



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 February'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	1.78	2.24	2.71	3.15	A) 1 year and above less than 2 years	2.53
GBP	2.53	2.75	3.22	3.60	3.91		
EURO	2.57	3.03	3.36	3.62	3.84	B) 2 years and above less than 3 years	2.53
CAD	2.89	2.79	3.10	3.40	3.66		
AUD	6.60	6.25	6.36	6.60	6.72	C) 3 years and above	2.99

(*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
January'11**

**BULLION MARKET DURING
January'11**

	Open	High	Low	close
USD/ INR	44.73	45.84	44.63	45.77

	Open	High	Low	close
	\$1420.80	\$1423.57	\$1308.00	\$1331.81

Local currency extended its losses after persistent dollar demand from corporates. Oil refineries pulled the rupee to seven week low against dollar, despite dollar weakness against its counter parts. Improved sentiment on European debt crisis prompted investors to go for riskier currencies. ECB president warning on inflation raised expectations of hiking interest rates and helped the single euro currency to gain against the dollar. Rupee weakness followed in the subsequent weeks also as capital out flows on account of negative equity indices, weighed on the local currency unit. Although dollar recovered a bit of its earlier losses against the major currencies after the latest geo political tension in Egypt, it could not sustain its gains on expectations of interest rates hike by European Union and UK, thereby making the rupee close weaker. Rupee may weaken further on account of capital outflows and dollar demand from oil companies and importers due to spurt in commodity prices.

Gold opened a bit higher at \$1420.80 from previous month close of \$1419.45. This month we have seen a continuous decline in gold. Decline was supported by contingency plans made by German officials if Greece defaults. This has given an improved economic outlook of the euro region. Also good demand of Portuguese debt at auction, removed safe heaven appeal of gold. U.S manufacturing and private employees' data were positive and that strengthened dollar. Worries over monetary tightening from china to rein inflation pulled bullion further down. There was a jump from \$1308 to \$1346 levels on account of geo political tensions. Inflation is still a worry for major economies of the world on which gold can gain.

G-Sec Market during January'11

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

The 7.80% GS 2020 levels	YIELDS (%)
OPEN	7.9388
HIGH	8.2580
LOW	7.9388
CLOSE	8.1399

opened at 7.9388% against the previous month's closing level of 7.9126% as market was cautious ahead the auction announcement of ₹ 11,000 cr and absence of fresh triggers. RBI announced auction of 10-year benchmark security in the auction. The comments by RBI governor that country was facing surging inflation further added to the selling pressure. The 10-year benchmark security touched a high of 8.2580% during the month. The IIP figure for the month of November came at 2.70% against the previous month level of 10.80%. However, this could provide any support to the market as market was cautious ahead of monthly inflation data. The monthly inflation data for October month revised upside to 9.12% from 8.58%. In the quarterly monetary policy review, RBI raised Repo and Reverse Repo rates by 25 basis points each with immediate effect in the policy review. This provided bidding interest to the market as it was as per market expectations and yields softened by 8-10 basis points from the month's highs. The yield on 10 year bench mark security hardened by 23 basis points during the month and closed at 8.1399%

Equity Market during January'11

INDEX	BSE	NIFTY
OPEN	20621.61	6177.45
HIGH	20664.80	6181.05
LOW	18038.48	5416.65
CLOSE	18327.76	5505.90

First week, Markets started the week on a bullish note with a positive bias. The positive news pertaining to strong earnings during December quarter, helped the market to trade higher. After a recent surge, IT stocks witnessed some correction. PSU OMC's fell after Oil Minister said the government is trying for no further increase in the domestic price of diesel. Markets were down on Thursday as there is rise in food inflation in December 2010 rekindled fears of interest rate hike by the RBI. Fertilizer shares declined after the government deferred a decision to free the prices of urea. Due to the absence of latent buying even at lower levels, selling pressure compelled Nifty to trade lower. **Second Week**, Markets were down all the days except on Tuesday. Markets closed positive on Tuesday because of short covering that took place in various stocks. This week markets were down because of negative factors as well as global cues. Domestic factors include IIP data for November, which came very low at 2.7% versus 10.8% (MoM) and Inflation for the month of December surged to 8.43% versus 7.48% as of November 2010. Lesser than expected top line and bottom line figures announced by Infosys also caused the damage to the markets. On global front, China raised reserve requirement ratio by 50 basis points from January 20th which brought the markets down on Friday by 1.68%.

