



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> March, 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	1.84	2.08	2.69	3.20	3.62	A) 1 year and above less than 2 years	2.59
GBP	2.30	2.57	3.11	3.58	3.94		
EURO	2.20	2.45	2.85	3.18	3.47	B) 2 years and above less than 3 years	2.83
CAD	2.25	2.37	2.94	3.36	3.69		
AUD	6.05	5.99	6.22	6.50	6.65	C) 3 years and above	3.44

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

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.

**FOREX MARKET DURING  
February'10**

USD/INR	Open	High	Low	Close
	46.38	46.8650	45.9350	46.0850

Rupee opened and traded with firm bias, despite dollar's strength against major currencies and continued risk aversion in the financial markets induced by sovereign fiscal deficit problems in UK, Greece, Spain, Portugal and Ireland. The cascading effect of global risk aversion could not hold the local currency from its gains. Crucial budget by Union Government was well received by the local equity market which gained considerably, aiding the local currency to continue in positive territory. Decent FII inflows and negligible dollar demand from importers and oil companies, despite spurt in crude prices, helped rupee to appreciate by almost 45 paise from its opening levels.

**BULLION MARKET DURING  
February '10**

Open	High	Low	Close
\$1079.70	\$1130.65	\$1043.75	\$1116.70

Gold continued to gain as risk aversion in global financial markets induced by sovereign fiscal debt problem in UK and some of the Euro Zone countries prompted investors to shift towards the yellow metal for hedging. Demand from emerging economies and ETFs helped gold to continue with firm bias. Bullion held gains despite a report showing that China would buy IMF's gold was unfounded.

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

**Open 7.5837/High 7.9692/  
Low 7.5649/Close 7.8634**

Dated securities opened almost flat at 7.5837% against previous close of 7.5850%. Selling initiated in dated securities due to comments from RBI Governor and Dy. Governor on yield movement and inflation. The negative sentiment continued through out the month due to good IIP data for Dec.,09 at 16.80% and inflation came at 8.56% against 7.31% of last month. The fear of high Govt. borrowing to be announced on budget day (26<sup>th</sup> February, 2010) added further fuel to the rising yields. In the Union Budget for 2010-11, Finance Minister announced a gross borrowing of Rs.4.57 trillion crores with a net borrowing of Rs.3.45 trillion crores

**Equity Market during February'10**

	SENSEX	NIFTY
<b>OPEN</b>	16331.91	4882.05
<b>HIGH</b>	16669.25	4992.00
<b>LOW</b>	15651.99	4675.40
<b>CLOSE</b>	16429.55	4922.30

Markets after a lackluster performance in the month of January'10 moved in a range during the current month. Markets were volatile throughout the month. The union budget brought much needed relief to the markets. After Union budget, market sentiment improved which helped Index to stabilize around 16429 levels.

**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:**

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**In this issue we are furnishing FAQs related to Acquisition and Transfer of Immovable Property which are of interest to NRIs.**

## **Acquisition and Transfer of Immovable Property in India by a Person Resident outside India.**

Acquiring immovable property in India by persons resident outside India is regulated in terms of Section 6(3) (i) of the Foreign Exchange Management Act (FEMA), 1999 as well as by the regulations contained in Notification issued by RBI viz Notification No FEMA. 21/2000-RB dated May 3, 2000, as amended from time to time.

The persons resident outside India are categorized as Non- Resident Indians (NRIs) or a foreign national of Indian Origin (PIO) or a foreign national of non-Indian origin. A person resident in India who is not a citizen of India is also covered under relevant notifications.

### **GENERAL RULES:**

1. A person resident outside India can hold, own, transfer or invest in Indian currency, security or any immovable property situated in India if such currency, security or property was acquired, held or owned by such person when he was a resident in India or inherited from a person who was a resident in India.

