



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

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INTEREST RATES ON FCNR (B) /RFC DEPOSITS (with effect from 01.03.2015):

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

CURRENCY	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
USD	1.51	1.91	3.26	3.51	3.70
GBP	1.68	2.01	3.24	3.42	3.55
EURO	1.10	1.10	2.14	2.21	2.28
CAD	1.95	1.90	2.97	3.07	3.18
AUD	3.11	3.11	4.15	4.33	4.43
JPY	1.15	1.15	2.16	2.19	2.23
CHF	0.56	0.30	1.41	1.55	1.70
DKK	1.03	1.11	2.20	2.29	2.41
NZD	4.58	4.57	5.66	5.68	5.71
SEK	1.06	1.14	2.26	2.41	2.56

INTEREST RATES ON NRE TERM DEPOSITS (with effect from 09.12.2014):

Revised Slabs/Period	Revised Rate of Interest (%) p.a.	
	Less than Rs. 1 Crore	Rs.1 Crore to Rs. 10 Crores
a) 1year to 2 Years	8.75	8.75
b) Above 2 Years - up to 3 years	8.50	8.50
c) Above 3 Years - up to 10 years	8.50	8.25

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

Specialized NRI Branch	Contact Person	Telephone No	Email address
MUMBAI	Ms. Sunita Khadgi	Ph: 022 - 26233338 Mob: +91 8691033730	nri-mum@andhrabank.co.in bmmum1642@andhrabank.co.in
NEW DELHI	Mr. Manish Kumar Sinha	Ph: 011 - 26167590 Mob: +91 8595408180	bmdel1644@andhrabank.co.in
HYDERABAD	Mr. Balaji	Ph: 040- 23421286	bmhyd1711@andhrabank.co.in

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

Representative Office, USA	Representative Office, Dubai
<p>Mr. P Ramakrishna, Chief Representative New Jersey : 001 201 420 8088 / 001 201 310 9494 E-mail ID: reppoffice@andhrabank.us usreppoffice@andhrabank.co.in</p>	<p>Mr. G Srinivasa Madhu, Chief Representative Dubai : 00971 4 397 6654 Mobile 00971 50 4583910 :: Fax 00971 4 397 6659 E mail ID: dubaireppoffice@andhrabank.co.in</p>

Features of various Deposit Schemes available to Non-Resident Indians (NRIs):

(Updated as on February 02, 2015)

Features of various Deposit Schemes available for Non-Resident Indians (NRIs)¹

Particulars	Foreign Currency (Non-Resident) Account (Banks) Scheme [FCNR (B) Account]	Non-Resident (External) Rupee Account Scheme [NRE Account]	Non-Resident Ordinary Rupee Account Scheme [NRO Account]
(1)	(2)	(3)	(4)
Who can open an account	NRIs (individuals / entities of Bangladesh / Pakistan nationality / ownership require prior approval of RBI)	NRIs (individuals / entities of Bangladesh / Pakistan nationality/ownership require prior approval of RBI)	Any person resident outside India (other than a person resident in Nepal and Bhutan). Individuals / entities of Pakistan nationality / ownership, entities of Bangladesh ² ownership and erstwhile Overseas Corporate Bodies ⁵ require prior approval of the Reserve Bank.
Joint account	In the names of two or	In the names of two or more	May be held jointly with

