



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

AB Connect

NRI

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INTEREST RATES (%) per annum with effect from 1<sup>st</sup> December, 2009

Currency	F C N R DEPOSITS					NRE TERM DEPOSITS	
	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	2.02	2.01	2.56	3.00	3.36	A) 1 year and above less than 2 years	2.77
GBP	2.22	2.76	3.35	3.78	4.05		
EURO	2.22	2.75	3.15	3.46	3.71	B) 2 years and above less than 3 years	2.76
CAD	2.30	2.16	2.72	3.10	3.42		
AUD	6.27	6.01	6.31	6.62	6.74	C) 3 years and above	3.31

(\*These rates are subjected to change from time to time as per Reserve Bank of India Guidelines)

**FOREX MARKET DURING November '09**

USD/INR	Open	High	Low	Close
	46.51	47.42	46.00	46.51

Rupee gained against the dollar during the beginning of the month tracking the weakness of dollar against the major currencies and gains in local indices helped by the finance minister comments on disinvestments, opening up for more FDI and renewed optimism on recovery in our economy. Renewed talk on the Chinese currency appreciation also helped rupee's upsurge against the dollar.

However the local currency pared its gains after Fed chairman comments on strong dollar supported ECB chairman's bullish talk on the greenback. Importers bookings for their payables at lower levels also exerted pressure on rupee. Rupee gave up gains against the dollar after heightened global risk aversion induced by financial crisis of "Dubai World" pulled down the local stock markets.

**BULLION MARKET DURING November '09**

Open	High	Low	Close
1044.20	1194.90	1040.25	1178.45

The yellow metal maintained its uni-directional upward movement throughout the month and touched record high of \$ 1194.90, on uninterrupted demand from emerging markets tracking recovery in US economy. Growing rumours of part reserves shift by economies like India, China, Brazil and Russia from Dollar to Gold also ignited the demand for the yellow metal. Weakness in the greenback also added to the rally of gold, which is a notch below \$ 1200 levels

**G-Sec Market during November'09 :**

Dated securities yields opened at 7.2690% and moved upwards in the absence of positive triggers and higher IIP number expectations. IIP data for September month came at 9.1% against the expectations of 7%. Yields on dated securities moved upwards as a knee jerk reaction. However, bidding interest observed noting sharp rise in yields towards the month end. The 10-year benchmark security 6.90%GS2019 yield closed at 7.2595% against the previous month closing at 7.2960%.

The 6.90% GS 2019 levels are as below

<b>Open:7.2690</b>	<b>High 7.3739</b>
<b>Low:7.1384</b>	<b>Close7.2595</b>

**Equity Market during November'09**

	SENSEX	NIFTY
<b>OPEN</b>	15830.27	4712.25
<b>HIGH</b>	17290.48	5138.00
<b>LOW</b>	15330.56	4538.50
<b>CLOSE</b>	16926.22	5032.70

Markets continued to rally in view of sustained buying by FII's through out the month. Banking and Pharma stocks continued to out perform the broader markets. Telecom and Capital goods stocks lost the flavour. Mid cap and small cap stocks saw buying at lower levels.

## **This month we are covering the Frequently asked Questions on Foreign Direct Investment in India.**

### **I - Foreign Direct Investment**

#### **1. What are the forms in which business can be conducted by a foreign company in India?**

- A foreign company planning to set up business operations in India has the following options:
- As an incorporated entity by incorporating a company under the Companies Act, 1956 through
  - Joint Ventures; or
  - Wholly Owned Subsidiaries
- As an office of a foreign entity through
  - Liaison Office / Representative Office
  - Project Office
  - Branch Office

Such offices can undertake activities permitted under the Foreign Exchange Management (Establishment in India of Branch Office or other place of business) Regulations, 2000.

#### **2. How does a foreign company invest in India? What are the regulations pertaining to issue of shares by Indian companies to foreign collaborators/investors?**

##### **Automatic Route**

- FDI up to 100% is allowed under the automatic route in all activities/sectors except the following which require prior approval of the Government:

i) where provisions of Press Note 1 (2005 Series) issued by the Government of India are attracted.

ii) where more than 24% foreign equity is proposed to be inducted for manufacture of items reserved for the Small Scale sector.

iii) FDI in sectors/activities to the extent permitted under Automatic Route does not require any prior approval either by the Government or the Reserve Bank of India.

iv) The investors are only required to notify the Regional Office concerned of the Reserve Bank of India within 30 days of receipt of inward remittances and file the required documents along with form FC-GPR with that Office within 30 days of issue of shares to the non-resident investors.

