

Distances can never keep
friends apart.

NRI  **BANKING
SERVICES**



NRI Sampark

A Quarterly Newsletter for esteemed NRI clients by IDBI Bank – Vol. 3, January – March 2014

April 1, 2014

Dear NRI friends,

With the underlying belief of the bank that distances can never keep friends apart, I am pleased to present the third edition of our quarterly newsletter “Sampark” to all you NRI friends. This is a small effort on the part of the Bank to communicate with all you NRI friends regularly in order to reinforce the bond of friendship and the bank's unflinching commitment to this relationship.

With a wide network of 1387 branches & 2291 ATMs Pan India as on March 31, 2014 & growing, IDBI Bank is well poised to service your banking requirements and offer solutions to meet your financial needs.

The bank looks forward to a warm and a longstanding relationship with you as a trusted & reliable friend for your banking requirements.

Warm regards,
N R Viswanadhan
General Manager – NRI Services
IDBI Bank



IDBI Bank in News

1. Shri M.S. Raghavan, CMD, IDBI Bank along with Shri B.K. Batra, DMD, IDBI Bank received the coveted Golden Peacock CSR Award for the year 2013 at a glittering function held in Bengaluru on January 17, 2014. The awards were presented by Shri Nikhil Kumar, Hon'ble Governor of Kerala. Shri B. Ravindranath, ED, IDBI Bank was also present at the event. IDBI Bank was adjudged the winner in the PSU Bank category by an erudite jury set up by the Institute of Directors, New Delhi, for its outstanding achievements in the field of Corporate Social Responsibility (CSR) and for demonstrating consistent commitment towards upliftment of socially weaker sections of the society. The 'Adoption of a Flood-affected Village in Ladakh' project, which is a one-of-its-kind project undertaken by IDBI Bank in collaboration with TISS and Ladakh Autonomous Hill Development Council, came in for particular mention. The project employs an innovative approach based on direct involvement of the community in transforming a flood-ravaged village to a Model Village by end-2014.
2. IDBI Bank was awarded the 3rd Annual Greentech CSR Award – 2013, which was received by Shri B.K. Batra, DMD at a glittering function held in Chandigarh on January 29, 2014. The awards were presented by Shri Bhaskar Chatterjee, Director General and Chief Executive Officer, Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, Government of India. IDBI Bank was adjudged the winner in the 'Platinum Category' by an erudite jury set up by the Greentech Foundation, New Delhi, for its outstanding work with regard to reconstruction and development of the flood-affected Taru village in Ladakh as a 'Model Village' through the Community Based Disaster Risk Management approach and for demonstrating consistent commitment towards upliftment of socially weaker sections of the society.



Interest Rates on NRI Deposits

Non Resident Ordinary - NRO Deposit rates (Effective March 1, 2014)

Tenor	Interest rate (% p.a.) for deposit less than Rs 1 Cr
15 - 45 days	6.00
46 days to 6 months	8.50
6 months 1 day	8.75
6 months 2 days to 499 days	9.10
500 days	9.30
501 days to 5 years	9.00
> 5 yrs - 7 yrs	9.00
> 7 yrs - 10 yrs	9.00

Recurring NRO Deposits

Tenor	Interest rate (% p.a.)
1 year – 15 months	9.00
> 15 months – 5 yrs	9.00
> 5 yrs – 7 yrs	9.00
> 7 yrs – 10 yrs	9.00

Non Resident External - NRE Deposit rates (Effective March 1, 2014)

Tenor	Interest rate (% p.a.) for deposit less than Rs 1 Cr
1 year to 499 days	9.10
500 days	9.30
501 days to 3 yrs	9.00
> 3 yrs – 5 yrs	9.00
> 5 yrs - 7 yrs	9.00
> 7 yrs - 10 yrs	9.00

Recurring NRE Deposits

Tenor	Interest rate (% p.a.)
1 year – 15 months	9.00
> 15 months – 5 yrs	9.00

***Condition applies**

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, 2014)