2. NRI or a PIO is permitted to acquire immovable property in India other than agricultural land or, plantation property or farm house. Further, foreign companies who have been permitted to open an office in India are also allowed to acquire any immovable property in India, which is necessary for or incidental to carrying on such activity. This stipulation is not available to entities which are permitted to open liaison offices in India.

3. The restrictions on acquiring immovable property in India by a person resident outside India would not apply where the immovable property is proposed to be acquired by way of a lease for a period not exceeding 5 years or where a person is deemed to be resident in India.

4. However, citizens of Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal or Bhutan cannot acquire or transfer immovable property in India, (other than on lease, not exceeding five years) without prior permission of the Reserve Bank.

While the statutory and regulatory provisions are indicated above, Reserve Bank of India is receiving several queries from individuals on operational procedures regarding acquisition, holding and transferring of immovable property in India and repatriating/remitting the proceeds arising from sale of such property. In order to clarify these issues, RBI has attempted a set of FAQs on various issues relating to acquisition and transfer of immovable property in India by a person resident outside India and a person resident in India who is not a citizen of India.

**In case there are other issues to be resolved, a reference may be made to the  
Chief General Manager-in-Charge,  
Foreign Exchange Department  
Foreign Investment Division,  
Reserve Bank of India,  
Central Office  
Mumbai- 400 001.**

## **ACQUISITION OF IMMOVABLE PROPERTY IN INDIA**

### **Q.1 Who can purchase immovable property in India?**

A.1 Under the general permission available, the following categories can freely purchase immovable property in India:

- i) Non-Resident Indian (NRI)- that is a citizen of India resident outside India
- ii) Person of Indian Origin (PIO)- that is an individual (not being a citizen of Pakistan or Bangladesh or Sri Lanka or Afghanistan or China or Iran or Nepal or Bhutan), who

- 1. at any time, held Indian passport, or
- 2. who or either of whose father or grandfather was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955).

The general permission, however, covers only purchase of residential and commercial property and not for purchase of agricultural land / plantation property / farm house in India.

### **Q.2. Whether NRI/PIO can acquire agricultural land/ plantation property / farm house in India?**

A.2. No. Since general permission is not available to NRI/PIO to acquire agricultural land/ plantation property / farm house in India, such proposals will require specific approval of Reserve Bank and the proposals are considered in consultation with the Government of India. b

### **Q.3. Do any documents need to be filed with Reserve Bank of India after purchase?**

A.3. No. An NRI / PIO who has purchased residential / commercial property under general permission, is not required to file any documents with the Reserve Bank.

### **Q.4. How many residential / commercial properties can NRI / PIO purchase under the general permission?**

A.4. There are no restrictions on the number of residential / commercial properties that can be purchased.

### **Q.5. Can a foreign national of non-Indian origin be a second holder to immovable property purchased by NRI / PIO?**

A.5. No.

### **Q.6. Can a foreign national of non-Indian origin resident outside India purchase immovable property in India?**

A.6. No. A foreign national of non-Indian origin, resident outside India cannot purchase any immovable property in India. But, he/she may take residential accommodation on lease provided the period of lease does not exceed five years. In such cases, there is no requirement of taking any permission of or reporting to Reserve Bank

### **Q.7 Can a foreign national who is a person resident in India purchase immovable property in India?**

A.7. Yes, but the person concerned would have to obtain the approvals, and fulfill the requirements if any, prescribed by other authorities, such as the concerned State Government, etc However, a foreign national resident in India who is a citizen of Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal and Bhutan would require prior approval of Reserve Bank. Such requests are considered by Reserve Bank in consultation with the Government of India.

**Q.8 Can an office of a foreign company purchase immovable property in India?**

A.8. A foreign company which has established a Branch Office or other place of business in India, in accordance with FERA / FEMA regulations, can acquire any immovable property in India, which is necessary for or incidental to carrying on such activity. The payment for acquiring such a property should be made by way of foreign inward remittance through proper banking channel. A declaration in form IPI should be filed with Reserve Bank within ninety days from the date of acquiring the property. Such a property can also be mortgaged with an Authorised Dealer as a security for other borrowings. On winding up of the business, the sale proceeds of such property can be repatriated only with the prior approval of Reserve Bank. Further, acquisition of immovable property by entities who had set up Branch Offices in India and incorporated in Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal and Bhutan would require prior approval of Reserve Bank to acquire such immovable property. However, if the foreign company has established a Liaison Office, it can not acquire immovable property. In such cases, Liaison Offices can take property by way of lease not exceeding 5 years.