##### **Government Route**

- FDI in activities not covered under the automatic route requires prior Government approval and are considered by the Foreign Investment Promotion Board (FIPB), Ministry of Finance. Application can be made in Form FC-IL, which can be downloaded from <http://www.dipp.gov.in>. Plain paper applications carrying all relevant details are also accepted. No fee is payable.

##### **General permission of RBI under FEMA**

- Indian companies having foreign investment approval through FIPB route do not require any further clearance from the Reserve Bank of India for receiving inward remittance and issue of shares to the non-resident investors. The companies are required to notify the concerned Regional Office of the Reserve Bank of India of receipt of inward remittances within 30 days of such receipt and submit form FC-GPR within 30 days of issue of shares to the non-resident investors.

#### **3. Which are the sectors where FDI is not allowed in India, under the Automatic Route as well as Government Route?**

FDI is prohibited under Government as well as Automatic Route for the following sectors:

- i) Retail Trading (except single brand product retailing)
- ii) Atomic Energy
- iii) Lottery Business
- iv) Gambling and Betting
- v) Business of Chit Fund
- vi) Nidhi Company
- vii) Agricultural or plantation activities (cf Notification No. FEMA 94/2003-RB dated June 18, 2003).
- viii) Housing and Real Estate business(except development of townships, construction of residential/commercial premises, roads or bridges to the extent specified in Notification No. FEMA 136/2005-RB dated July 19, 2005 )
- ix) Trading in Transferable Development Rights (TDRs).

#### **4. What should be done after investment is made under the Automatic Route or with Government approval?**

A two-stage reporting procedure has been introduced for this purpose.

- On receipt of money for investment:
  - Within 30 days of receipt of money from the non-resident investor, the Indian company will report to the Regional Office of the Reserve Bank of India, under whose jurisdiction its Registered Office is located, containing details such as:
    - Name and address of the foreign investor/s
    - Date of receipt of funds and their rupee equivalent
    - Name and address of the authorised dealer through whom the funds have been received, and
    - Details of the Government approval, if any.

Upon issue of shares to non-resident investors:

- Within 30 days from the date of issue of shares, a report in Form FC-GPR, PART A together with the following documents should be filed with the concerned Regional Office of the Reserve Bank of India.
  - Certificate from the Company Secretary of the company accepting investment from persons resident outside India certifying that;
    - The company has complied with the procedure for issue of shares as laid down under the FDI scheme as indicated in the Notification No. FEMA 20/2000-RB dated 3rd May 2000 as amended from time to time
    - The proposal is within the sectoral policy / cap permissible under the automatic route of RBI and

it fulfills all the conditions laid down for investments under the Automatic approval route namely

- a) Non-resident entity/ies (other than individuals) to whom it has issued shares does / do not have any existing joint venture or technology transfer or trade mark agreement in India in the same field.
- b) The company is not investing in an SSI unit & the investment limit of 24 % has been observed/ requisite approvals have been obtained.

c) Shares have been issued on rights basis and the shares are issued to non-residents at a price that is not lower than that at which shares are/were issued to residents.

**OR**

d) Shares issued are bonus shares.

**OR**

e) Shares have been issued under a scheme of merger and amalgamation of two or more Indian companies or reconstruction by way of demerger or otherwise of an Indian company, duly approved by a court in India.

- Shares have been issued in terms of SIA/FIPB approval No. ----- dated -----

Certificate from Statutory Auditors or Chartered Accountant indicating the manner of arriving at the price of the shares issued to the persons resident outside India.

