



आन्ध्रा बैंक ANDHRA BANK (भारत)
सरकार का उपक्रम
(A Govt. of India Undertaking)
प्रधान कार्यालय Head Office
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AB Connect

NRI

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A monthly news bulletin from Andhra Bank

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LATEST INTEREST RATES ARE GIVEN BELOW. THESE INTEREST RATES TEND TO CHANGE NORMALLY ON THE LAST WORKING DAY OF EVERY MONTH AND ANY TIME WITHOUT ANY NOTICE WHEN RBI TAKES DECISION TO CHANGE THE RATES

INTEREST RATES ON FCNR DEPOSITS						INTEREST RATES ON NRE TERM DEPOSITS w.e.f.1 st August 2009	
wef 1 st August 2009							
Currency	1 Year & above to < 2 Years	2 Years & above to < 3 Years	3 Years & above to < 4 Years	4 Years & above to < 5 Years	5 years	Period	Rate of Interest (%) p.a.
USD	2.50	2.56	3.17	3.64	4.00	A) 1 year and above less than 2 years	3.25
GBP	2.42	3.17	3.94	4.41	4.69	B) 2 years and above less than 3 years	3.31
EURO	2.35	2.79	3.25	3.58	3.83		
CAD	2.60	2.39	3.04	3.46	3.77	C) 3 years and above	3.92
AUD	5.40	5.49	6.11	6.53	6.72		

FOREX MARKET DURING July'09

USD/INR	Open	High	Low	Close
	48.00	49.4950	47.74	47.94

Indian Rupee opened strong but pared gains tracking dollar's strength against the major currencies as risk aversion continued to dominate the financial markets and faltering global economic recovery and widening fiscal deficit of our country triggered a slide in local stocks. Dollar demand from importers and oil companies induced by surging crude prices exerted more pressure on the domestic unit to touch a low of 49.44 levels. However rupee closed with gains tracking the positive equity indices and growing expectations of capital inflows

BULLION MARKET DURING July'09

Open	High	Low	Close
925.30	958.70	905.80	953.70

Gold traded firm as New York gold futures closed with strong gains, tracking broad dollar weakness on increasing risk appetite in the financial markets after better than expected U.S second quarter GDP spurred demand for the yellow metal. Positive sentiment prevailing in the markets as the recession may not continue for longer, also ignited the demand for gold. However further gains in the metal may be limited as the demand from the emerging markets consuming most of the gold is likely to come down in near future.

G-Sec Market during JULY '09 :

Dated securities yields started moving up on concerns of supply fears in the beginning of the month. Volumes were low on expectations of firm yields and expecting interest rate cycle reversal from the third quarter onwards. Comfortable liquidity in the system could not provide any bidding interest due to negative sentiment prevailed in the market and new 10-year benchmark security 6.90%GS2019 yield closed at month's high of 6.9981%.The 6.90% GS 2019 levels are as below

Open:6.9000;High 6.9981;Low:6.6700;Close:6.9981

Equity Market JULY '09

	SENSEX	NIFTY
OPEN	14506	4291
HIGH	15732	4669
LOW	13219	3919
CLOSE	15670	4636

Markets continued to trade with positive bias. It gained by 10 % during the month as first quarter results of most of the corporate were above market expectations. With global markets continuing to be positive, markets scaled new highs in the month with broader market participating in the rally.

This month we are covering the Tax Aspects on NRO Accounts**NRO accounts:**

It is known that NRIs can maintain Non Resident Ordinary Accounts with banks in India in form of Current ,Savings, Recurring and Term Deposit accounts. The full details of the scheme were discussed in our October '08 issue. These accounts are maintained basically to meet the local needs i.e. for crediting rupee receipts generated in India out of the investments made in the form of shares, bonds, properties, deposits etc by way of Rupee payment. The interest rates on these deposits are like that of Domestic Deposits. However the interest earned on these deposits attracts Income Tax and is being deducted at source by Banks.

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NRI's are to inform their bank about their change of status from Resident to NRI and vice versa to the bank to make necessary changes in their account status.

The Balances held in those accounts are also repatriable up to USD 1 million during a financial year subjected to Tax certificate.

TAX ASPECTS ON THESE NRO ACCOUNTS:

NOW coming to Tax aspect on the interest earned on these deposits. The following points may be noted.