Third week, Markets opened on a weak note over China's rate hike decision and continued the previous week weakness but withstood the initial setback and recovered from the lows. Tuesday markets went up on the back of very good results from TCS and value buying and short covering in banks. Wednesday markets closed on negative note on profit booking even after positive opening tracking positive global cues. Thursday after a shaky start mirroring the weakness in Asian Markets, markets recovered on the back of rally in banking counters. Friday markets traded in a range before closing marginally low. **Fourth Week**, Markets opened on a positive note on the back of good results from State Bank of India. Markets were down on Tuesday, after the comments from RBI governor on economic growth slowdown which dampened the sentiment. On Thursday, Markets were very volatile being the F&O expiry day and closed on negative note as selling continued. On Friday, markets were down as sharp sell off witnessed across the board and broke the psychological level of 5500 during intraday before closing above 5500.

Frequently Asked Questions on our AB Demat & AB e-trade

1. What is Dematerialisation?

Dematerialisation ("Demat" in short form) signifies conversion of securities from its physical form to electronic form for the same number of holding which is credited to demat account of the the customer with a Depository Participant (DP). Now Investors can dematerialise their mutual fund units held in statement of account mode.

2. What are the major benefits of having a demat account?

To trade in securities or to apply for IPO of the company, all investors need to have compulsory demat account as per SEBI guidelines.

- Faster settlement cycles
- No risk of bad deliveries
- No stamp duty is levied on transfer of securities held in demat form.
- Dematerialised securities are most preferred by banks and other financiers for providing credit facility against securities. Generally, demat securities attract lower margin and lower rates of interest compared to physical securities.
- Investors prefer to buy shares which are already in dematerialized form to eliminate delays, thefts, interceptions and fake certificates.
- Corporate Actions like Bonus /Rights/Split of shares can be credited by issuer directly into Demat Account.

3. why should investors prefer to buy shares in the Depository mode?

Buying shares already in the depository mode, the buyer will become the owner of those shares in the depository within a day of the settlement being completed. Buyer will not have to apply to the company for transferring the shares in their name. There will not be any fear that any fake or stolen shares have been delivered.

4. Who can open Demat Account ?

An individual resident, Non-Resident Indian (Repatriable and non-repatriable), Foreign National, HUF, Trusts, Societies, corporate Bodies(domestic and foreign) , OCBs,Financial Institution, FII,, Mutual Funds, Banks.

5. Depository Services offered by our BANK

Andhra Bank now offers you the power of the value-added, service-oriented Demat account-with brand name "AB Demat".

Andhra Bank is Depository participant of Central Depository Services Ltd (CDSL). DP ID No: 13040800 and National Securities Depository Services Ltd (NSDL)- DP ID No. IN303204 to cater to your individual needs as diverse as your portfolio. AB Demat will empower you with hassle-free, fast and accurate electronic transactions. The services broadly

- Opening of at Demat Accounts and maintaining holdings in electronic form.
- Dematerialization
- Rematerialisation
- Settlement of trades by delivering/receiving underlying securities in Demat accounts.
- Settlement of off-market trades i.e transactions between Demat Account holders outside the Stock exchange.
- Receiving Corporate Actions on behalf of demat account holder such as allotment of securities resulting upon bonus / rights/split, merger and merger.
- Pledging and un-pledging.

Some more Questions will be given in the next bulletin.

Prepared by U Vijayanand, Manager, Andhra Bank,Centralised DP Main Branch, Hyderabad

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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National Seminar on Issues Relating to NRI Marriages

Inaugurating a National Seminar on "Issues Relating to NRI Marriages" in New Delhi Smt. Krishna Tirath, Minister of Women & Child Development (WCD) reasserted that Registration of Marriages needs to be made mandatory in the country. She said that Ministry of External Affairs MEA has set-up special cell in each mission to render help to the victims of NRI Marriages. She asked Officers from the Indian Embassies to visit the homes in foreign land to ensure the wellbeing of girls facing problems in their marriage to NRIs. She added that it is equally important to create awareness in the States & Union Territories especially for girls from the rural background. NGOs and religious places need to put up informative pamphlets and boards to focus on registering NRI Marriages. This will be extremely helpful in case of desertion or legal proceedings. She emphasized the need for concrete legislation in the said matter. Also Registration in that country where the girl is going to settle should also be done, she added.