**WE HAVE OPENED FOUR SPECIALISED NRI BRANCHES IN FOUR METROS FOR EXCLUSIVE BENEFIT OF NRIs. PLEASE AVAIL THE SERVICES OF THESE BRANCHES. CONTACT DETAILS ARE AS FOLLOWS:**

<b>CENTRE</b>	<b>CONTACT PERSON</b>	<b>TELEPHONE NO</b>	<b>Email address</b>
<b>MUMBAI</b>	<b>Ms Rajeswari</b>	<b>022-26876176</b>	<b>nri-mum@andhrabank.co.in</b>
<b>CHENNAI</b>	<b>Mr Kalaivannan</b>	<b>044-25332965</b>	<b><a href="mailto:bmche1615@andhrabank.co.in">bmche1615@andhrabank.co.in</a></b>
<b>BANGALORE</b>	<b>Mr Harish</b>	<b>080-22959715</b>	<b>bmbmlr1696@andhrabank.co.in</b>
<b>NEW DELHI</b>	<b>Mr Shankar</b>	<b>011-28758382</b>	<b>bmdel1644@andhrabank.co.in</b>

**SNIPPETS**

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**Taking steps to widen Edu opportunities for NRIs: PM**

Port of Spain, Nov 27: The Prime Minister, Dr Manmohan Singh, while attending the has said that his government is taking concrete steps to widen the scope of educational and business opportunities for both Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs) as New Delhi is keen to tap the wellspring

of Indian creativity and enterprise from around the world.

Expressing his delight at attending a reception for the community hosted by High Commissioner Malay Mishra, Dr. Singh said that he was happy to be here to participate in the Commonwealth Heads of Government meeting.

"Education and business are the two major arenas through which we are reconnecting with people of Indian origin worldwide. But the cornerstone of our interaction remains our shared culture – both ancient and modern," he said.

I am conscious of the fact that an important demand of the overseas Indian community is to secure access to educational opportunities in India. That is why our Government has been widening educational opportunities for people of Indian origin in India. I want all those people of Indian origin who have never been to India to make a pilgrimage and discover the new India that is in the making," the Prime Minister said.

### **Govt meet to help NRIs resolve real estate woes with developers**

Sun, Dec 6 2009. 11: The ministry of overseas Indian affairs is trying to start a 'constructive dialogue', which also includes lawyers and govt officials. Aavek Datta Kolkata: The ministry of overseas Indian affairs is bringing together real estate developers, government officials, both from the Centre and the states, and Indians living abroad in a first-of-its-kind seminar aimed at resolving property disputes in Delhi

"The seminar would cover the role of different government and private agencies, measures to prevent disputes...and speedy way of disposal," said a posting on the website of the Indian consulate in New York.

The ministry has been receiving a lot of complaints from Indians living abroad, mostly in the US, the UK and Canada, about properties not being delivered on time or usurped by local people, said Vayalar Ravi, minister for overseas Indian affairs. "This is an attempt to help NRIs and PIOs (persons of Indian origin) resolve disputes with property developers and state bodies in India," he added

### **NRI investors hail new Indian trading hours**

November 01, 2009: Last week, Sebi proposed an extension of trading hours of the Indian stock exchanges to align the domestic bourses with international markets.

Non-resident Indian (NRI) investors and Indian banks operating in the UAE have welcomed a recent proposal by the Securities and Exchange Board of India, (Sebi), the Indian stock market regulator, to extend the market timings by two-and-half-hours from 9am to 5pm (Indian time). UAE-based NRI investors in the Indian financial market said they would get more trading time and flexibility because of the new timings.

Various brokerage firms and Indian banks handling the NRI clients said they were happy and expected the daily trading volume from the UAE to go up.

The new trading hours would help integrate the Indian market with Singapore and other Asian markets in the morning hours, and the European markets in the evening hours.

"There are five Indian banks operating in DIFC, which has become an important market for Indian corporate customers.

At present, the markets are open from 9.55am to 3.30pm. The exchange-traded currency derivatives market operates from 9am to 5pm, and the commodity and futures market operates from 8am till 11.30pm.

