



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

AB Connect

NRI

Issue No.22

June, 2010

A monthly news bulletin from Andhra Bank

NEWS

GOOD NEWS TO NRIs OF KUWAIT

NEWS

**ANDHRA BANK ENTERED INTO AGREEMENT WITH U A E EXCHANGE CENTRE  
KUWAIT**

FOR SPEED REMITTANCE FACILITY

NRIs of KUWAIT CAN NOW SEND REMITTANCE WITHIN 24 HOURS TO HIS OR ANY  
ACCOUNT OF OUR BANK IN INDIA.

CONTACT NEAREST U A E EXCHANGE CENTER IN KUWAIT AND AVAIL THE FACILITY

### INDEX

1. Interest Rates
2. Markets at a Glance
3. Foreign Exchange Transactions concerning NRIs-2
4. Snippets

### INTEREST RATES (%) per annum with effect from 1<sup>st</sup> June 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	2.20	2.25	2.72	3.08	3.43	A) 1 year and above less than 2 years	2.95
GBP	2.42	2.50	2.91	3.28	3.59		
EURO	2.24	2.34	2.60	2.87	3.12	B) 2 years and above less than 3 years	3.00
CAD	2.63	2.86	3.33	3.69	3.95		
AUD	6.47	6.02	6.15	6.40	6.54	C) 3 years and above	3.47

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

**FOREX MARKET DURING  
May'10**

**BULLION MARKET DURING  
May '10**

Rupee opened weak and touched a two month low of 45.73 in the initial part of the month, tracking heightened as concerns risk aversion on Euro Zone debt crisis is expected to worsen. Unexpected fall in global equity markets exerted pressure on local stock markets and the sentiment turned negative and prompted the local currency to downside. Rupee posted its biggest decline tracking the volatile Euro and negative equity indices and touched to one year low of 47.74 on risk aversion. Also Arbitrage opportunity in off-shore non deliverable forwards with on-shore spot market, importers covering for their payables weighed on the local currency unit. However the local currency recovered from some of its losses after comments from China that it will hold Euro Zone assets which boosted the equity markets across the globe. The capital inflows and the dollar selling by exporters at higher levels also helped the currency to close with gains

USD/INR	Open	High	Low	Close
	44.51	47.74	44.48	46.36

Open	High	Low	Close
\$1177.85	\$1248.95	\$1157.35	1512.71

Bullion opened and traded with firm bias on risk aversion as concerns on Euro Zone debt crisis is expected to worsen, which is induced by sovereign debt problem in Euro Zone. It prompted the investors to opt for safe heaven investment in yellow metal. The Gold touched a record high of \$1248 an ounce on May 14. Profit booking at higher levels saw Gold closing at \$1215. Despite easing of some of risk aversion gold remained well supported above \$1200. Investor interest remains high, and ETF holdings continue to grow

**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 at the end of this Bulletin.**

**G-Sec Market during May '10**

**Equity Market during May'10**

The new 10 year bench mark security 7.80% GS 2020 came into force during the month. The yield softened in the 1<sup>st</sup> week and the positive movement in the dated securities continued as the IIP data for the month of April, 2010 came at 13.50% against the market expectations of 15%. During the month yields started to ease depending up on the strength of risk aversion prevailing in the global markets as EURO debt crisis deepening as the days passed over. In the last week, the yields started to harden as Govt. clarified that it is unlikely to change borrowing programme and on the liquidity concerns as 3G bidders have to make payment to the Government by the end of the month.

	YIELDS (%)
OPEN	7.7403%
HIGH	7.7403%
LOW	7.3188%
CLOSE	7.5636%

INDEX	BSE	NIFTY
OPEN	17493	5278
HIGH	17493	5278
LOW	15960	4786
CLOSE	16944	5086

Markets opened with a negative note tracking weak global markets. Euro zone debt worries continued and markets were under selling pressure. Metal and commodity stocks were under pressure and were major losers. During Second week markets further went down after Germany banning the naked short sale. Markets recovered from the lows during third week but were not able to sustain as selling pressure exerted due to profit booking and further drifted down as selling continued and touched month's low during this week. Markets recovered from the lows and traded positively till end of the month. FII's were net sellers during the month.

