



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

NRI

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A monthly news bulletin from Andhra Bank

AB SPEED WAY –A SECURE, QUICK, WEB BASED ON LINE REMITTANCE FACILITY FOR THE EXCLUSIVE BENEFIT OF NRIs of USA- BACK END CHARGES REDUCED FROM RS 100/- TO A NOMINAL FEE OF RS 10/-(plus applicable taxes) ONLY. AVAIL THE FAST REMITTANCE FACILITY AND GET BETTER EXCHANGE RATE. REGISTER NOW.

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INTEREST RATES (%) per annum with effect from 1st January'11

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	1.78	1.85	2.34	2.79	3.22	A) 1 year and above less than 2 years	2.53
GBP	2.51	2.51	2.94	3.34	3.65		
EURO	2.47	2.57	2.92	3.22	3.52	B) 2 years and above less than 3 years	2.60
CAD	2.90	2.85	3.13	3.40	3.63		
AUD	6.68	6.40	6.52	6.76	6.87	C) 3 years and above	3.09

(*These rates are subject 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 down load 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
December'10**

Open	High	Low	close
45.85	45.88	44.63	44.70

Rupee opened strong and completed biggest weekly gain in two months tracking the dollar against the major currencies after sovereign debt fears of European nations faded. Dollar selling by Corporates and exporters at higher levels and positive local equity indices helped the rupee to appreciate against the dollar. Better IIP numbers infused confidence in the domestic economy and capital inflows for the recent IPOs aided the local currency unit to close with big gains. However rupee could not hold the gains during second week as Euro fell against the dollar along with negative local equity indices. Dollar out flows ahead of December end and importers buying also weighed on the local currency unit. Rupee completed a second annual advance, to close at 44.71 per dollar taking gains for the year to 4.1 percent. It moved in a range of 47.75 and 43.97 during the year. Foreign institutional investors infused a record USD 29.36 billion in 2010

**BULLION MARKET DURING
December '10**

Open	High	Low	close
1385.30	1430.95	1361.35	1419.45

Gold opened almost flat at 1385.30 from last month close of 1384.45 and touched an all time high of 1430.95 mainly on account of lingering worries about Euro debt crises as Fitch downgraded Ireland country rating and speculation that U.S will extend monetary easing.

It came down mainly because of stronger dollar due to proposed tax cuts and also trade data showed that trade deficit narrowed much more than expected, as exports rose. Bullion posted its biggest yearly rise (28%) in last three years for a record 10th consecutive annual gain on uncertainty over global economic recovery and volatile currencies.

G-Sec Market during December'10

The yield of the 10 year bench mark security 7.80% GS 2020

The 7.80% GS 2020 levels	YIELDS (%)
OPEN	8.0687
HIGH	8.2206
LOW	7.8618
CLOSE	7.9126

opened almost flat at 8.0687% due to absence of fresh triggers. The

yields started moving up due to tight liquidity conditions and cautiousness ahead of GDP data. The GDP for the second quarter came at 8.90% against market expectations of 8.30%. The 10-year benchmark touched a high of 8.2206% due to tight liquidity concerns ahead of advance tax outflows. However, RBI reduced the borrowing through the scheduled auctions by 5,000 cr and also announced buyback of dated securities for 12, 000 cr to support the liquidity in the market. The comments by finance ministry source that there is no urgency for issuing new 10-year benchmark security and most likely it will be issued in the new financial year also provided bidding support to the market. The IIP figure for the month of October came at 10.80% against the previous month level of 4.40% and market expectations of 8.50%. The monthly inflation figure came at 7.48% against the previous month level of 8.58%. In the mid term policy review, RBI maintained status quo on the benchmark interest rates, cut the SLR by 1% and announced the buyback of dated securities for ` 48, 000 crores in the next one month. This provided bidding interest across the curve and yields moved down by 10-15 basis points. The yield on 10 year bench mark security softened by 15 basis points during the month and closed at 7.9126%