**ANDHRA BANK-VISAKHAPATNAM ZONE PHONE NOS AND E MAIL ADDRESSES OF BRANCHES**

Branch Name	STD Code	Tel. No.1	Tel. No.2	E-mail Address
<b>VISAKHAPATNAM DISTRICT</b>				
<b>Visakhapatnam Local Branches</b>				
Dwarakangar	891	2754382	2754126	<a href="mailto:bmvpm106@andhrabank.co.in">bmvpm106@andhrabank.co.in</a>
Dabagardens	891	2563606		<a href="mailto:bmvpm0109@andhrabank.co.in">bmvpm0109@andhrabank.co.in</a>
Gajuwaka	891	2517754		<a href="mailto:bmvpm0175@andhrabank.co.in">bmvpm0175@andhrabank.co.in</a>
Akkayapalem	891	2765887	2748573	<a href="mailto:bmvpm185@andhrabank.co.in">bmvpm185@andhrabank.co.in</a>
Pithapuram Colony	891	2591915	2551405	<a href="mailto:bmvpm245@andhrabank.co.in">bmvpm245@andhrabank.co.in</a>
Maharanipet	891	2718601	2561253	<a href="mailto:bmvpm351@andhrabank.co.in">bmvpm351@andhrabank.co.in</a>
Malkapuram	891	2577165		<a href="mailto:bmvpm0353@andhrabank.co.in">bmvpm0353@andhrabank.co.in</a>
Port	891	2566420	2562522	<a href="mailto:bmvpm434@andhrabank.co.in">bmvpm434@andhrabank.co.in</a>
Simhachalam	891	2719527	2715223	<a href="mailto:bmvpm508@andhrabank.co.in">bmvpm508@andhrabank.co.in</a>
Seethammadhara	891	2551692	2724441	<a href="mailto:bmvpm540@andhrabank.co.in">bmvpm540@andhrabank.co.in</a>
Visakhapatnam	891	2566605	2500230	<a href="mailto:bmvpm608@andhrabank.co.in">bmvpm608@andhrabank.co.in</a>
Waltair	891	2717524	2553470	<a href="mailto:bmvpm633@andhrabank.co.in">bmvpm633@andhrabank.co.in</a>
Steel Plant T.S.	891	2518451	2755498	<a href="mailto:bmvpm955@andhrabank.co.in">bmvpm955@andhrabank.co.in</a>
KGH	891	2563533		<a href="mailto:bmvpm1030@andhrabank.co.in">bmvpm1030@andhrabank.co.in</a>
MVP Colony	891	2539212		<a href="mailto:bmvpm1046@andhrabank.co.in">bmvpm1046@andhrabank.co.in</a>
R.K.Mission	891	2564124		<a href="mailto:bmvpm1047@andhrabank.co.in">bmvpm1047@andhrabank.co.in</a>
Spl.Agrl.Finance Br.	891	2706617		<a href="mailto:bmvpm1049@andhrabank.co.in">bmvpm1049@andhrabank.co.in</a>
SME Branch	891	2512726		<a href="mailto:bmvpm1051@andhrabank.co.in">bmvpm1051@andhrabank.co.in</a>
AU Campus	891	2733025	2550035	<a href="mailto:bmvpm1056@andhrabank.co.in">bmvpm1056@andhrabank.co.in</a>
VSEZ	891	2587214		<a href="mailto:bmvpm1066@andhrabank.co.in">bmvpm1066@andhrabank.co.in</a>
LB College	891	2552424		<a href="mailto:bmvpm1073@andhrabank.co.in">bmvpm1073@andhrabank.co.in</a>
Muralinagar	891	2562419		<a href="mailto:bmvpm1074@andhrabank.co.in">bmvpm1074@andhrabank.co.in</a>
SVLN SP Jr.College	891	2521236		<a href="mailto:bmvpm1124@andhrabank.co.in">bmvpm1124@andhrabank.co.in</a>
St.Anns School	891	2518344	2571787	<a href="mailto:bmvpm1156@andhrabank.co.in">bmvpm1156@andhrabank.co.in</a>
Madhurawada	891	2799568		<a href="mailto:bmvpm1238@andhrabank.co.in">bmvpm1238@andhrabank.co.in</a>
East pont colony	891	2793916		<a href="mailto:bmvpm1332@andhrabank.co.in">bmvpm1332@andhrabank.co.in</a>
AU Engg.College	891	2549962		<a href="mailto:bmvpm1333@andhrabank.co.in">bmvpm1333@andhrabank.co.in</a>
Personal Bkg.Br.	891	2740464		<a href="mailto:bmvpm1343@andhrabank.co.in">bmvpm1343@andhrabank.co.in</a>
Adarshnagar	891	2793006		<a href="mailto:bmvpm1396@andhrabank.co.in">bmvpm1396@andhrabank.co.in</a>
MPDO Pendurthi	891	2516670		<a href="mailto:bmvpm1426@andhrabank.co.in">bmvpm1426@andhrabank.co.in</a>
INS Veerabahu EC	891	2578276		<a href="mailto:bmvpm9057@andhrabank.co.in">bmvpm9057@andhrabank.co.in</a>
Govt.Polytechnic EC	891	2566771	23211915	<a href="mailto:bmvpm9134@andhrabank.co.in">bmvpm9134@andhrabank.co.in</a>
Visalakshinagar	891	2528657		<a href="mailto:bmvpm9171@andhrabank.co.in">bmvpm9171@andhrabank.co.in</a>
Vikas EC	891	2742831		<a href="mailto:bmvpm9225@andhrabank.co.in">bmvpm9225@andhrabank.co.in</a>
Retail Cr Branch	891	2792598		<a href="mailto:retailmatrixvpm@andhrabank.co.in">retailmatrixvpm@andhrabank.co.in</a>
Anakapalli Local				-
Anakapalli Main	8924	222445		<a href="mailto:bmvpm012@andhrabank.co.in">bmvpm012@andhrabank.co.in</a>
Gavarapalem	8924	222682		<a href="mailto:bmvpm152@andhrabank.co.in">bmvpm152@andhrabank.co.in</a>
Woodpeta	8924	232274	232724	<a href="mailto:bmvpm631@andhrabank.co.in">bmvpm631@andhrabank.co.in</a>
<b>Other Places</b>				
Yelamanchili	8931	231042		<a href="mailto:bmvpm0650@andhrabank.co.in">bmvpm0650@andhrabank.co.in</a>
Chinnadoddigallu	8931	203084		<a href="mailto:bmvpm0768@andhrabank.co.in">bmvpm0768@andhrabank.co.in</a>
Narsipatnam	8932	226077	226093	<a href="mailto:bmvpm0383@andhrabank.co.in">bmvpm0383@andhrabank.co.in</a>