**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:**

<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>	<a href="mailto:nri-mum@andhrabank.co.in">nri-mum@andhrabank.co.in</a>
<b>CHENNAI</b>	<b>Mr. Hari Haran</b>	<b>044-24911869</b>	<a href="mailto:bmche1615@andhrabank.co.in">bmche1615@andhrabank.co.in</a>
<b>BANGALORE</b>	<b>Mr. Harish</b>	<b>080-22959715</b>	<a href="mailto:bmb1696@andhrabank.co.in">bmb1696@andhrabank.co.in</a>
<b>NEW DELHI</b>	<b>Mr. Shankar</b>	<b>011-28758382</b>	<a href="mailto:bmdel1644@andhrabank.co.in">bmdel1644@andhrabank.co.in</a>
<b>HYDERABAD</b>	<b>Ms.Renuka</b>	<b>040-23421286</b>	<a href="mailto:bmhyd1711@andhrabank.co.in">bmhyd1711@andhrabank.co.in</a>

**In this issue we are continuing our article on some of the Foreign Exchange Transactions concerning NRIs (For the former part of the article pl visit our April'10 Bulletin placed in our web site)**

**1.Sale of Foreign Exchange to NON-Residents:**

Reserve Bank of India has permitted Release of Foreign Exchange to Foreign Visitor/Non-Resident Indian up to an amount of USD 3000 in the form of Currency.

**2.Purchase of Foreign Currency from NRI or Foreign Visitor:**

NRI or Foreigner visitor can bring Foreign Currency and Travellers Cheques put together up to an equivalent amount of USD 10000 out of which the currency component should not exceed USD 5000 or its equivalent. If the total amount exceeds USD 10000 one should remember that he has to declare it in the Currency Declaration form(CDF) at the port of entry. Whenever he encashes the Foreign Exchange he should insist for Encashment Certificate and to endorse the particulars of encashment on the back side of the CDF form with particulars of Encashment Certificate and it will be useful incase the NRI or Foreign Visitor wishes to convert unspent rupees to FC again at the time of leaving the country. Unspent Indian Rupees so acquired may be converted to Foreign Currency within 90 days from the date of Encashment.

**3.Facilites of Forward Contract for NON-Resident:**

General Permission has been given to Non-Resident Indian to enter into forward contract with rupee as one of the Currencies, with an authorized dealer in India to hedge:

- + The balances held in Foreign Currency Non-Resident (FCNR) account or Non-Resident External Rupee (NRE) account
- + The amount of dividend due to him on shares held in an Indian Company
- + The amount of investment made under portfolio scheme in accordance with FERA 1973 AND FEMA 2000 subjected to following terms and conditions:
  - o Value of the Forward Contract does not exceed market value of the underlying security
  - o Forward Contracts once cancelled shall not be re-booked but may be rolled over on or before maturity
  - o The cost of hedge is met out of repatriable funds and / or inward remittances through normal banking channel,
  - o All outward remittnces incidental to hedge are net of applicable Indian Taxes.
- + A NRI may enter in to cross currency forward contract to convert balances in his FCNR(B) deposit in to another Foreign Currency in which FCNR (B)

deposits are permitted to be maintained

- ✚ Reserve Bank on application may allow a person resident outside India to purchase a forward contract to hedge his investment made since 1-1-1993.

#### 4. Bringing Gold by NRI into India as a Baggage:

Any passenger of Indian Origin or a passenger holding a valid passport, issued under the Passport Act, 1967, who is coming to India after a period of not less than six months of stay abroad and short visits, if any, made by the passenger during the aforesaid period of six months shall be ignored if the total duration of stay on such visits does not exceed thirty days.

- The duty shall be paid in convertible foreign currency.
- The weight of gold (including ornaments) should not exceed 10 kgs. per passenger.
- The passenger should not have brought gold or other ornaments during any of his visits (short visits) in the last six months i.e. he has not availed of the exemption under this scheme, at the time of short visits.
- Ornaments studded with stones and pearls are not allowed to be imported.
- The passenger can either bring the gold himself at the time of arrival or import the same within fifteen days of his arrival in India as unaccompanied baggage.
- The passenger can also obtain the permitted quantity of gold from Customs bonded warehouse of State Bank of India and Metals and Minerals Trading Corporation subject to conditions (i) and (ii) above. He is required to file a declaration in the prescribed Form before the Customs Officer at the time of arrival in India stating his intention to obtain the gold from the Customs bonded warehouse and pay the duty before clearance

#### Rate of Duty:

Sl.No.	Description of Goods	Rate
1.	Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units and gold coins	Rs. 200 per 10 gms.+ 2% Edu. Cess i.e. Rs. 2/-
2.	Gold in any form other than at Sl.No. 1 above including tola bars and ornaments, but excluding ornaments studded with stones or pearls	Rs. 500 per 10 gms.+ 2% Edu. Cess i.e. Rs. 5/-

**Note:-** The Jewellery which is in addition to the jewellery otherwise allowed without payment of duty, only is liable to payment of duty under the above mentioned scheme of import of gold