- ✚ Interest Earned on these Deposits is treated as income under section 195 of Income Tax Act
- ✚ Tax is deducted as source on the entire interest accrued on these deposits at present at 30.90% as per the present Finance Act.
- ✚ Exemption from Tax Deduction by submitting 15G or 15H is not available to Non Resident Indians.
- ✚ However NRI can get Tax Concession under Double Taxation Avoidance Agreement (DTAA) if his country of Residence has entered in to DTAA with Govt of India. At present India has this arrangement with 75 countries.
- ✚ In such cases the Lower of the rate applicable (30.90%) or the rate envisaged in DTAA for his country of Residence is deducted as Tax. Now Tax rates under DTAA are much lower than 30.90%
- ✚ For Example Tax applicable under DTAA in USA:15%;UK15%;Singapore15%;Germany10%;New Zealand 10%;Canada 15%;Indonesia 10%; Kuwait 10%; UAE 12.5%; Saudi Arabia 10%
- ✚ To avail tax concession under DTAA –NRI has to submit to the Bank
 - a) Self Declaration form
 - b) Residence Proof (any utility bill)
 - c) Tax Residency Certificate or copy of Tax returns filed in his country of Residence.
- ✚ In the case of countries where there is no Income Tax (Eg: UAE) customer need not submit Tax Residency certificate also.
- ✚ This declaration and Certificate has to be submitted every year to avail tax concessions under DTAA.
- ✚ The Onus of Submission of the above forms is on NRI and bank is at liberty to deduct Tax as per the rules in force in the absence of submission of relevant forms.
- ✚ Proforma of Self declaration and complete List of countries under DTAA and Tax rates under DTAA will be given in the coming bulletin.

Global Organization of People of Indian Origin (GOPIO) MEET ON 21ST August - 22ND August '09

GOPIO The biggest and oldest body of the Indian diaspora will hold its two-day conference at the Crown Plaza Hotel near LaGuardia airport Aug 21-22. It will be opened by Overseas Indian Affairs Minister Vayalar Ravi. The 20th annual conference will also be attended by Frank Wisner, former US ambassador to India. The spokes person say that thrust this year is to put fresh pressure on the Indian government to change property ownership laws for NRIs. Apart from Vayalar Ravi and Frank Wisner, the conference will also be attended by Basdeo Pandey, former prime minister of Trinidad and Tobago, Logie Naidoo, mayor of Durban in South Africa, and Lord Daljit Rana from Britain

MEDICAL INSURANCE FOR STUDENTS IN AUSTRALIA

Students going to Australia for studies are required to buy Overseas Student Health Cover (OSHC) and maintain the insurance cover for the duration of their stay as student in Australia. Instances have been reported where the Indian students, in a bid to save money, did not renew OSHC insurance and faced difficulties when an emergency requiring medical assistance arose. The question of working out a way to ensure that Indian students have medical insurance cover throughout the period of their stay in Australia was taken up with the visiting Australian Secretary in Department of Education, Employment and Workplace Relations, as also with the delegation of Australian Educational Providers that visited India recently.

The Australian side agreed to consider factoring-in an appropriate element of insurance cover into the tuition fee-structure to address the problem. The Government of Australia has taken a series of steps to ensure safety and security of Indian students in Australia. It is hoped that these steps would result in addressing the problem.

This information was given by the Minister of Overseas Indian Affairs, Shri Vayalar Ravi in a written reply in the Rajya Sabha

NEW RULES FOR RECRUITING AGENTS

The Government has notified the Emigration (Amendment) Rules, 2009 w.e.f. 9th July, 2009 which provide for:

- (i) Increase in the amount of security to be deposited by the recruiting agent from Rs. 3-10 lakh to Rs. 20 lakh.
- (ii) Increase in application fee for registration certificate from Rs. 5000/- to Rs. 25,000/-.
- (iii) The application for registration now will have to be accompanied by a copy of the applicant's bachelor's degree or two years diploma or equivalent, balance sheet of the previous financial year or a statement of accounts showing the assets and liabilities of the applicant, income tax returns for the last three consecutive years and an affidavit executed by the applicant before a Magistrate or Notary Public.
- (iv) A recruiting agent can now collect services charges from the worker equivalent to his wages for 45 days as under the employment contract, subject to a maximum of Rs. 20,000/-. However, he must issue a receipt to the worker for the amount collected.
- (v) The recruiting agents have been entrusted with specific duties and responsibilities with a view to safeguard the interest of the emigrant worker. They will also have to maintain certain minimum basic facilities. They will be required to issue only such advertisements that are genuine and factually correct and shall refrain from any inducement or misrepresentation in this regard. They shall also file copies of all advertisements to the Protector General of Emigrants immediately after their publication or release.

