

Distances can never keep
friends apart.

NRI  **BANKING
SERVICES**



NRI Sampark

A Quarterly Newsletter for esteemed NRI clients by IDBI Bank – Vol. 9, July – September 2015

October 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 July – September 2015 quarter across a gamut of topics ranging from banking, economic outlook and NRI Products & regulations. I am pleased to present the 9th edition of Bank's quarterly newsletter "NRI Sampark". Trust you shall find the same useful.

W.e.f July 1, 2015, our Bank has revised service charges for certain services and levied charges for non-maintenance of stipulated Monthly Average Balance in certain variants of Savings Bank Account and current account. **However, charges for non-maintenance of Monthly Average Balance is not applicable to the NRI SB accounts.**

Suggestions, as always are welcome and may be shared on e-mail Id nri@idbi.co.in

Warm regards,
R P Maheshwari
General Manager – RBG
IDBI Bank



IDBI Bank in News

1. Shri Kishor Piraji Kharat has assumed charge as Managing Director & Chief Executive Officer of IDBI Bank with effect from August 14, 2015. Prior to the current assignment, Shri Kharat was posted as Executive Director of Union Bank of India. Preceding to Union Bank of India, Shri. Kharat had an immensely successful career experience of three decades at Bank of Baroda. Shri Kharat got varied exposure across various aspect of banking, including credit, international business, information technology and general administration in India as well as overseas. He also has the honor of establishing a foreign subsidiary of Bank of Baroda in Trinidad & Tobago, West Indies and headed the same as Managing Director for more than three years. He was also a founding member of India Trinidad & Tobago Chambers of Commerce & Industry, which fostered trade between the two countries.
2. The General Refinance Agreement (GRA) between IDBI Bank Ltd. and Micro Units Development and Refinance Agency (MUDRA) Ltd. was signed on July 01, 2015. IDBI Bank is one of the leading banks identified by MUDRA, eligible for the refinance scheme. As per the agreement, the Bank will offer credit facilities up to Rs.10 lakh to Micro Enterprises, at a competitive interest rate under Pradhan Mantri Mudra Yojana (PMMY) and MUDRA will be providing refinance assistance to IDBI Bank for eligible sanctioned loan cases. The arrangement will be implemented through the branches of IDBI Bank on pan India basis.
3. IDBI Bank launched its first self-service Mini Branch Kiosk at its Cuffe Parade, Mumbai Branch on July 30, 2015 which will address the customer's request of personalized cheque leaves dispensation, issue of Demand Draft & Pay Order, deposit of cheque/DD on 24X7 basis. IDBI Bank would be the first bank in the country to make available these services on 24X7 basis. These Kiosks will also have the functionalities of ATM.



IDBI Bank in News

4. IDBI Bank launched its Tab Banking solution christened 'JusTab' to facilitate opening of accounts at customer's door step using Tablet. The Bank's official will visit the customer at home / office and get the account opening process completed including obtaining KYC documents and photograph. Data captured using Tablet will be transferred to processing centre immediately after verification by Branch. The solution will result in providing convenience and time saving for the customer. The solution is a step towards providing enhanced customer experience.
5. IDBI Bank's loans, linked to Base Rate will become cheaper following a 25 bps reduction in its Base Rate to 9.75% p.a. with effect from October 05, 2015. IDBI Bank has taken this pro-active step, keeping in view the recent policy measures announced by the RBI. The reduction in interest rate is expected to positively encourage loan growth; both in the retail consumer segment, as also revitalize fixed capital formation through higher corporate sector lending, thereby supporting the growth impulses in the economy.