#### 5. IMPORT OF SILVER AS BAGGAGE:

(a) Any passenger of Indian origin (even if a foreign national). (b) Any passenger holding a valid passport issued under the Passport Act, 1967

- The weight of silver (including ornaments) should not exceed the quantity of 100 kgs. per passenger.
- Such passenger is coming to India after a period of not less than six months of stay abroad. However, short visits during these six months shall be ignored if the total duration of such short visits does not exceed 30 days and the passenger has not availed of the exemption under this scheme, at the time of such short visits.
- The duty at the rate of Rs.1000 per kg. + 2% Education Cess (total Rs. 1020/- per kg.) is paid by the passenger in convertible foreign currency.
- Ornaments studded with stones and pearls will not be allowed to be imported under the scheme.
- The passenger can either bring the silver himself at the time of arrival or import the same within fifteen days of his arrival in India.

- The passenger can also obtain the permitted quantity of silver From Customs

bonded warehouse of State Bank of India and Metal and Mineral Trading Corporation subject to conditions (i) and (iii). He is required to file a declaration in the prescribed Form before the Customs Officer at the time of arrival in India stating his intention to obtain the silver from the Customs bonded warehouse and pay the duty before clearance

## SNIPPETS

## SNIPPETS

## SNIPPETS

### ANDHRA BANK NEW SPEED REMITTANCE TIE- UP WITH UAE EXCH CENTRE, KUWAIT

Kuwait:Monday7,2010:Andhra Bank has entered into an agreement with UAE Exchange Centre., Kuwait in order to bring up a special scheme which would facilitate speedy remittances to its customers. The scheme was launched by Executive Director Mr. A.A.Taj in a meet of the high net worth (HNI) clients of the bank in Kuwait on 7th June'10. The service would allow NRI customers to remit money from any of the UAE Exchange Centres located in Kuwait. This money would be credited to the accounts of Andhra Bank customers across all 1,560 branches of the bank in India. The amount would be credited the next day after being remitted.

### Indian government caves in to protests, simplifies NRI travel rules

NEW YORK: Monday, June 7, 2010 : The Indian government finally caved in to a tsunami of protests from non-resident Indians (NRIs) and has simplified travel rules to India, throwing out a slew of old passport surrender-related fees and fines.

Some weeks back, Central Government had asked NRIs who had taken up American citizenship — even those who had done it decades back — to renounce their old Indian passports and get “surrender certificates” for payment up to \$425 before receiving a new visa to travel to India.

Finally, after high-decibel protests, the government is scrapping the need for a “surrender certificate” for all Indians who became American citizens prior to June 1, 2010. All they need to do is pay \$20 to stamp their old Indian passport, stating ‘Cancelled as holder acquired US citizenship’.

Those who have lost their old Indian passports have to hand in an affidavit and a copy of their US naturalization certificate.

According to sources, the home ministry and government saw sense after external affairs minister SM Krishna heard from embassy officials in Washington that Delhi’s diktat was slowing down the visa system by introducing bureaucracy and an added burden for those looking to travel to India.

Indians who have acquired American citizenship from June 1 will still have to pay \$175 and get a surrender certificate.

The Indian government insists foreign nationals who travel to India on 10-year multiple-entry tourist visas have a gap of at least 60 days between each visit to India. But people of Indian origin will get special five-year entry visas that will allow them to enter India multiple times without waiting for 60 days between trips.

### Punjab Govt gestures to prospective Migrants to Foreign Countries

CHANDIGARH: If you are going abroad to study or trying to get married in a foreign country and are jittery about credentials of an academy or prospective spouse, Punjab government is now offering help. Waking up to the need to provide a channel to people of the state keen on going abroad, Punjab government has roped in NRI Sabha, to give them advice after verifying credentials of educational institutes and NRIs in foreign countries, to check frauds.

The advisory, for students wishing to study abroad or for those getting married to NRIs, will help people of the state to garner useful information like legal status, before taking the plunge. NRI affairs minister Sewa Singh Sekhwan said, “Since the state has a social obligation, we need to provide a platform where people who have no links and contacts in other countries can verify facts and be on a firm footing rather than grope blindly in the dark.” Naveen Gupta, legal adviser of NRI Sabha, said, “We have studied the matter deeply and realized that it is our own people abroad who are largely involved in duping those back home. Those getting married abroad and desirous of checking credentials, can give us social security number of their prospective spouses and NRI Sabha will find out legal status, which will be emailed as advisory to people concerned.” The advisory, said Sekhwan, will not be binding on individuals. “We can only advice people, and subsequent decisions lie with individuals,” he said. “Social security number, provided by most governments in developed countries, indicates vital information about a person, like whether he is married or not and if he has any criminal complaints against him,” Gupta said.