Bheemunipatnam	8933	229555		bmvpm0069@andhrabank.co.in
Padmanabham	8933	223327		bmvpm0406@andhrabank.co.in
Anandapuram	8933	222153		bmvpm0725@andhrabank.co.in
Tagarapuvalasa	8933	225159		bmvpm1461@andhrabank.co.in
Chodavaram	8934	245043	245791	bmvpm082@andhrabank.co.in
<b>VIZIANAGARAM DISTRICT</b>				
Vizianagaram Local				-
Vizianagaram Main	8922	224273	224829	bmvpm0609@andhrabank.co.in
M R College	8922	223926		bmvpm1065@andhrabank.co.in
Dist. Hq.Hospital EC	8922	278384		bmvpm1334@andhrabank.co.in
Dasannapet	8922	251600		bmvpm1554@andhrabank.co.in
Other Places				-
Balijipeta	8944	256223		bmvpm0040@andhrabank.co.in
Bobbili	8944	255230		bmvpm0050@andhrabank.co.in
Sitanagaram	8944	250530		bmvpm0527@andhrabank.co.in
Cheepurupalli	8952	283065		bmvpm0778@andhrabank.co.in
Belgam	8963	221067		bmvpm0034@andhrabank.co.in
GL Puram	8963	223429		bmvpm0151@andhrabank.co.in
Parvathipuram	8963	221031		bmvpm0423@andhrabank.co.in
Ravivalasa	8963	224321		bmvpm0939@andhrabank.co.in
Mamidipalli	8964	253235		bmvpm0404@andhrabank.co.in
Salur	8964	252341		bmvpm0501@andhrabank.co.in
Markondaputti	8964	254132		bmvpm0989@andhrabank.co.in
K S R Puram	8965	285287		bmvpm0665@andhrabank.co.in
Kothavalasa	8966	274888		bmvpm1457@andhrabank.co.in

Visit Our Website [www.andhrabank.in](http://www.andhrabank.in) for details of accounts and to download Savings (NRE) application form to open account with our Bank. USA AND DUBAI customers may contact our Representative offices for any clarifications. Others may contact NRI CELL, HYDERABAD. Contact details are given below.

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Fax No. 91-40-23231385 Web Site Address <a href="http://WWW.andhrabank.in">WWW.andhrabank.in</a>	
E-mail Address: <a href="mailto:nicell@andhrabank.co.in">nicell@andhrabank.co.in</a>	
New Jersey : 001 201 420 8088 / 201 420 0068	Dubai : 00 971 4 397 6654 / 9
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