Interest Rates on NRI Deposits

Non Resident Ordinary - NRO Deposit rates (Effective October 05, 2015)

Tenure	Interest rate (% p.a.) for deposit less than Rs 1 Cr
15 - 30 days	4.50
31 days to 45 months	5.25
46 months to 60 days	6.25
61days to 90 days	6.50
91 days to 6 months	7.25
6 months 1 days to 270 days	7.35
271 days to < 1year	7.50
1 year to <2 years	7.75
2 year to 10 years	7.50

Recurring NRO Deposits (Effective October 05, 2015)

Tenure	Interest rate (% p.a.)
1 year < 2 years	7.75
2 yrs – 10 yrs	7.50

Non Resident External - NRE Deposit rates (Effective October 05, 2015)

Tenure	Interest rate (% p.a.) for deposit less than Rs 1 Cr
1 year to < 2years	7.75
2 years to < 3 years	7.50
3 years to <5 yrs	7.50
5 yrs	7.50
> 5 yrs - 7 yrs	7.50
> 7 yrs - 10 yrs	7.50

Recurring NRE Deposits (Effective October 05, 2015)

Tenure	Interest rate (% p.a.)
1 year < 2 years	7.75
2 Year to 5 Years	7.50

Important Points:

The rates mentioned are subject to change from time to time. Please verify the rates on our website 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 October 1, 2015)

Maturity Slab	USD	GBP	EUR	AUD	CAD	JPY	SGD	HKD	CHF
1 Year - less than 2 Years	1.50	1.61	0.64	3.00	1.58	0.46	2.49	1.60	0.00
2 Years - less than 3 Years	1.77	1.80	0.65	3.00	1.68	0.46	2.50	1.88	0.00
3yrs - less than 4yrs	3.01	2.98	1.68	4.06	2.83	1.34	3.88	3.10	0.85
4yrs - less than 5yrs	3.23	3.14	1.77	4.29	2.96	1.34	3.89	3.29	0.91
5yrs only	3.42	3.29	1.88	4.41	3.11	1.34	3.99	3.45	0.98



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	9.75% (BR+0%)	15 years	Salaried
Home Loan-Interest Saver(Floating)	For all loan amounts	9.90% (BR+0.15%)	15 years	Salaried
Home Loan(Fixed) (From 3 years to 10 years)	Below Rs 30 Lakh	10.25% (BR+0.50%)	15 years	Salaried
	Rs 30 Lakh & above	10.50% (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	11.25%-12.00% (BR+1.50% to 2.25%)	10 - 15 years	Salaried
Loan against rent receivables.				
Loan against Property-Interest Saver				
Auto Loan	For all loan amount	10.10% (BR+0.35%)	7 years	Salaried
Education Loan (Floating)	For studies in India Rs. 10 Lakh For studies abroad Rs. 20 Lakh	Non-Vocational Courses 10.75% to 11.75% (BR+1.00 % to BR+2.00%)	10 to 15 years	Student should be Indian National
		Vocational Courses 10.75% (BR+1.00 %)		
		Studies in Premier Education Institutes (including ISB) 9.75% (BR+0.00%)		
		Studies with Admission under Management Quota 13.25 % (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

Product Focus – SWIFT Remittance facilities from overseas



NRIs can remit money directly through our correspondent banks mentioned below:

LIST OF OUR CORRESPONDENT BANKS

Currency	Correspondent Bank	Account No.	Swift Address
US Dollar (USD)			
USD	Citibank N.A, New York	3615-1898	CITIUS33
USD	Deutsche Bankers Trust Company, New York	04-169-786	BKTRUS33
USD	Bank of New York, New York	8900-418-613	IRVTUS3N
USD	Wachovia Bank, New York	2000-193-00-1493	PNBPUS3NNYC
USD	Standard Chartered Bank, New York	3582-0670-16001	SCBLUS33XXX
USD	J P Morgan, New York	811165505	CHASUS33
Euro (EUR)			
EUR	Commerzbank	400875045700	COBADEFF
EUR	Deutsche Bank AG, Frankfurt	(100) 9534132-00	DEUTDEFF
EUR	Wachovia Bank, London	4696162	PNBPGB2L
Pound Sterling (GBP)			
GBP	Standard Chartered Bank, London	01-70876-2401	SCBLGB2LXXX
Swiss Franc (CHF)			
CHF	Union Bank of Switzerland, Zurich (Swiss Franc)	230-94752.05Y	UBSWCHZH80A
Japanese Yen (JPY)			
JPY	Citibank, Tokyo	0-221-843-401	CITIJPJT
Canadian Dollars (CAD)			
CAD	Royal Bank of Canada	95911030634	ROYCCAT2xxx
Other Currencies			
AED	Abu Dhabi Commercial Bank	100626001001	ADCBAEAAxxx
AUD	HSBC Bank Australia Limited	011-795861-041	HKBAAU2SSYD
SGD	Deutsche Bank	2773679-00-0	DEUTSGSGxxx
SEK	Skandinaviska Enskilada Banken	52018560867	ESSESESS
NOK	Nordea Bank Norge Asa	60010206203	NDEANOKKxxx
HKD	Hongkong and Shanghai Banking Corp Ltd	502379365001	HSBCHKHHHKH
DKK	Den Danske Bank, Copenhagen (Danish Krone)	3996-070-794	DABADKKK
KRW	Standard Chartered Bank Korea Ltd	195-10-010934	SCBLKRSEXXX