The move will come in handy for students who are often clueless about the universities, academies and institutes they join. NRI Sabha has prepared an exhaustive list of colleges, institutes and universities in popularly chosen countries including England, Australia, US and New Zealand. The Sabha will give advice on channels from where more information can be accessed, like UK Border Agency, which compiles info on colleges. The advisory will have an official website within this month,” said Sekhwan. “Most countries issue advisories to their citizens and since more than 50% diaspora comprises Punjabis, it is obligatory

for the state to protect its citizens," he said

### **'Complaints against overseas recruiters to be monitored'**

Panaji: 04.06.2010 Complaints against illegal recruiting agents that have been gathering dust with the police department for years will be monitored by a high level committee, state NRI Affairs Commissioner Eduardo Faleiro said.

Speaking to reporters at a press conference in Panaji, Faleiro, a former union minister of state for external affairs, also said that an 'emergency repatriation fund' was being set up to help people, who have been duped by such agents and are in distress in foreign countries. 'The committee headed by me will meet every two months to monitor progress in the complaints filed against such illegal recruiting agents,' Faleiro said. He also claimed that several semi-skilled labourers in Goa fall prey to such illegal recruiting agents, who promise jobs in the Middle East for a hefty fee. 'But when the person reaches the destination country, he is either jobless or is given a job that is not of his choice or that pays a lot less than the one promised,' Faleiro said. To effectively handle such issues, an 'emergency repatriation fund' is in the process of being formed, Faleiro said. 'The fund will extend financial assistance in the most deserving cases of repatriation of Goan workers when they and their families are not in a position to meet the expenses,' Faleiro said, adding that a print and television media awareness campaign was also on the cards to warn job seekers about illegal recruiters. Vice Admiral (ret'd) John C D'Silva, who heads the overseas employment agency that functions under the state government's NRI affairs cell, said that the department was also monitoring advertisements in newspaper released by fraudulent recruitment agents, who are not registered with the Protector General of Emigrants.

The Protector General of Emigrants is a central government agency which is the registering authority for overseas recruiters.

### **Tamil Nadu signs MoU for NRI support for school infrastructure**

Philadelphia: The government of Tamil Nadu has opened up a new vista for financing much-needed school infrastructure in the State through public-private partnerships with domestic and overseas institutions. In a significant step that could boost the government resources for upgrading school facilities, M. Kutralingam, Principal Secretary to the School Education Department, Tamil Nadu, signed a Memorandum of Understanding between the State government and the Tamil Nadu Foundation, a Tamil association in the United States. As per the MoU, the Foundation will be regularly investing funds in school infrastructure projects in numerous districts, building on the 35-plus years of experience that it has in this field. In a statement, Minister for School Education Thangam Thennarasu said, "I am very glad that the TNF has decided to undertake school education in Tamil Nadu as its Focus Project. The government of Tamil Nadu is grateful to the American Tamil community for their support to TNF's Focus Project. We are looking forward to working with the TNF in strengthening the State's school education system." In an interview prior to the signing of the MoU, Mr. Kutralingam said the government of Tamil Nadu The MoU would be valid for a period of five years. After reviewing the results of the partnership and mutual consent, the MoU could be renewed for a further period of two years at a time. The MoU would, however, be applicable to the entire State, paving the way for further investments from both the TNF as well as other overseas entities that wished to partner with the State government.

**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](http://WWW.andhrabank.in)**

**E-mail Address: [nicell@andhrabank.co.in](mailto:nicell@andhrabank.co.in)**

**REP OFFICES:**

**New Jersey : 001 201 420 8088 /**

**001 201 310 9494**

**E-mail**

**I.D:abnjreppoffice@yahoo.com**

**reppoffice@andhrabank.us**

**Dubai :00 971 4 397 6654 / 9**

**E mail I.D: [ab\\_reppoffice@yahoo.co.in](mailto:ab_reppoffice@yahoo.co.in)**

**dubaireppoffice@andhrabank.co.in**

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

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

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

**DISCLAIMER**

This e-mail contains privileged information or information belonging to Andhra Bank and is intended solely for the addressee/s. Access to this email by anyone else is unauthorized. Any copying (whole or partial) or further distribution beyond the original recipient is not intended and may be unlawful. The recipient acknowledges that Andhra Bank is unable to exercise control or ensure or guarantee the integrity of the contents of the information contained in e-mail transmissions and further acknowledges that any views expressed in this message are those of the individual sender and are not binding on Andhra Bank. E-mails are susceptible to alteration and their integrity can not be guaranteed. Andhra Bank does not accept any liability for damages caused on account of this e-mail. If you have received this e-mail in error, please contact the sender and delete the material from your computer.