAD by 19% (q-o-q) from US\$10.1 billion in Q2 FY15 to US\$8.23 billion in Q3 FY15. However, CAD-to-GDP ratio for Q3 FY15 was higher than 0.9% in Q3 FY14 as CAD swelled by 95% (y-o-y) from US\$4.2 billion in Q3 FY14. For Apr– Dec '14, CAD-to-GDP ratio improved to 1.7% (2.3% in Apr '13 – Dec '13) as CAD declined by 16.0% to US\$26.2 billion.

**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.

## *Economic Outlook*



- ❖ India's monthly Trade Deficit touched a three-month low of US\$10.4 billion in May '15. Even on a sequential basis, the trade deficit tapered by 5.3% (m-o-m) from US\$11.0 billion in Apr '15. However, the deficit expanded slightly by 0.4% (y-o-y) to US\$21.4 billion in Apr - May '15 period on the back of sharper contraction in exports as compared to imports
- ❖ India's Fiscal Deficit was contained at Rs.5.01 lakh crore or 97.9% of the RE of Rs.5.13 lakh crore in FY15, higher than 95.9% of the RE in FY14. Fiscal Deficit as a percent of GDP was contained at 4.0% of the GDP in FY15 (Lower than the RE of 4.1%) as compared to 4.4% of the GDP in FY14.

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## Banking Updates



- ❖ The RBI has directed all the banks to issue only EMV chip and pin based cards (debit and credit, domestic and international) from September 01, 2015 onwards. The RBI will notify the migration plan for existing magnetic stripe cards and its timeframe in due course. This is aimed at enhancing security features of card present and electronic payment transactions.
- ❖ The RBI notified increase in the limit of trade transactions under the Rupee Drawing Arrangements (RDAs) from the existing Rs.5 lakh per transaction to Rs.15 lakh per transaction. The RBI has also permitted Authorised Dealer (AD) Category – I banks to regularize payments exceeding the prescribed limit under RDA provided that they are satisfied with the bonafide of the transaction. AD banks, however, will have to ensure that the remittances received under RDA are from FATF-(financial action task force)-compliant countries, KYC (know your-customer)/AML (anti-money laundering)/CFT (combating financial terrorism) and other due diligence concerns

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## Frequently asked Questions & Answers (FAQs)



**Que. What are the penal charges for non-maintaining of minimum balance in your NRI Accounts?**

Ans: Recently Bank has introduced the requirement of Monthly Average Balance requirement in the Savings Bank account. The same has been communicated to all our customers through e-mailers and SMS. However, penal charges for non-maintenance of Monthly Average Balance are not applicable for NRI Accounts.

### Reach us at

Email: [nri@idbi.co.in](mailto:nri@idbi.co.in)

Website: [www.idbi.com](http://www.idbi.com)

Customer Care: (+91-22) 6693 7000

SWIFT: **IBKLINBB**

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

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