Product Focus – SWIFT Remittance facilities from overseas

Instructions to be given to your banker:

(Specimen Format)

Please remit (currency + amount) _____ to IDBI Ltd, Mumbai, Account No. _____ with _____ (correspondent bank name and location), Swift Code _____ for further credit to my Account No _____ with IDBI Ltd. (Swift code IBKLINBB) _____ (branch and city), India.

Additional information to be given for fixed deposits:

Proceeds to be placed as a fixed deposit (NRE/NRO/FCNR-B) for a period of _____ months, with IDBI Ltd, _____ (branch and city). My Customer ID is _____

Special arrangement for non-levy of correspondent Bank charges

An arrangement has been made with all the US correspondent banks for USD currency and with Deutsche Bank for EURO currency for inward remittances such that:

- No charges would be deducted on inward remittance up to USD 1000 and EURO 1000 for all transactions irrespective of customer type.
- For incoming all transactions above USD 1000 and EURO 1000, no charges would be levied by the correspondent bank on the inward remittance if the remittance is for NRE / NRO / FCNR accounts. However, the correspondent bank will be able to identify the same only if the remitting bank mentions the code words - NRE / NRO / FCNR in the SWIFT payment message - MT103 in the account number field 59, or details of remittance - field 70.
- Hence it is important that the remitting bank puts the above code words so that no charges are deducted on the inward remittances for the NRE, NRO and FCNR accounts.

Economic Outlook



- ❖ **4th Bi-monthly Monetary Policy Statement 2015-16:** RBI on September 29, 2015, made following announcement in its 4th Bi-monthly review of monetary policy 2015-16:
 - Repo Rate reduced by 50 bps to 6.75%
 - Reverse Repo stands adjusted to 5.75%
 - Marginal Standing Facility (MSF) and Bank Rate stands revised to 7.75%.
 - CRR and SLR retained at 4% of NDTL and 21.5% of NDTL respectively.

- ❖ Index of Industrial Production (IIP) grew at a higher pace of rose to 4.2% (y-o-y) in Jul '15 as compared to 0.9% in Jul '14. However the growth was marginally lower than 4.4% (revised upward from 3.8%) in Jun '15. On a three-month moving average (3MMA) basis, IIP growth picked up by 3.7% during the three months ending Jul '15 as compared to 3.3% during the three months ending Jun '15. For Apr – Jul '15 period, IIP growth was at 3.5% as compared to 3.6% in Apr – Jul '14 period.

- ❖ In Aug '15, the Consumer Price Index (CPI) inflation remained unchanged from Jul '15 at 3.8% (y-o-y) but was lower than 7.0% in Aug '14 as the extent of price rise in the sub-indices remained broadly unchanged. The all-India Consumer Food Price Indices (CFPI) inflation was unchanged from Jul '15 at 2.2% in Aug '15 but was lower than 8.6% in Aug '14. Core CPI Inflation declined to 3.8% in Aug '15 from 4.0% in Jul '15 and 5.9% in Aug '14.

