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friends apart.

**NRI**  **BANKING  
SERVICES**



## *NRI Sampark*

*A Quarterly Newsletter for esteemed NRI clients by IDBI Bank – Vol. 7, January – March 2015*

**April 1, 2015**

*Dear NRI friends,*

Season's greetings from IDBI Bank.

At the outset, I take this opportunity to share with you about the developments in January – March 2015 quarter across a gamut of topics ranging from banking, economic outlook and NRI Products & regulations. I am pleased to present the 7<sup>th</sup> edition of Bank's quarterly newsletter "NRI Sampark". Trust you shall find the same useful.

Suggestions, as always are welcome and may be shared on e-mail Id [nri@idbi.co.in](mailto:nri@idbi.co.in)

Warm regards,  
R P Maheshwari  
General Manager – NRI Services  
IDBI Bank



## ***IDBI Bank in News***

1. IDBI Bank launched a mobile banking application called "IDBI Bank Go Mobile" on android operation system. The mobile banking app provides range of services like funds transfer, bill payment, mobile / DTH recharge, instant funds remittance through IMPS and an account view across savings, current account, fixed/recurring deposits, loans and demat etc. .
2. IDBI Bank launched e-lounge facility at New Delhi, Chennai, Hyderabad and Bhubaneswar during this quarter. This would allow its customers to meet their banking requirements (viz automated cash deposit, automated cheque deposit, automated pass book printing, e-Transact terminal for various Card and Net Banking holder to view balance, fund transfer, bill payment, recharge etc) through simple and intuitive interface on the self-service terminals. Currently IDBI Bank has e-lounge branches at 11 locations viz (1) Matunga, Mumbai; (2) T.T Nagar, Bhopal; (3) C.G Road, Ahmedabad; (4) Court Road, Amritsar; (5) Saket, New Delhi; (6) Vijay Nagar, Indore; (7) Fafadih, Raipur; (8) CBD Belapur, Navi Mumbai; (9) Arumbakkam, Chennai; (10) Jayadev Vihar, Bhubneswar; (11) Banjara Hills, Hyderabad.
3. IDBI Bank launched a new and unique Savings – Education loan scheme called “उड़ान” (Udan). This product offers a pre-approved Education loan to student who open Recurring Deposit account with IDBI Bank and pay monthly installment during the tenure of the RD without default.



## Interest Rates on NRI Deposits

### Non Resident Ordinary - NRO Deposit rates (Effective March 12, 2014)

Tenure	Interest rate (% p.a.) for deposit less than Rs 1 Cr
15 - 30 days	4.50
31 days to 45 months	6.00
46 months to 60 days	6.50
61days to 90 days	7.25
91 days to 6 months	8.00
6 months 1 day	8.80
6 months 2 days to 270 days	8.25
271 days to < 1year	8.30
1 year to <2 years	8.60
2 year to 10 years	8.50

### Recurring NRO Deposits (Effective March 12, 2014)

Tenure	Interest rate (% p.a.)
1 year < 2 years	8.60
2 yrs – 10 yrs	8.50

### Non Resident External - NRE Deposit rates (Effective March 12, 2015)

Tenure	Interest rate (% p.a.) for deposit less than Rs 1 Cr
1 year to < 2years	8.60
2 years to < 3 years	8.50
3 years to <5 yrs	8.50
5 yrs	8.50
> 5 yrs - 7 yrs	8.50
> 7 yrs - 10 yrs	8.50

### Recurring NRE Deposits (Effective March 12, 2014)

Tenure	Interest rate (% p.a.)
1 year < 2 years	8.60
2 Year to 5 Years	8.50

### Important Points:

The rates mentioned are subject to change from time to time. Please verify the rates on our website [www.idbi.com](http://www.idbi.com)

No interest is payable on NRE / FCNR (B) deposit closed prematurely in less than a year

DTAA benefit available for TDS on NRO Deposits

### Foreign Currency Non Resident (Bank) - FCNR (B) deposit rates (% p.a.) (Effective April 1, 2015)

Maturity Slab	USD	GBP	EUR	AUD	CAD	JPY	SGD	HKD	CHF
1 Year - less than 2 Years	2.48	2.58	1.65	3.95	2.71	1.60	3.19	2.49	0.73
2 Years - less than 3 Years	2.82	2.72	1.68	3.96	2.74	1.63	3.38	2.83	0.79
3yrs - less than 4yrs	4.13	4.87	2.70	5.03	3.86	2.57	4.67	4.12	1.91
4yrs - less than 5yrs	4.38	4.02	2.75	5.23	4.00	2.57	4.74	4.34	2.04
5yrs only	4.56	4.12	2.81	5.33	4.13	2.57	4.85	4.50	2.16