Maturity Slab	USD	GBP	EUR	AUD	CAD	JPY	SGD	HKD	CHF
1 Year - less than 2 Years	2.56	2.91	2.55	4.71	3.47	2.34	2.36	2.50	2.19
2 Years - less than 3 Years	2.59	3.49	2.49	4.96	3.40	2.20	2.68	2.81	2.11
3yrs to less than 4yrs	4.05	4.82	3.64	6.23	4.61	3.22	4.09	4.23	3.21
4yrs to less than 5yrs	4.48	5.07	3.82	6.53	4.86	3.27	4.50	4.65	3.35
5yrs only	4.85	5.29	4.01	6.74	5.09	3.34	4.82	4.98	3.51



Interest Rates on loans for NRIs

The Bank offers Home Loans, Loan against property and Auto Loans to Salaried NRIs. The interest rates for various loans across loan amounts and tenor are as under:

(Effective February 5, 2014)				
Products	Loan Amount	Rate of Interest	Tenor	NRI Category
Home Loan(Floating)	For all loan amounts	10.25% (BR+0%)	15 years	Salaried
Home Loan-Interest Saver(Floating)	For all loan amounts	10.50% (BR+0.25%)	15 years	Salaried
Home Loan(Fixed) (From 3 years to 10 years)	Up to Rs 30 Lakh	10.75% (BR+0.50%)	15 years	Salaried
	Above Rs 30 Lakh	11.00% (BR+0.75%)		
Home Loan Balance Transfer Facility + Top-up	For all loan amounts	Applicable Home Loan Rates	Applicable Home Loan Tenor	Salaried
Loan against Property	For all loan amount	12%-13.00% (BR+1.75% to 2.75%)	15 years	Salaried
Loan against rent receivables.				
Loan against Property-Interest Saver				
Auto Loan	For all loan amount	10.25% (BR+0%)	7 years	Salaried
Education Loan (Floating)	For studies in India Rs. 10 Lakh For studies abroad Rs. 20 Lakh	Non-Vocational Courses 11.25% to 12.25% (BR+1.00 % to BR+2.00%)	10 to 15 years	Student should be Indian National
		Vocational Courses 11.25% (BR+1.00 %)		
		Studies in Premier Education Institutes (including ISB) 10.25% (BR+0.00%)		
		Studies with Admission under Management Quota 13.75 % (BR+3.50%)		

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

BR = Base Rate



Product Focus – Portfolio Investment Scheme (PIS) for NRIs

India is an emerging economic powerhouse where NRIs have played a major role in the country's growth. Why not be a part of the Indian growth story and benefit from it!

IDBI Bank offers an opportunity for NRIs to invest in Indian secondary stock markets through Portfolio Investment Scheme (PIS) and gain from India's success.

What is PIS?

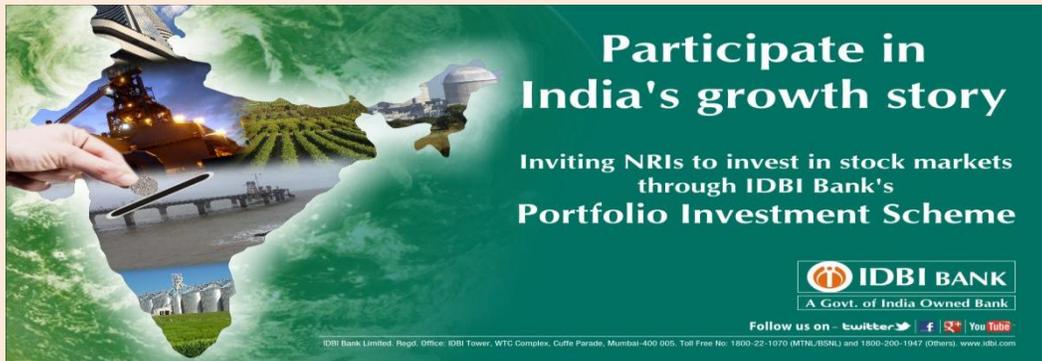
Portfolio Investment Scheme (PIS) is a Reserve Bank of India (RBI) designated mandatory route for NRIs/PIOs to invest in secondary stock market in India.