NCW has been made the coordinating agency at the national level to receive and process all complaints relating to Indian women deserted by the overseas Indian husbands by the notification of the Ministry of Overseas India Affairs in 2009. This is as per the recommendations of the Parliament Committee on Empowerment of Women. The Commission has started NRI Cell dealing exclusively with matters relating to deserted Indian women by their overseas Indian husbands. 515 numbers of complaints have been registered till 31st December, 2010 in which 416 are from India, 15 from USA, 11 from Australia, 8 from U.K., 6 from Thailand, and 5 from UAE. In India, maximum number of cases are from Delhi 68, followed by UP 42, Haryana 36, Punjab 27, Maharashtra 27, Gujarat 25, Andhra Pradesh 24, and 13 cases each from West Bengal and Tamil Nadu. The Committee on Empowerment of Women established for solving the problem drawn from the Supreme Court has suggested that any Court abroad cannot dismiss the marriage solemnised in India and the alimony should be given to the girl. Dr. Girija Vyas also stressed the need for compulsory registration of marriages solemnised in India. There is a need for a separate legislation to address issues including matrimonial discord, maintenance of spouses and children, child custody, settlement of property and others. This can serve as a comprehensive ready-reference for foreign courts deciding litigation between NRI and Indian citizens.

New law to ensure safety of NRI property

The Punjab government has assured NRIs of safety of their property in the state, through a new law whereby the consent of the real owner would be a must for sale. These assurances were given by Punjab DGP PS Gill to a delegation of NRIs from North America, who aired their grievances of fraudulent sale of their properties in connivance with the revenue and police officials. President of the North American Punjabi Association, Satnam Singh Chahal, told The Indian Express that the DGP has stated that the state would soon enact a new law whereby no property of NRIs would be sold through the Power of Attorney granted by them to their property caretakers in India. "All such properties of NRIs would be transferred/sold only after the revenue department informs the Deputy Commissioner of the area, who, in turn, would contact the real NRI property-owner and seek his consent for sale of property," said Chahal.

Indian doctors abroad are keen to work in a variety of ways, including voluntary work

January 09, 2011, New Delhi: Around 300,000 doctors of Indian origin are working abroad and they are willing to help the Indian government in a variety of ways, a leading Britain-based doctor said. "Indian doctors abroad are keen to work in a variety of ways, including voluntary work, support in collaborative research and medical education," Doctor Ramesh Mehta, secretary general of the Global Association of Physicians of Indian origin (GAPIO), told a news agency. Mehta, who is also president of the British Association of Physicians of Indian Origin (BAPIO), said: "There is hardly any country in the world where Indian doctors are not working. We want to coordinate their efforts to make it more beneficial to India by identifying their area of interest and matching it with the needs of the country." According to him, over 40,000 doctors of Indian origin were working in the UK's National Health Service (NHS), a publicly funded healthcare system. "Approximately 10,000 doctors are retired or retiring and 15,000 doctors are in training and they are looking for opportunities in India. There is scope for a reverse brain drain," Mehta said. He said there is great scope of research for cheap drugs to tackle problems of infections and diseases like diabetes in India. "The collaboration can be done with the pharmaceutical industry in India. Many Indian doctors abroad are working in the field of research and teaching," he added. Mehta said that his earlier efforts to form tie-ups in research and education did not work due to "bureaucratic obstacles." "Things are happening but not in the way they should... It takes time to get any work done. There is the question of recognition of foreign qualifications which has not been sorted out by the Indian Medical Council and the government. Simple things take so long," he said. Suggesting an NHS-like health care system for India, Mehta said the government should invest in public health as the burden of disease causes loss of productivity. "The state has to play a bigger role because of the poor economic condition of a majority of the population," he said.

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