**Q.9 Whether immovable property in India can be acquired by way of gift?**

A.9.

(a) Yes, NRIs and PIOs can freely acquire immovable property by way of gift either from

- i) a person resident in India or
- ii) an NRI or
- iii) A PIO.

However, the property can only be commercial or residential. Agricultural land / plantation property / farm house in India cannot be acquired by way of gift.

(b) A foreign national of non-Indian origin resident outside India cannot acquire any immovable property in India through gift.

**Q.10. Whether a non-resident can inherit immovable property in India?**

A.10. Yes, a person resident outside India i.e.

- i) an NRI
- ii) a PIO and
- iii) A foreign national of non-Indian origin can inherit and hold immovable property in India from a person who was resident in India. However, a citizen of Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal and Bhutan should seek specific approval of Reserve Bank.

**Q.11. From whom can the non-resident inherit immovable property?**

A.11. A person resident outside India (i.e. NRI or PIO or foreign national of non-Indian origin) can inherit immovable property from

- (a) A person resident in India.
- (b) a person resident outside India

However, the person from whom the property is inherited should have acquired the same in accordance with the foreign exchange regulations applicable at that point of time.

II. Transfer of immovable property in India

- (i) Transfer by Sale

**Q.12 Can an NRI/ PIO/foreign national sell his residential / commercial property?**

A.12. (a) NRI can sell property in India to-

- i) a person resident in India or
- ii) an NRI or
- iii) A PIO.

(b) PIO can sell property in India to

- i) A person resident in India.
- ii) an NRI or
- iii) a PIO – with the prior approval of Reserve Bank

(c ) Foreign national of non-Indian origin including a citizen of Pakistan or Bangladesh or Sri Lanka or Afghanistan or China or Iran or Nepal or Bhutan can sell property in India with prior approval of Reserve Bank to

- i) a person resident in India
- ii) an NRI
- iii) a PIO

**Q.13. Can an agricultural land / plantation property / farm house in India owned / held by a non-resident be sold?**

A.13. (i) (a) NRI / PIO may sell agricultural land /plantation property/farm house to a person resident in India who is a citizen of India.

(b) Foreign national of non-Indian origin resident outside India would need prior approval of Reserve Bank to sell agricultural land/plantation property/farm house in India

(ii) Transfer by gift

**Q.14. Can a non-resident gift his residential / commercial property?**

A.14. Yes.

(a) NRI / PIO may gift residential / commercial property to -

- (i) person resident in India or
- (ii) an NRI or
- (iii) PIO.

(b) Foreign national of non-Indian origin needs prior approval of Reserve Bank.

**Q.15. Can an NRI / PIO / Foreign national holding an agricultural land / plantation property / farm house in India gift the same?**

A.15. (i) NRI / PIO can gift but only to a person resident in India who is a citizen of India.

(ii) foreign national of non-Indian origin needs prior approval of Reserve Bank

(iii) Transfer through mortgage

**SNIPPETS**

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**SNIPPETS**

**'NRIs of Andhra Pradesh Welfare Fund Bill' Passed**

Hyderabad | Mar 06, 2010 The Andhra Pradesh Cabinet, which met here tonight under the chairmanship of Chief Minister K Rosaiah, cleared the 'NRIs of Andhra Pradesh Welfare Fund Bill, 2010,' for introduction in the ongoing Budget session of the state Legislature. The proposed legislation provides for payment of pension to every registered member on attaining the age of 60 years. Besides, an NRI Insurance Scheme will also be launched with the contribution of the member and co-contribution of the state government. A senior minister said every NRI from Andhra Pradesh in the 18-50 age group would be eligible for registration as a member of the Fund by paying Rs 500 as registration fee. They would have to pay Rs 2,000 every six months as their contribution while repatriates should pay Rs 1,000.

