



ఆంధ్రప్రదేశ్ రాష్ట్ర బ్యాంక్ ANDHRA BANK
(A Govt of India Undertaking)

AB Connect
NRI

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Andhra Bank

Dear Reader,

In this Issue we would like to inform you the details of investment opportunities in NR accounts.

Non-Resident Indians (NRIs) can open the following Four types of accounts with Authorised Dealers in India

1. Non-Resident Ordinary Accounts (NRO)
2. Non -Resident External Accounts (NREA)
3. Foreign Currency Non-Resident Accounts (FCNR)
4. Resident Foreign Currency Accounts (Returning Indians) (RFC)

The details of each account and their salient features and operational guidelines are furnished in a table format to have comprehensive view and to compare the benefits so that customers can take decisions on the type of account to be opened.

FLASH NEWS

FLASH NEWS

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RBI has increased the interest rates on NRE/FCNR DEPOSITS further 50 basis points with effect from 16th October,2008

| INTEREST RATES ON FCNR DEPOSITS wef 16/10/08 | | | | | | INTEREST RATES ON NRE TERM DEPOSITS wef 16/10/08 | |
|--|-----------------------------|------------------------------|------------------------------|------------------------------|---------|--|---------------------------|
| 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 | 4.21 | 3.51 | 3.81 | 3.95 | 4.14 | A) 1 year and above less than 2 years | 4.96 |
| GBP | 6.77 | 5.57 | 5.50 | 5.46 | 5.43 | B) 2 years and above less than 3 years | 4.26 |
| EUR | 5.74 | 4.87 | 4.84 | 4.87 | 4.87 | | |
| CAD | 5.05 | 3.27 | 3.42 | 3.55 | 3.67 | C) 3 years and above | 4.56 |
| AUD | 8.05 | 6.55 | 6.56 | 6.61 | 6.59 | | |

Different types of account and features of each account are furnished here under

NON-RESIDENT ORDINARY ACCOUNT

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| Purpose for opening of accounts | These accounts are useful to the NRIs who are having regular income on assets acquired prior to becoming NRI or acquired by them in India during their status as NRI and to make local payments in Indian Rupees for their genuine needs in India. |
| Currency in which account is maintained | Indian Rupees only. |
| Type of Deposits | Current, Savings, Recurring and Term Deposits |
| Period of Term Deposits | 15 days to 10 Years |
| Joint Accounts | Permitted with Resident Indians. The account will be opened with NRI as the first applicant. |
| Operation of Accounts | 'Account holder' himself or 'Mandate' or 'Power of Attorney holder' Can make payments to all genuine local payments including for eligible investments and not permitted to repatriate funds other than to Non-resident Individual account holder. No gift to a resident, No transfer of funds to another NRO account |
| Interest rates | As per Domestic Interest rates (subjected to Tax) Please refer our web site "www.andhrabank.in" for the Interest rates. |
| Permitted Credits and Debits | Credits: Legitimate dues in India of the a/c holder, and remittances received from abroad through banks Debits: All Local payments, Remittance out side India to the extent of current Income and USD 1 million subjected to tax payment and certain conditions. |
| Loans against Term Deposits | Eligible Loan amount: 90% of value of Deposit Interest: Interest on Deposit+2% Third party Loans: Margin 25%, Interest Rate BMPLR+spread applicable to the type of borrower or BMPLR+1% which ever is higher. The Loans against the above deposits cannot be utilized for the purpose of re-lending or for carrying on agriculture or plantation activities or for investment in real estate business. |
| Premature cancellation | Allowed with penal charge of 1% |
| Tax benefits | Interest is taxable as per rules. Presently 30% plus service tax. Customer can avail benefits of Double Taxation Avoidance Agreement, wherever applicable. |
| Nominations | Nominee can be Resident or Non-resident or PIO(person of Indian Origin) |
| Repatriation/Re payment | 1.Current Income credited to NRO a/c (Interest, Profits, Rents, Dividends etc.,) net of applicable taxes repatriable 2.Balance held in NRO a/cs are eligible for remittance up to USD 1 Million Dollars in a financial year subject to tax which includes sale proceeds of assets subject to production of an undertaking by the remitter and a certificate from a Chartered Accountant |
| Documents required/introduction | Existing SB account has to be converted in to SB NRO account as soon as the branch come to know that the account holder is a Non-resident Indian. For new account we require the following i).Copies of Passport and Residence VISA. ii)Document indicating Foreign Residential address iii)Attestation of documents/Introduction a) Indian Embassy Abroad b) Our Foreign Correspondent Bank c) Officials from our Representative Offices d) A local customer who is subjected to full KYC procedures. For Application please visit our website www.andhrabank.in |