	<p>more non-resident individuals provided all the account holders are persons of Indian nationality or origin;</p> <p>Resident close relative (relative as defined in Section 6 of the Companies Act, 1956) on 'former or survivor' basis. The resident close relative shall be eligible to operate the account as a Power of Attorney holder in accordance with extant instructions during the life time of the NRI/ PIO account holder.</p>	<p>non-resident individuals provided all the account holders are persons of Indian nationality or origin;</p> <p>Resident close relative (relative as defined in Section 6 of the Companies Act, 1956) on 'former or survivor' basis. The resident close relative shall be eligible to operate the account as a Power of Attorney holder in accordance with extant instructions during the life time of the NRI/ PIO account holder.</p>	<p>residents</p>
Nomination	Permitted	Permitted	Permitted
Currency in which account is denominated	Any permitted currency i.e. a foreign currency which is freely convertible	Indian Rupees	Indian Rupees
Repatriability	Repatriable	Repatriable	Not repatriable except for the following: i) all current income and ii) up to USD 1 (one) million per financial year (April-March), by A NRI/ PIO.
Type of Account	Term Deposit only	Savings, Current, Recurring, Fixed Deposit	Savings, Current, Recurring, Fixed Deposit
Period for fixed deposits	For terms not less than 1 year and not more than 5 years.	From one to three years, However, banks are allowed to accept NRE deposits above three years from their Asset-Liability point of view	As applicable to resident accounts.
Rate of Interest	With effect from March 1, 2014 (i) deposits of 1 year to less than 3 year maturity, interest shall be paid within the ceiling rate of LIBOR/ SWAP rates plus 200 basis points; (ii) deposits of 3-5 years maturity, interest shall be paid within the ceiling rate of LIBOR/ SWAP rates plus 300 basis points	With effect from March 1, 2014, interest rates offered by banks on NRE deposits cannot be higher than those offered by them on comparable domestic rupee deposits.	Banks are free to determine their interest rates on savings deposits under Ordinary Non-Resident (NRO) Accounts. However, interest rates offered by banks on NRO deposits cannot be higher than those offered by them on comparable domestic rupee deposits.

	On floating rate deposits, interest shall be paid within the ceiling of SWAP rates for the respective currency /maturity plus 200 bps/ 300 bps as the case may be. For floating rate deposits, the interest reset period shall be six months.		
Operations by Power of Attorney in favour of a resident by the non-resident account holder	Operations in the account in terms of Power of Attorney is restricted to withdrawals for permissible local payments or remittance to the account holder himself through normal banking channels.	Operations in the account in terms of Power of Attorney is restricted to withdrawals for permissible local payments or remittance to the account holder himself through normal banking channels.	Operations in the account in terms of Power of Attorney is restricted to withdrawals for permissible local payments in rupees, remittance of current income to the account holder outside India or remittance to the account holder himself through normal banking channels. Remittance to the NRI/ PIO account holder is subject to the ceiling of USD 1 (one) million per financial year.
<u>Loans</u>			
<u>a. In India</u>			
i) to the Account holder	Permitted without any ceiling subject to usual margin requirements.	Permitted without any ceiling subject to usual margin requirements	Permitted subject to the extant rules ³
ii) to Third Parties	Permitted without any ceiling subject to usual margin requirements.	Permitted without any ceiling subject to usual margin requirements.	Permitted, subject to conditions ⁴
<u>b. Abroad</u>			
i) to the Account holder	Permitted without any ceiling subject to usual margin requirement	Permitted without any ceiling subject to usual margin requirement	Not Permitted
ii) to Third Parties	Permitted without any ceiling subject to usual margin requirements.	Permitted without any ceiling subject to usual margin requirements.	Not Permitted
<u>c. Foreign Currency Loans in India</u>			
i) to the Account holder	Permitted without any ceiling subject to usual margin requirements.	Permitted without any ceiling subject to usual margin requirements.	Not Permitted
ii) to Third Parties	Permitted without any ceiling subject to usual margin requirements	Permitted without any ceiling subject to usual margin requirements	Not Permitted