### **NRI Doctor elected President of the largest county medical society in USA**

Hyderabad, Andhra Pradesh, March 12, 2010 Dr. Gurunath Reddy, graduate of Osmania Medical College, Hyderabad India is elected as President of the Harris County Medical Society, the largest county medical society in the United States of America, representing eleven thousand doctors. He will serve as President-Elect for the year of 2010 and installed as the 110th president in January 2011. He is the first physician of Indian origin to receive the highest honor of the society, in Texas. Dr. Reddy also had the distinction of serving as President of the Houston Academy of Medicine for the year 2008-2009 whose representation also included Physicians from "the world's largest medical center", - Texas Medical Center in Houston, Texas.

### **NRI's offered scholarships -June 10 last date for receipt of applications**

The Ministry of Overseas Indian Affairs, Government of India has announced the Scholarship Programme for Diaspora Children (SPDC 2010-2011) to assist children/wards of PIOs / NRIs to pursue undergraduate courses in several disciplines in India. The Educational Consultants India Limited (Ed.CIL), a Government of India Enterprise, has been designated as the Nodal Agency for implementation of the SPDC.

The following are the highlights of the SPDC 2010-2011 :

- 100 scholarships are being offered for undergraduate courses in several disciplines including Engineering/Architecture/Technology, Humanities/Liberal Arts, Commerce, Management-BBA/BBM, Computer-BCA, Journalism, Hotel Management, Agriculture/Animal Husbandry, Sciences, Law, etc.
- The programme is open only to PIOs/NRIs from the specified 40 countries, including Kuwait, having a larger concentration of Indian Diaspora.
- 50 percent of the scholarship would be reserved for PIOs. However, in the event of non-availability of suitable PIO candidates, the unfilled slots could be assigned to NRI candidates.
- NRI candidates would be eligible for the grant of scholarship only if their total family income per month does not exceed an amount equivalent to US \$2,250 (US dollars two thousand two hundred and fifty only).
- Children of NRIs should have pursued at least three years of education inclusive of 11th & 12th or equivalent (not beyond), in a foreign country during the last six years, and should have passed the qualifying examination abroad.

The last date for receipt of duly filled-in application forms in the prescribed format by Ed.CIL is 10th June 2010.

### **NRI meet helps build business partnerships**

DOHA 14/03/10:With more than 60 global non-resident Indian (NRI) and people of Indian origin (PIO) industrialists and businessmen gathered here for the NRI Global Summit that ended in Doha yesterday. A number of business partnerships have come into being. Proving the meet had attained its aim to establish Indian and global business networks, most of the entrepreneurs are now set to put their partnership into action. This is in a long run going to help promote Indian trade relations.

### **NRI WINS UNITED NATIONS GREEN PRIZE**

A portable light that can be recharged by pedaling for 20 minutes and was developed for use in areas not wired for electricity, has won a Canadian of Indian origin the prestigious Sasakawa Prize of the United Nations Environment Programme (UNEP).

The device has been developed by Nuru Design (Nuru means light in Swahili), headed by social entrepreneur Sameer Hajee, a Canadian national with roots in India and Kenya.

Speaking from Bali where he received the award, Hajee said a pilot project was already in place in Madhya Pradesh and Orissa and he expected the units to be rolled out by this summer with 300,000 units in place by the end of the year.

The device, called the Nuru light, is essentially a lighting system that can be recharged by a pedal generator — the Nuru POWERCycle.

According to the UNEP statement announcing the award, "gentle pedaling for 20 minutes using feet or hands, bicycle-style, can fully recharge up to five Nuru lights... The lights give up to two weeks of bright light on a full recharge."

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