



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

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NRI

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INTEREST RATES (%) per annum with effect from 1st April, 2010

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	1.92	2.24	2.84	3.34	3.75	A) 1 year and above less than 2 years	2.67
GBP	2.32	2.60	3.10	3.55	3.86		
EURO	2.19	2.49	2.85	3.16	3.42	B) 2 years and above less than 3 years	2.99
CAD	2.31	2.88	3.41	3.78	4.04		
AUD	6.30	6.37	6.57	6.81	6.92	C) 3 years and above	3.59

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

Visit Our Website 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 at the end of this Bulletin.

**FOREX MARKET DURING
March'10**

USD/INR	Open	High	Low	Close
	46.09	46.09	44.88	44.89

Rupee posted gains and closed at its strongest level in more than six weeks buoyed by decent capital inflows and positive sentiment prevailing in local equity markets tracking moderately positive sovereign budget. Dollar selling by offshore players and gains in regional currencies also added to the strength of the local currency. Risk averse exporters' covering and absence of dollar demand from importers and oil companies despite higher crude prices, allowed the partially convertible currency to close in positive territory

**BULLION MARKET DURING
March '10**

Open	High	Low	Close
\$1116.15	\$1144.60	\$1084.85	\$1112.80

Gold restricted to narrow ranges this month as recovery in global economy was offset by fiscal deficit crisis in Greece and its neighbouring countries. Moderate demand for the yellow metal was offset by profit booking by traders on all upticks. Bullion closed almost flat on continued indecisiveness in the global financial markets as investors are curiously watching the Greece's bailout package

G-Sec Market during March '10

The yield on the dated securities opened higher due to weak market sentiments prevailing in the debt market. The yields continued to move up amidst fears on borrowing, inflation and high IIP data. The IIP data for the month of January 2010 came as per market expectations at 16.7% against 16.8% of December 2009. Inflation figures (WPI) for February came at 9.89% against 8.56% of previous month. The yield on 6.35% GS 2020 security touched a high of 8.0306% due to the unexpected rate hike of 25 bps in Repo and Reverse repo rate by RBI on 19.03.2010. However, the value buying at higher yield levels and market expectations of lower borrowing for the 1st half of the next financial year provided bidding momentum to the market. The comments by finance ministry and RBI officials further added to the buying momentum. Govt. announced a Gross borrowing of Rs 2.87 trillion (which is 63% of the full year borrowing target) and a net borrowing of Rs 2.05 trillion for the 1st half of the FY 2010-11.

The 6.35% GS 2020 levels are as below:

	YIELDS (%)
Previous Close	7.8634
OPEN	7.8804
HIGH	8.0306
LOW	7.7066
CLOSE	7.8503

**Equity Market during
March'10**

Markets opened up tracking positive budget and positive global markets. Markets traded in a narrow range in the first half of the month. During second half of the month, markets further went up enthused by advance tax numbers and after S&P improving the sovereign rating from negative to stable. Markets were opened down after RBI increased the policy rates on 19th coupled with Greece debt problems. Markets recovered the losses and went up tracking the global cues. FII's continuously investing the market and the investments crossed Rs.19000 crores during March 2010.

INDEX	BSE	NIFTY
OPEN	16524.90	4935.60
HIGH	17793.01	5329.55
LOW	16524.90	4935.35
CLOSE	17527.77	5249.10

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

CENTRE	CONTACT PERSON	TELEPHONE NO	Email address
MUMBAI	Ms Rajeswari	022-26876176	nri-mum@andhrabank.co.in
CHENNAI	Mr. Hari Haran	044-24911869	bmche1615@andhrabank.co.in
BANGALORE	Mr. Harish	080-22959715	bmb1r1696@andhrabank.co.in
NEW DELHI	Mr. Shankar	011-28758382	bmdel1644@andhrabank.co.in
HYDERABAD	Ms.Renuka	040-23421286	bmhyd1711@andhrabank.co.in

IN THIS ISSUE WE ARE FURNISHING SOME OF THE FOREIGN EXCHANGE TRANSACTIONS CONCERNING NRIs.