NON RESIDENT EXTERNAL ACCOUNT

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| Main purpose for which normally accounts are opened | When customer is interested in Repatriation and also wants to avail tax benefits NRE accounts are suitable as the amounts in the account are tax free. |
| Currency in which account is maintained | Indian Rupees |
| Type of Deposits | Current, Savings, Recurring and Term Deposits. |
| Period of Term Deposits | 1 year to 10 years. |
| Joint Accounts | Permitted with other NRIs |
| Operation of Accounts | Mandate or Power of Attorney holder can be appointed. Power of Attorney holders powers are restricted to Local payments or eligible investments or remittance to the account holder himself. |
| Interest rates | Present Rates: Savings Deposits: 3.5% Term Deposits: Please refer table of interest rates given above |
| Permitted Credits and Debits | Credits: Remittances from abroad/Transfer from other NRE/FCNR a/cs, Interest and Proceeds of Investments made from NRE account or other NRE accounts which are of repatriable nature. Debits: Local Disbursements, Remittances outside India, and payment for Eligible Investments, and also any other transaction if permitted by RBI The Loans against the above deposits cannot be utilized for the purpose of re-lending or for carrying on agriculture or plantation activities or for investment in real estate business |
| Loans against Term Deposits | Eligible Loan : 85% of value of deposit, Maximum amount Rs 20 lacs Interest rate: when depositor takes loan himself a) If repayment from abroad : Deposit rate +2% b) If repayment is by rupees from NRO a/c: Deposit rate+3% When Third parties avail loan against Deposit: Less than one year: BMPLR+1.25% i.e., 15.25% 1 year and above up to 3 Years: BMPLR+2.00 i.e., 16% |
| Premature cancellation | Allowed. Before 1 year No interest is paid. After one year with penal charge of 1% |
| Tax benefits | Tax free |
| Nominations | Allowed. Nominee can be Resident or Non-resident/PIO |
| Repatriation/Repayment | Repatriable. Inclusive of interest earned can be repatriated outside India without reference to Reserve Bank of India. The depositor has to bear Exchange Risk. |
| Documents required/introduction | i). Copies of Passport and Residence VISA. ii) Document indicating Foreign Residential address iii). Attestation of documents/Introduction a) Indian Embassy Abroad b) Our Foreign Correspondent Bank c) Officials from our Representative Offices d) A local customer who is subjected to full KYC norms For Application please refer our web site www.andhrabank.in |

| | F C N R ACCOUNTS |
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| Main purpose for which normally accounts are opened | NRIs who wish to be avoid Risk of Foreign Exchange fluctuations, and to avail Repatriation facilities keep their amounts in in FCNR Deposits. These Accounts are maintained in Foreign currency only. |
| Currency in which account is maintained | USD,GBP,EUR,AUD,CAD |
| Type of Deposits | Term Deposits. |
| Period of Term Deposits | 1 year to 5 years |
| Joint Accounts | Permitted with other NRIs |
| Operation of Accounts | Depositor can appoint Mandate or Power of Attorney Holder. |
| Interest rates | Please refer table of interest rates given above |
| Permitted Credits and Debits | Remittances from abroad/Transfer from other NRE/FCNR a/cs and also interest and Proceeds of Investments made from his NRE account or other NRE accounts which are of repatriable nature |
| Loans against Term Deposits | <p>Eligible Loan : 85%of value of deposit Maximum amounting Rs 20 lacs or equivalent.</p> <p>Interest rate: a)when depositor takes loan for himself If repayment is from abroad :Deposit rate +2% If repayment is by rupees in NRO a/c: Deposit rate+3%</p> <p>b)When Third parties avail loan against Deposit: i)Less than one year: BMPLR+1.25% i.e., 15.25% ii)1 year and above up to 3 Years: BMPLR+2.00 i.e.,16% The Loans against the above deposits cannot be utilized for the purpose of re-lending or for carrying on agriculture or plantation activities or for investment in real estate business</p> |
| Premature cancellation | Allowed. Before 1 year No interest is paid. After one year with penal charge of 1% |
| Tax benefits | Tax free |
| Nominations | Allowed with Resident or Non-resident/PIO |
| Repatriation/Repayment | Repatriable.Inclusive of interest earned can be repatriated outside India without reference to Reserve Bank of India |
| Documents required /introduction | <p>i).Copies of Passport and Residence VISA. ii)Document indicating Foreign Residential address iii). Attestation of documents/Introduction a)Indian Embassy Abroad b)Our Foreign Correspondent Bank c)Officials from our Representative Offices d)A local customer who is subjected to full KYC norms</p> <p>For Application please refer our web site www.andhrabank.in</p> |