New Emigration Law-Awaiting Cabinet Approval:

The Government proposes to enact a new Emigration Law. The proposed legislation is aimed at transforming emigration into a simple, transparent, efficient and humane economic process, facilitate legal migration, prevent illegal migration and human smuggling, enable ethical recruitment practices, enhance protection and welfare of emigrants, and manage student mobility and matters connected therewith. The draft Bill is being finalised through inter-ministerial consultations for obtaining cabinet approval.

The Government is also implementing an e-governance project which will keep track of the recruitment for overseas employment on real-time basis and prevent/detect any malpractices by unscrupulous recruiting agents. Ministry has also assigned a task to Public Affairs Foundation, Bangalore, for preparation of report card on Recruiting Agents, develop a rating system for the recruiting agents and prepare the blueprint for setting of an apex body for the recruiting agents in the country.

This information was given by the Minister of Overseas Indian Affairs, Shri Vayalar Ravi in a written reply in the Rajya Sabha on 6th August '09

Protection for migrant women workers

The Government has taken various measures for protecting the safety and welfare of women migrant workers in different countries. These include:

(i) Age restriction of 30 years has been made mandatory in respect of all women emigrants emigrating on ECR passports to ECR countries, irrespective of the nature / category of employment.

(ii) The employment contract must be duly attested by the Indian Missions in respect of all women holding ECR passports and emigrating to ECR countries.

(iii) Women household workers must be paid a minimum wage in the range of US \$ 300-350, as fixed by the Indian Missions in the ECR countries, with due regard to the market wage. A pre-paid mobile facility must be provided by the employer to every woman Household Service Worker. If the Foreign Employer recruits the worker directly, he is required to deposit a security of \$2500 in the form of a Bank Guarantee with the Mission.

(iv) The Ministry has set up the Overseas Workers Resource Centre (OWRC) with a 24x7 Helpline to enable emigrant workers / prospective emigrants including women to obtain information on all emigration related matters and seek redressal of their complaints against Recruiting Agents / Foreign Employers.

(v) The Missions abroad are setting up Indian Workers Resource Centre (IWRC) in the host countries to provide information and assistance to emigrants including women emigrants.

(vi) The Ministry has also launched a vigorous Awareness – cum - Publicity Campaign through the print and electronic media to sensitize potential emigrant workers including women emigrants about legal emigration process and hazards of illegal emigration.

This information was given by the Minister of Overseas Indian Affairs, Shri Vayalar Ravi in a written reply in the Rajya Sabha.

Contact Numbers and E-mail addresses of Branches BANGALORE Zone

BRANCH NAME	STD CODE	PHONE	E-MAIL ADDRESS
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Banasankari	080	22959719	Bmblr1582@andhrabank.co.in
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Bannerghatta	080	22959647	Bmblr1196@andhrabank.co.in
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C V Raman Nagar	080	22959723	Bmblr1575@andhrabank.co.in
Dasarahalli	080	22959626	Bmblr1660@andhrabank.co.in
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Gandhinagar	080	22959666* 22959667 22959668	Bmblr024@andhrabank.co.in
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Bijapur	08352	259569	Bmblr1236@andhrabank.co.in
Davangere	08192	258628	Bmblr0792@andhrabank.co.in
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Hubli	0836	2352893 2250394 (D)	Bmblr214@andhrabank.co.in
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Ernakulam	0484	2375922*/2376920/327/101	Bmblr125@andhrabank.co.in
Guruvayur	0487	2550885	Bmblr1221@andhrabank.co.in
Kalpetta	04936	204550	Bmblr1219@andhrabank.co.in
Kanhangad	04672	208100	Bmblr1144@andhrabank.co.in
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Kottayam	0481	2575304 2575305	Bmblr1142@andhrabank.co.in
Muttackad	0471	2480217	Bmblr0867@andhrabank.co.in
Pathanamthitta	0468	2321300	Bmblr1206@andhrabank.co.in
Palakkad	0491	2503407 2502881	Bmblr0194@andhrabank.co.in
Precot Mill; E C	0491	2566423	Bmblr9036@andhrabank.co.in
Quilon	0474	2740931 2749965 2766607	Bmblr460@andhrabank.co.in
Thalassery	0490	2344470	Bmblr1218@andhrabank.co.in
Thodupuza	04862	227910	Bmblr1217@andhrabank.co.in
Thrissur	0487	2446032*	Bmblr1175@andhrabank.co.in
Tiruvalla	0469	2740379	Bmblr1101@andhrabank.co.in
Tiruvananthapuram	0471	2478327* 2471161	Bmblr567@andhrabank.co.in
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Tirur	0494	2430076	Bmblr1197@andhrabank.co.in
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