PIS allows purchase and sale of shares/convertible debentures of listed Indian companies on a recognized stock exchange on both repatriable and non-repatriable basis.

The Investments in the Indian stock market shall be routed through a PIS savings bank account (NRE /NRO) opened exclusively for routing such investments.

Services offered by IDBI Bank

- ❖ Issuing authorization/approval letter on behalf of RBI for investment under PIS
- ❖ Computation and deduction of Capital Gains Tax and payment of taxes to IncomeTax Authorities
- ❖ Handle mandatory reporting of PIS transactions to Reserve Bank of India.
- ❖ Issuance of TDS certificate
- ❖ Easy transfer of funds and settlement of transactions with the stock broker



**Participate in
India's growth story**

Inviting NRIs to invest in stock markets
through IDBI Bank's
Portfolio Investment Scheme

 **IDBI BANK**
A Govt. of India Owned Bank

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IDBI Bank Limited. Regd. Office: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai-400 005. Toll Free No: 1800-22-1070 (MTNL/BSNL) and 1800-200-1047 (Others). www.idbi.com

Product Focus – Portfolio Investment Scheme (PIS) for NRIs ctd.....

Advantages

- ❖ No minimum balance / average quarterly balance required in NRE/NRO PIS account
- ❖ No charges for issuance of PIS permission letter
- ❖ No charges for calculation of Capital Gains Tax
- ❖ Low transaction processing charges of Rs.100+service tax per trade date (Separate for purchase & sale)
- ❖ Annual maintenance charges of Rs.1000+service tax only

For further queries / clarifications in respect of Portfolio Investment Scheme (PIS) , please get in touch with your Relationship Manager or your IDBI Bank Branch or write to pis@idbi.co.in

Economic Outlook



Macro Economic indicators

- ❖ As on Feb 28, 2014, India's forex reserves stood at US\$294.36 billion, with foreign currency assets amounting to US\$266.90 billion.
- ❖ NRI Deposits witnessed a net inflow of US\$21.45 billion in Q3 FY14, marking a growth of 162.9% (q-o-q) from US\$8.16 billion in Q2 FY14 and a jump of 709% (y-o-y) from US\$2.65 billion in Q3 FY13.
- ❖ India's Balance of Payment (BoP) position turned surplus to the extent of US\$19.10 billion in Q3 FY14 – the first time since Q4 FY13
- ❖ India's economic activity, as gauged by Gross Domestic Product (GDP) at factor cost, clocked Rs. 14.78 trillion in Q3FY14, recording a growth of 4.7% (y-o-y). This was down from 4.8% (y-o-y) growth during Q2 FY14 (a three quarter high), although higher than the 4.4% growth in Q3 FY13. GDP growth continued to be at sub-5.0% for the seventh consecutive quarter.
- ❖ Improved supplies, in particular, moderation in food inflation catalyzed further softening in WPI & CPI in Feb '14. WPI inflation declined to sub-5% level after a gap of eight months in line with the RBI expectation of softer food prices in Q4 FY14. The softening food prices are attributable to higher agriculture production during the year on the back of above average monsoon as also seasonal decline in the prices.

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. Can a resident individual holding a savings bank account include non-resident close relative* as a joint account holder?

A. In the last edition of NRI Sampark Newsletter, it was advised that individuals resident in India are permitted to include non-resident close relative(s) as a joint holder(s) in their resident bank accounts on 'former or survivor' basis. However, such non-resident Indian close relatives shall not be eligible to operate the account during the life time of the resident account holder.

Consequent to subsequent RBI notification, it is now advised that individuals resident in India are permitted to include non-resident close relative(s) in their existing/new resident bank accounts as joint holder on 'either or survivor' basis also subject to applicable conditions in regard to account operation and furnishing of declaration duly signed by the NRI account holder.

*close relative means relative as defined in Section 6 of the Companies Act, 1956

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