Equity Market during December'10

INDEX	BSE	NIFTY
OPEN	19529.99	5871.00
HIGH	20552.03	6147.30
LOW	19074.57	5721.15
CLOSE	20509.09	6134.50

First week, Markets were up on

the news that the European leaders approved an 85 billion euro aid for Ireland. The better than estimated growth in GDP, 8.9% in September 2010 quarter, raised hopes of the economy and investors were

back with positive sentiment. Bank shares were up on report of recapitalization by government to nine PSU banks. **Second Week**, Markets were negative for the first four days as the profit booking took place as investors wary of the ongoing scams and corporate governance issues. Markets bounced back as better than expected IIP figures reported send positive waves in the market. Industrial output in October rose to 10.8% from a year earlier, higher than the previous month's annual growth of 4.4%. **Third week**, Markets opened weak but soon turned to positive tracking firm world equities. Metal stocks rose across the board on expectations of higher demand for commodities after recent economic data boosted hopes of possible economic recovery in the US. PSU Oil Marketing Companies rose as hike in petrol prices may increase the profit margin. The measures taken by RBI were expected to inject liquidity on an enduring basis of the order of Rs 48000 crore. Beside these measures RBI Kept CRR, REPO and Reverse REPO unchanged. **Fourth Week**, Equity markets extended gains from last week on the back of corporate deals and positive global sentiment; The ongoing shift towards emerging economies, especially in Asia, is likely to continue, helped by growing income levels and positive demographics; Leading players in the Indian IT sector have emerged stronger through the financial crisis and have benefited from the up tick in global IT spending in recent quarters. **Fifth Week**, Markets ended positive tracking mixed global cues. Infosys and Hindalco Industries hit a record high. Oil Marketing Companies declined on reports the government has deferred a decision on a possible increase in fuel prices.

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
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BANGALORE	Mr. Harish	080-22959715	bmlr1696@andhrabank.co.in
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ON LINE TRADING FACILITY IN EQUITIES IN NRIs

Online Trading facility in Equities for NRIs

NRI Trading Account opening involves the following:

- 1) Opening of PIS a/c with Our Fort branch, Mumbai
- 2) Opening of Demat A/c with us under NRI Status
- 3) Opening of Trading A/c with M/s Religare Securities with whom Our Bank has tied up for On line trading of Securities.

1. Opening of a PIS a/c with Fort branch

A Non Resident Indian (NRI) to invest in the Secondary Market of India need to open an account by applying on a prescribed form to the Designated Branch of the Bank. Fort Branch Mumbai is the designated Branch to open PIS accounts. The Funds for Investments in Secondary market have to be routed through the PIS A/c. Customer can choose to trade in the secondary market with Repatriation facilities or without Repatriation facilities. Customer has to open NRE account in case he chooses with Repatriation facility and NRO account in case he chooses without Repatriation facility. On receiving the application form, Branch shall open two Bank accounts, a PIS A/c & a Non-PIS A/c. All Investments in the Secondary Market should be routed through the PIS A/c and sale proceeds of such investments shall be credited Back to this A/c. Basically the PIS A/c needs to be funded first and then from this account the funds have to be moved for investments. The Non-PIS A/c is just like any other SB NRI a/c and transactions other than funds required for settlement of purchase sale of shares are be routed through the NON-PIS A/c. For example Credit for Dividend payments, Debit for PIS A/c charges, payment for IPOs, F&O transactions (in case of NRO A/cs) are some of the transactions in the Non-PIS A/c.

Online trading process:

After opening of above said accounts the customer is given Trade Login User ID & password by M/s Religare to place the orders Online.

Customer has to click "On line Trading" in our On line products in the Home Page of our web site www.andhrabank.in .This leads to the M/s Religar securities on line trading platform and customer has to follow the instructions given in the site by M/s Religare and Log in to the site

Buying the Shares on Line:

To initiate a Buy transaction, customer has to first transfer the funds from his/her NRE a/c to PIS A/c.

The balance amount and the Trading limit are updated so that the system allows the customer to buy shares to the extent of the amount available.

Trade confirmation will be sent by M/s Religare after the close of Market for the day. The delivery for the shares bought is Settled by NSE/BSE on the 2nd Working Day from the Date of Purchase and the shares are credited to the client's Demat A/c The total Transaction time prescribed by SEBI is T+2 days and shares are available for further trading from 4th day onwards.

Selling the Shares On Line: To initiate a Sell transaction, it is mandatory for the client to have the shares in his/her Demat A/c without which the trading system rejects the Order. Customer can sell the shares by logging in to the site through our Bank web site. The Sale proceeds of the shares sold is settled by NSE/BSE on the 2nd Day from Date of Sale and the Payment for the same shall be sent by M/s Religare to customer's PIS A/c on the same Day. Our Fort branch credits the proceeds into the PIS A/c after Calculating capital Gains if any and deducting tax.

Note: NRIs residing in USA are not permitted to do on line trading from USA,They have to appoint a person in India through Power of Attorney to trade on behalf of the NRIs residing in USA.