Purpose of Loan			
a. In India			
i) to the Account holder	i) Personal purposes or for carrying on business activities * ii) Direct investment in India on non-repatriation basis by way of contribution to the capital of Indian firms / companies iii) Acquisition of flat / house in India for his own residential use. (Please refer to para 9 of Schedule 2 to FEMA 5).	i) Personal purposes or for carrying on business activities.* ii) Direct investment in India on non-repatriation basis by way of contribution to the capital of Indian firms / companies. iii) Acquisition of flat / house in India for his own residential use. (Please refer to para 6(a) of Schedule1 to FEMA 5).	Personal requirement and / or business purpose.*
ii) to Third Parties	Fund based and / or non-fund based facilities for personal purposes or for carrying on business activities *. (Please refer to para 9 of Schedule 2 to FEMA 5).	Fund based and / or non-fund based facilities for personal purposes or for carrying on business activities *. (Please refer to para 6(b) of Sch. 1 to FEMA 5)	Personal requirement and / or business purpose *
b. Abroad To the account holder and Third Parties	Fund based and / or non-fund based facilities for bonafide purposes.	Fund based and / or non-fund based facilities for bonafide purposes.	Not permitted.
<p>* The loans cannot be utilised for the purpose of on-lending or for carrying on agriculture or plantation activities or for investment in real estate business.</p> <p>Source: http://www.rbi.org.in/scripts/FAQView.aspx?Id=69 Dt 07.03.2015</p>			

Regulatory changes under Foreign Exchange Management

a. Security for External Commercial Borrowings:

The Reserve Bank, on January 1, 2015, permitted Authorised Dealers Category-I (AD Category-I) banks to allow creation of charge on immovable assets, movable assets, financial securities and issue of corporate and / or personal guarantees in favour of overseas lender / security trustee, to secure the External Commercial Borrowings (ECB) to be raised / raised by the borrower, subject to satisfying themselves about stipulations. The AD Category-I bank may permit creation of charge on immovable assets, movable assets, financial securities and issue of corporate and / or personal guarantees, during the currency of the ECB with security co-terminating with underlying ECB, subject to the prescribed conditions.

b. Non-Resident Guarantee for Non-Fund Based Facilities:

The Reserve Bank, on January 6, 2015, clarified that residents that are subsidiaries of multinational companies can also hedge their foreign currency exposure through permissible derivative contracts executed with an AD Category-I bank in India on the strength of guarantee of its non-resident group entity. The method of discharge of liability by the non-resident guarantor under the guarantee and the subsequent repayment of the liability by the principal debtor remain unchanged.

c. Foreign Investment in India by FPIs:

The Reserve Bank on February 3, 2015, instructed all authorised persons that all future investments by Foreign Portfolio Investors (FPI) within the limit for investment in corporate bonds are required to be made in corporate bonds with a minimum residual maturity of three years. Further, all future investments against the limits vacated when the current investment runs off either through sale or redemption, shall be required to be made in corporate bonds with a minimum residual maturity of three years. FPIs shall not be allowed to make any further investment in liquid and money market mutual fund schemes. There will, however, be no lock-in period and FPIs shall be free to sell the securities (including those that are presently held with less than three years residual maturity) to domestic investors. Further, operational guidelines, if any, will be issued by SEBI.

d. Import of Goods into India:

As part of liberalization of procedures, the Reserve Bank, on February 12, 2015, dispensed with the requirement of submitting request in Form A-1 to the authorized dealer (AD) category- I banks for making payments towards imports into India. AD Category – I may however, need to obtain all the requisite details from the importers and satisfy itself about the bonafides of the transactions before effecting the remittance. Earlier, persons, firms and companies had to apply in Form A-1, for making payments, exceeding USD 5,000 or its equivalent towards imports into India, as per the notification dated February 21, 2012.

Source: **Reserve Bank of India**, Department of Communication, Central Office, Shahid Bhagat Singh Marg, Mumbai - 400 001 **MCIR can be accessed at www.mcir.rbi.org.in**

[Visit Our Website www.andhrabank.in](http://www.andhrabank.in) for details of accounts and to down load application for opening accounts under SBNRE, SBNRO, NRE TERM & FCNR (B) Deposits with our Bank. USA and DUBAI customers may contact our Representative offices for any clarifications. Others may contact NRI Cell, Head Office, HYDERABAD.

Edited by: Sri. T D Dilip Kumar Singh, Deputy General Manager, Andhra Bank,
Corporate Planning Dept, Head Office.

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Saifabad, Hyderabad - 500004, Telangana State, India.

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