Government of India introduced Foreign Exchange Management Act, (FEMA) 1999 effective 1st June,2000 thereby repealing Foreign Exchange Regulation Act, 1973. The foreign Exchange Transactions are demarcated as 1. Current Account Transactions and Capital Account Transactions.

In this issue we deal with some of the Current Account Transactions concerning with NRIs.

Some examples of Current Account Transactions are

- Payment due in connection with Foreign trade, services, credit facilities in the ordinary course of business
- Payments due as interest on loans and as net income from investments,
- Remittances for living expenses of parents, spouse and children residing abroad
- Expenses in connection with foreign travel, education and medical care of parents, spouse and children.

CERTAIN GENERAL PERMISSIONS ARE GIVEN TO NRIs WITHOUT ANY REGULATORY INTERVENTION.

Payment by non-residents during their stay in India.

General permission is given to any person, to receive any payment

1. in rupees by or on behalf of a person resident outside India during his stay in India provided the funds so acquired by the NRI should be by sale of foreign exchange through an Authorised Dealer in India or a money changer in India.
2. Cheque payment on a bank drawn abroad/TCs/Draft issued abroad.
3. Currency payment directly from out of India subjected to the condition that the FC so obtained should be sold to the Authorised Dealer or money changer within stipulated time.
4. By means of postal order issued by post office outside India or by a postal money order issued by such post office.

Hospitality to Non-Residents by Residents:

A person resident in India is permitted to make any payment in rupees towards meeting expenses on account of boarding, lodging and services related thereto or travel to and from and within India to a person resident outside India who is on a visit to India.

Payment to Non-residents as consideration for purchase of gold or silver:

As a consideration for purchase of gold or silver in any form imported by NRI in accordance with rules in force, by a resident, he can make payment by way of crossed cheque or a draft as consideration .

Payment to person resident outside India on invocation of Guarantee:

If an NRI as a Guarantor pays the loan of a Principal Debtor, the same amount can be re-imbursed by the Resident Debtor. If the NRI pays the amount from his NRO account re-imburement is restricted as per the rules in force.

Payment in Rupees to Director who is a resident outside India.

A company or resident in India is permitted to make payment in rupees to its Non-whole time director who is resident outside India for his visit, fee, commission and remuneration, provided the company Memorandum and Articles of Association stipulates the same or it is approved in General Body.

We deal with some more Foreign Exchange Transactions effecting NRIs in the Next Bulletin.

SNIPPETS

SNIPPETS

SNIPPETS

E-TRANSFER PREFERRED MODE FOR NRI REMITTANCES: RBI STUDY

While sending money back home, the speed and efficiency of transfer are uppermost on the mind of overseas Indians, as they predominantly use electronic wires and Swift for remittances, according to a study by the Reserve Bank of India (RBI).

On an average, about 20 per cent of the funds received were deposited in bank accounts and 4 per cent invested in land/ property/ equity shares, the study said.

Swift/ online transfers are the most time-efficient means of remitting money, as they depend on electronic/ telegraphic transfer of funds with average time taken being mostly one to three days.

The share of total remittances through debit/credit cards is relatively low even though this mode is also fairly time efficient (1-4 days). Swift is the costliest means of transferring of funds compared with other modes of transfer. Few banks recently provide online remittance transfer facilities which are both cost-effective and less time consuming. Recently, there has been a significant increase in share of remittances through direct transfer to bank accounts.

Remittances made through cheques, drafts and money orders are the most time-consuming. The maximum time taken in remitting funds through these instruments can be as long as 30 days.

The cost of remittances across various modes of transfers has come down significantly in the current survey (November 2009) as compared to the previous one (July 2006), reflecting increasing competition and introduction of fast money transferring infrastructure.

North America continues to be the most important source region of remittances to India (about 38 per cent of the total remittances), while the Asian region (the Gulf and East Asia) contributes about 32 per cent.