## *Interest Rates on loans for NRIs*

The Bank offers Home Loans, Loan against property and Auto Loans to Salaried NRIs. Bank also offers Education Loan to students enrolling for various courses. The interest rates for various loans across loan amounts and tenure are as under:

Products	Loan Amount	Rate of Interest (per annum)	Max Tenure	NRI Category
Home Loan(Floating)	For all loan amounts	10.25% (BR+0%)	15 years	Salaried
Home Loan-Interest Saver(Floating)	For all loan amounts	10.40% (BR+0.15%)	15 years	Salaried
Home Loan(Fixed) (From 3 years to 10 years)	Below Rs 30 Lakh	10.75% (BR+0.50%)	15 years	Salaried
	Rs 30 Lakh & above	11.00% (BR+0.75%)		
Home Loan Balance Transfer Facility + Top-up	For all loan amounts	Applicable Home Loan Rates	Applicable Home Loan Tenure	Salaried
Loan against Property	For all loan amount	12.25%-12.50% (BR+2.00% to 2.25%)	10 - 15 years	Salaried
Loan against rent receivables.				
Loan against Property-Interest Saver				
Auto Loan	For all loan amount	10.60% (BR+0.35%)	7 years	Salaried
Education Loan (Floating)	For studies in India Rs. 10 Lakh For studies abroad Rs. 20 Lakh	<b>Non-Vocational Courses</b> 11.25% to 12.25% (BR+1.00 % to BR+2.00%)	10 to 15 years	Student should be Indian National
		<b>Vocational Courses</b> 11.25% (BR+1.00 %)		
		<b>Studies in Premier Education Institutes (including ISB)</b> 10.25% (BR+0.00%)		
		<b>Studies with Admission under Management Quota</b> 13.75 % (BR+3.50%)		

BR = Base Rate

**Note :** The interest rates are subject to change from time to time. Please verify the rates on our website [www.idbi.com](http://www.idbi.com)

## *Product Focus – New Pension Scheme (NPS)*

### **New Pension Scheme (NPS)**

New Pension System (NPS) is an initiative taken by Pension Fund Regulatory Development Authority (PFRDA). The scheme is aimed at promoting income security for its investors at their old age and is also an investment tool that provides market-based returns.

IDBI Bank Ltd has been appointed by PFRDA to act as one of the Point of Presence (POP) for the NPS. Presently, bank has designated approx 1500 branches to carry out the NPS activities as Point of Presence-Service Providers (POP-SP). The fund management fees charged is one of the lowest in the industry. All transactions can be tracked online through CRA system. It is open to anyone from 18 years to 60 years of age, including NRIs.

There should be a minimum of one transaction per year. NPS also provides attractive tax benefits under section 80 CCE. NPS also provides flexibility into investment ranging from debt to equity for better returns.

For more details about the product, kindly contact your Relationship Manager or visit the IDBI Bank Website.

### **TDS on interest on NRO Deposit**

NRIs residing in certain countries can avail the benefit of reduced rate of TDS on NRO deposits (SB and TD) under **Double Tax Avoidance Agreement (DTAA)**, subject to submitting of **Tax Residency Certificate** (TRC) issued by Government of country or the specified territory of which the assessee claims to be resident for the purpose of tax, **Form 10 F** and a **Self-Declaration form**. NRIs having NRO Savings Bank Account or NRO Fixed Deposit are requested to kindly contact the branch and submit the above documents in the month of April 2015 to avail the benefit of DTAA for FY 2015-16.

## ***Economic Outlook***



- ❖ **Monetary Policy Review 2014-15:** On March 4, 2015, the RBI cut the key policy rates by 25 basis points in an out-of-cycle review. Accordingly the key policy rates as follows:
  - Repo Rate revised from 7.75% to 7.50%.
  - Reverse Repo revised from 6.75% to 6.50%
  - Marginal Standing Facility (MSF) and Bank Rate revised from 8.75% to 8.50%
  - CRR and SLR retained at 4% of NDTL and 21.5% of NDTL respectively.
  
- ❖ Asian Development Bank (ADB) has forecast India to grow by 7.4% in FY15, 7.8% in FY16 and 8.2% in FY17 on the back of policy reforms, easing monetary policy, higher capital expenditure and stronger external demand.
  