The write up is prepared by Mr. U Vijayanand, Manager & compliance officer of our Central DP Branch, Hyderabad. For any clarifications and queries about ETFs- you may call on Mr. Vijayanand on phone 040-23421171 : FAX: 040-23421170: email: abdp@andhrabank.co.in

SNIPPETS**SNIPPETS****SNIPPETS****SNIPPETS****PIO,OCI Cards to be merged for speed VISA**

New Delhi: Prime Minister Manmohan Singh has promised to merge the Overseas Citizen of India (OCI) and the Persons of Indian Origin (PIO) cards in to a single facility to further simplify procedures for VISA-free travel by the Indian Diaspora and participate in business and educational activities in the country of their origin. Inaugurating Ninth Pravasi Bharatiya Divas (PBD) celebrations here Mr. Singh also stated that the government was framing appropriate procedures to give more than 10 million NRIs spread across the globe their legitimate right to participate in the country electoral processes.

Pranab allays NRI apprehensions over tax liability under DTC

Finance Minister Pranab Mukherjee on Saturday sought to allay apprehensions among non-resident Indians (NRIs) that the proposed Direct Taxes Code (DTC), when implemented, would affect them adversely by way of their tax liability owing to a clause in the Bill defining their residential status,

In a detailed response to a query at the 'Pravasi Bharatiya Divas' here, Mr. Mukherjee clarified that it was a "misconception" that the status of NRIs turns into Indian residents for taxation purposes following their stay in India for 60 days in a financial year. Moreover, no final decision has been taken as yet on the clauses incorporated in the DTC as the Bill is still under scrutiny by a standing committee of Parliament. Noting that the Ministry of Overseas Affairs had approached his Ministry over the provisions of this clause, Mr. Mukherjee explained that, as per the DTC proposal, an NRI will be deemed as resident only if he has also resided in India for 365 days or more in the preceding four financial years, together with 60 days in any of these fiscal years. "Only when the two criteria are met, an individual will be considered resident," he said. In a further clarification, Mr. Mukherjee pointed out that even if an NRI becomes a resident in any financial year, his global income does not immediately become liable to tax in India. Global income, he said, would become taxable only if the person also stayed in India for nine out of 10 precedent years, or 730 days in the preceding seven years

PRAVASA BHARATIYA SAMMAN PRESENTED TO 14 NRIs

The annual global meet to connect India with its 27 million strong diaspora spread over 150 countries concluded with President Pratibha Patil honouring 14 Indian origin NRI s for their achievements and enhancing India's image globally. The awardees include New Zealand Governor General Sir Anand Satyanand ,Prof Veena Harbhagwan Sahajwalla (Australia),Lata Pada (Canada), Harindrapal Singh Banga (Hong Kong), Mohammad Munir Nazir Hassan Ansari (Israel), Upjit Singh Sachdeva (Liberia), Tan Sri Dato Ajit Singh (Malaysia), Saleh Wahid (Netherlands), Mohiaddin Syed Karimuddin (Saudi Arabia), Mono Selvanathan (Sri Lanka) Mohan Jashanmal(UAE), Baroness Sandip Verma(Britain) and Ashok Kumar Ramsaran and Rajiv Shah (both USA)

NRI CELL SET UP IN PUNJAB CM SECRETARIAT

CHANDIGARH: Conscious of the problems being faced by the Non-Resident Indians (NRIs) and addressing their issues and grievances, Punjab Chief Minister Parkash Singh Badal Tuesday setup a NRI cell in his office under the chairmanship of Principal Secretary to Chief Minister Darbara Singh Guru.

The members of cell included Financial Commissioner Revenue or his secretary level representative and Director General Police or his representative.D.S. Mangat OSD to Principal Secretary/Chief Minister will be the Member Secretary of this cell and his contact no. 9417079777 and email address is cm@punjabmail.gov.in.

Disclosing this here, a spokesman of the Chief Minister's office said that this Cell has been setup by the Chief Minister with a view to quickly respond to the problems being faced by NRIs and to ensure their speedy disposal under time bound program from different quarters. He said that their Government in Punjab has taken path breaking steps to build close relations with the NRIs and has been making sincere efforts to sort out their issues on priority basis. The Spokesman further said that the Punjab Government has set in motion the process of drastically reforming the system through governance reforms to check the harassment of common people in government offices especially the NRIs. This newly introduced concept will improve the delivery systems in the state. He said that the government had already taken revolutionary steps for protecting the properties of NRIs and introducing online system for securing revenue documents & farads, copies of the FIRs. Dedicated p police-stations for NRIs have been established and Exclusive and fast track courts have been set up to resolve their disputes. He said that the government has already done away with the unnecessary but cumbersome practice of filing affidavits in many spheres.

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