A predominant portion of the remittances received (61 per cent) are utilised for family upkeep.

Referring to ploughing remittance for making investments, the study noted the share of investment in land/ property/ equity shares in the current survey (November 2009) registered a significant decline as compared to the share of 20-25 per cent recorded in the previous survey conducted in July 2006.

Giving voting rights to NRIs not easy, says Chawla

19 Apr 2010, Tiruvanantha Puram: Even though the Manmohan Singh government is keen to give voting rights to non-resident Indians (NRIs), Chief Election Commissioner Navin Chawla says it appears this may not be an easy task. Interacting with reporters here, Chawla said the Election Commission wrote to the government last month about the issues involved in NRI voting. "NRIs are settled all over the world. They come from various states and various constituencies. In big countries, there would be quite a number of places where votes may have to be cast," said Chawla. "The Election Commission will need to carry the voting machines to all these places and bring them back safely," said Chawla

Indian-American announced as Chief Agricultural negotiator by US President

Washington: President Barack Obama has announced recess appointments of 15 nominees, including an Indian American agricultural scientist as chief agricultural negotiator in trade talks. He announced his decision to nominate Indian American A. Siddiqui, a B.S. in plant protection from Uttar Pradesh Agricultural University in Pantnagar, India, and 14 others, Siddiqui, named Chief Agricultural Negotiator in the Office of the US Trade Representative, is currently vice president for Science and Regulatory Affairs at CropLife America, where he is responsible for regulatory and international trade issues related to crop protection chemicals

Setting Up of Nodal Cells in States to Address NRI Issues

Wednesday, April 21, 2010 Ministry of External Affairs : During the Annual Consultation Meetings organized by the Ministry of Overseas Indian Affairs with the major labour sending States at New Delhi in July 2008 and September 2009, the Ministry had requested the State Governments to set up Nodal Department / Cell in their States to address various issues relating to overseas Indians. Nodal Departments / Cells have already been set up by Kerala, Andhra Pradesh, Tamil Nadu, Punjab, Haryana, Gujarat, Rajasthan, Karnataka and Manipur while other State Governments have agreed to set up Nodal Departments/ Cells. The Ministry has also requested the major labour sending States to undertake Skill Development and Pre-departure Orientation Programmes for intending migrant workers. Such training programmes are underway.

NRI investments to be made tougher

The government plans to tighten investment norms for non-resident Indians (NRI) in companies to ensure that they do not violate foreign direct investment (FDI) sectoral caps or enter areas where such investment is banned. The Reserve Bank of India (RBI) has also mooted a proposal to withdraw the special status given to NRIs for investing in sectors such as aviation, housing and real estate. As a first step, RBI and the Department of Industrial Policy and Promotion have agreed on the need to scrap key clauses in Schedule 4 of the Foreign Exchange Management Act (Fema), which permits NRIs to invest in companies on a non-repatriation basis. The proposal is expected to be cleared soon

NRI Cell Andhra Bank, Head Office, Pattabhi Bhavan, Saifabad, Hyderabad – 500 004

Phone Nos.:91-40-23234036/23233004/23252379/23252000-Extn2379

Fax No.91-40-23231385 Web Site Address WWW.andhrabank.in

E-mail Address: nrice@andhrabank.co.in

New Jersey : 001 201 420 8088 /

001 201 310 9494

Dubai :00 971 4 397 6654 / 9

REP OFFICES:

E-mail

E mail I.D: ab_reppoffice@yahoo.co.in

I.D:abnjreppoffice@yahoo.com

dubaireppoffice@andhrabank.co.in

reppoffice@andhrabank.us

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Prepared by T.Lakshmana Rao, Senior Manager, NRI Cell, Corp. Planning Dept., Head Office, Hyderabad, India.

Edited by M.V.K.Sarma, Dy General Manager, Corporate Planning Dept, Head Office, Saifabad, Hyderabad, India

Published by Andhra Bank, Corporate Planning Dept., Head Office, Saifabad, Hyderabad, India.

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