- ❖ IIP growth decelerated further to 2.6% (y-o-y) in Jan '15 (its lowest since Nov '14) from 3.2% in Dec '14, but was higher than 1.1% in Jan '14. For Apr '14 - Jan '15 period, IIP grew by 2.5% as compared to 0.1% in Apr '13 - Jan '14.
  
- ❖ India's overall BoP position remained in surplus for the fifth consecutive quarter in Q3 FY15 to the tune of US\$13.2 billion. CAD-to-GDP ratio improved to 1.6% as compared to 2.0% in Q2 FY15 on account of decline in CAD by 19% (q-o-q) to US\$8.23 billion in Q3 FY15. However, CAD-to-GDP ratio for Q3 FY15 was higher than 0.9% in Q3 FY14 as CAD swelled by 95% (y-o-y). For Apr-Dec '14, CAD-to-GDP ratio improved to 1.7% (2.3% in Apr '13 – Dec '13) due to 16.0% decline in CAD.

**Disclaimer:** - The contents of the above article are based on information received from various sources and while compiling every effort has been made to ensure that the information is accurate and authentic. IDBI Bank does not accept any responsibility for interpretation of various rules or any errors/omissions in the newsletter.

## ***Economic Outlook***



- ❖ India's monthly **Trade Deficit** touched a 17-month low of US\$6.8 billion in Feb '15, down by 17.6% (y-o-y) from US\$8.3 billion in Feb '14 on the back of sharper contraction in Imports (-15.7%) as compared to Exports (-15.0%). In Apr '14 - Feb '15, the trade deficit widened marginally by 0.3% to US\$125.2 billion from US\$124.8 billion in Apr '13 – Feb '14.
- ❖ India's **External Debt** was valued at US\$461.9 billion as at end-Dec '14, reflecting an increase of US\$15.5 billion or 3.5% from end-Mar '14, primarily on account of increase in long-term external debt particularly External Commercial Borrowings (ECB) and Non-Resident Deposits. External debt to GDP ratio stood at 23.2% at end-Dec '14 as compared to 23.7% at end-Mar '14.
- ❖ India's **Fiscal Deficit** was at Rs. 6.03 lakh crore (117.5% of the BE) in Apr '14 – Feb '15 period, higher than 114.3% of the BE in Apr '13 – Feb '14 period. Despite lower expenditure, India's fiscal deficit breached its full year target of Rs. 5.31 lakh crore due to subdued revenue realization.

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## Banking Updates



- ❖ The RBI has permitted Indian residents travelling to Nepal and Bhutan to carry currency notes of denominations higher than Rs.100, subject to a limit of Rs.25,000 as against the extant requirement prohibiting such travellers to carry denominations greater than Rs.100.
- ❖ Hon'ble Prime Minister Shri Narendra Modi launched Micro Units Development Refinance Agency (MUDRA Bank) on April 8, 2015, which is expected to refinance Micro units at affordable rates through Pradhan Mantri MUDRA Yojana. The said bank is expected to support the first generation entrepreneurs and give a confidence booster to existing small businesses.
- ❖ In the Union Budget, Government also announced 3 Social Security Schemes Pradhan Mantri Suraksha Bima Yojna (PMSBY), an accidental death risk coverage amounting to Rs.2 lakh for a premium of Rs.12 per year, Pradhan Mantri JeevanJyoti Bima Yojana (PMJBY), a life cover for both natural and accidental death risk of Rs 2 lakh for a premium of Rs 330 per year and Atal Pension Yojana (APY) which would offer a defined pension (viz Rs 1000 to Rs 5000 per month) to citizen of India working in private sector on attaining the age of 60.
- ❖ Government of India also announced setting up of autonomous Bank Board Bureau to improve the governance of Public Sector Bank.

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## Frequently asked Questions & Answers (FAQs)



**Q.1 What type of accounts can a Non Resident Indian (NRI) / Person of Indian Origin (PIO) open?**

<u>Currency</u>	<u>Savings Bank Account</u>	<u>Current Account</u>	<u>Fixed Deposit</u>	<u>Recurring Deposit</u>
Indian Rupees	NRE SB Account	NRE Current Account	NRE Fixed Deposit	NRE Recurring Deposit
	NRO SB Account	NRO Current Account	NRO Fixed Deposit	NRO Recurring Deposit
Foreign Currency	Not Applicable	Not Applicable	FCNR (B) Deposit	Not Applicable

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