| RESIDENT FOREIGN CURRENCY ACCOUNT(Returning Indians) | |
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| Main purpose for which normally accounts are opened | Returning Indians who wish to keep their amounts in Foreign currency only even they intend to stay permanently in India and to avail repatriation facilities. The amounts can be converted/transferred in to NRE/FCNR account consequent to change in the status to NRI again. |
| Currency in which account is maintained | Foreign Currency At Present in(USD GBP EURO CAD AUD only) |
| Type of Deposits | Current, Savings and Term Deposits. |
| Period of Term Deposits | 1 year to 5 years. |
| Joint Accounts | Permitted with other eligible person. |
| Operation of Accounts | Mandate or Power of Attorney holder can be appointed P A'S powers are restricted to Local payments or eligible investments or remittance to the account holder himself. |
| Nomination | Nominee can be resident/ NRI/PIO |
| Interest rates | Present Rates: Savings Deposits: 3.5% Term Deposits: Interest rates as applicable to FCNR deposits |
| Permitted Credits and Debits | Credits: Remittances from abroad/Transfer from other NRE/FCNR a/cs, Interest and Proceeds of Investments made from NRE account or other NRE accounts which are of repatriable nature, pension or any other superannuation or other monetary benefit from his employer outside India. Debits: The funds are free from all restrictions regarding utilization of foreign currency balances including any restrictions on investment in any form. |
| Loans against Term Deposits | Eligible Loan :75%of value of deposit, Maximum amount Rs 20 lacs Interest rate: Only to the depositor himself. a)If repayment from abroad :Deposit rate +2% b)If repayment is by rupees from NRO a/c: Deposit rate+3% No third party Loans are allowed. |
| Premature cancellation | Allowed. Before 1 year No interest is paid. After one year with penal charge of 1% |
| Tax benefits | Tax free |
| Nominations | Allowed. Nominee can be Resident or Non-resident |
| Repatriation/Repayment | Repatriable. Inclusive of interest earned can be repatriated outside India without reference to Reserve Bank of India |
| Documents required/introduction | <ul style="list-style-type: none"> i).Copies of Passport and Residence VISA. ii)Document indicating Foreign Residential address iii). Attestation of documents/Introduction <ul style="list-style-type: none"> a)Indian Embassy Abroad b)Our Foreign Correspondent Bank c)Officials from our Representative Offices d)A local customer who is subjected to full KYC norms <p>For Application please refer our web site www.andhrabank.in</p> |

We have internet Banking facility and "Global ATM card". We are now rapidly migrating to Core Banking Solutions where it gives lots of benefits like 'instant transfer of funds', 'Any Branch Banking', 'Internet banking', 'Mobile Banking' along with Globally valid ATM card. We are making arrangements for issuing a Welcome Kit instantly as soon as the customer opens the account which includes Cheque book and Debit card.

LATEST NEWS

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- India and Germany signed an agreement on October 22, 2008 to exempt Indian workers posted in Germany from making social security contribution under the host country legislation. The exemption will be given to people on short term contracts for a period of four years, extendable to another one year. At present, Indian professionals are often sent to countries like Germany by their Indian employers on short term contract and during this period they continue to make social security contribution in India as per Indian law. However, they are also compelled to pay contribution under the host country social security system leading to double payment, although they often do not get any benefit from the social security contribution made abroad. Under the new agreement, for short term contract up to 48 months no social security contribution would need to be paid under the German law by the detached workers provided they continue to make social security payment in India. The exemption could be extended for another 12 calendar months by the competent authority. The Minister of Overseas Indian affairs, Mr. Vayalar Ravi, also announced that **negotiations have begun for a Social Security Agreement (SSA) with the USA**. India recently signed a social security agreement with **France**, after an earlier agreement with **Belgium**. Government has already approved signing of similar agreements with **Netherlands and the Czech Republic**. These agreements are slated to be signed soon. Negotiations are currently being taken up for agreements with **Spain, Portugal, Switzerland, Norway and Sweden**.
- **7th Pravasa Bharatiya Divas (PBD) Convention** is scheduled to be held at the Chennai Trade Centre, **Chennai from 07-09 January 2009**. For Details and registration you may visit www.pbdindia.org
- In order to accord flexibility to **the FIIs** to allocate their investments across equity and debt instruments, the Securities and Exchange Board of India (SEBI), in consultation with the Government of India, vide its Circular No IMD/FII & C/33/2007 dated October 16, 2008 has **dispensed with the conditions** provided in Regulation 15 (2) of the SEBI FII Regulations **pertaining to restrictions of 70: 30 ratio of investments in equity and debt**, respectively. However, the stipulations made in proviso in respect of FII holdings in security receipts issued by Asset Reconstruction Companies shall continue

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**WE ARE HAPPY TO ANNOUNCE THAT WE ARE LAUNCHING ONE
MORE PRODUCT TO OUR BELOVED NRI CUSTOMERS IN USA**

CHEQUE MAIL BOX FACILITY

**NRIs in USA need not send the cheques all the way to INDIA
for collection of cheques. They can get them collected in
USA it self.**

SAVE TIME AND SAVE COSTS

DETAILS IN THE COMING BULLETIN