- ❖ Wholesale Price Index (WPI) recorded 10th consecutive month of deflation in Aug '15 at -5.0% (y-o-y) as compared to -4.1% in Jul '15 and 3.9% in Aug '14, on the back of broad-based deflation across major indices, viz. Primary Articles (-3.7%), Fuel & Power (-16.5%) and Manufactured Products (-1.9%). In primary articles category, Food Inflation was negative, posting deflation of 1.1% in Aug' 15 as compared to -1.2% in Jul '15 and 5.1% in Aug '14. Core WPI inflation remained in the negative zone for sixth consecutive month at -1.9% (y-o-y) in Aug '15 – the lowest since Jul '09 - as compared to -1.4% in Jul '15 and 3.6% in Aug '14.

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 overall BoP position remained in surplus for the seventh consecutive quarter in Q1 FY16 to the tune of US\$11.4 billion, aided by moderate CAD and higher FDI flows.
- ❖ In Q1 FY16, CAD-to-GDP ratio narrowed to 1.2% on account of decline in CAD by 21.2% (y-o-y) to US\$6.2 billion from US\$7.8 billion in Q1 FY15 (1.6% of GDP) on account of higher net service exports and lower trade deficit. However, CAD rose by 380.5% (q-o-q) from US\$1.3 billion in Q4 FY15 as the net service exports declined and trade deficit widened.
- ❖ India's monthly Trade Deficit widened by 17.0% (y-o-y) or US\$1.8 billion to US\$12.5 billion in Aug '15, on the back of sharper contraction in Exports as compared to Imports. However, on a sequential basis, the deficit tapered by 2.6% (m-o-m) from US\$12.8 billion in Jul '15. For Apr-Aug '15 period, trade deficit narrowed by 1.2% to US\$57.5 billion as compared to US\$58.2 billion in Apr-Aug '14 period.

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Banking Updates



- ❖ In order to bring in greater credit discipline and provide operational flexibility to credit card issuers, RBI decided (16.07.15), that the 'past due' status of a credit card account for the purpose of asset classification would be reckoned from the payment due date mentioned in the monthly credit card statement. Hence, a credit card account will be treated as NPA if the minimum amount due, mentioned in the statement, is not paid fully within 90 days from the payment due date. However, banks shall report a credit card account as 'past due' to credit information companies or levy late payment charges, only when a credit card account remains 'past due' for more than 3 days. The number of 'days past due' and late payment charges shall be computed from the payment due date mentioned in the credit card statement.
- ❖ A new \$100 billion Bank floated by BRICS nations, including India, as an alternative to the World Bank and IMF to boost infrastructure funding in emerging economies and offer them tailor-made services has been launched on 21st.July. The opening ceremony of the New Development Bank (NDB) was held in China's financial capital Shanghai. Shri KV Kamath is First President of the Bank. The NDB will have initial capital of \$50 billion which will be expanded to \$100 billion. BRICS countries consist –Brazil, Russia, India, China and South Africa .BRICS nations, with 42.6% of the world's total population and roughly a third of the world's land area, have a combined GDP totaling about one fifth of the global total.

Banking Updates



- ❖ In terms of FEMA regulation dated 03.05.2000, no person resident outside India can make investment in India, in any form, in a company or partnership firm or proprietary concern or any entity, whether incorporated or not, which is engaged or proposes to engage “in the business of chit fund”. With effect from June 11, 2015 RBI decided to permit Non-Resident Indians (NRIs) to subscribe to the chit funds, without limit, on non-repatriation basis subject to following conditions:
 - The Registrar of Chits or an officer authorised by the State Government in accordance with the provisions of the Chit Fund Act in consultation with the State Government concerned, may permit any chit fund to accept subscription from Non-Resident Indians on non-repatriation basis;
 - The subscription to the chit funds shall be brought in through normal banking channel, including through an account maintained with a bank in India.

Frequently asked Questions & Answers (FAQs)



Que. Under Liberalized Remittance Scheme (LRS) of RBI, what is the limit of amount an Authorised Dealer (AD Bank) can allow remittance by resident individual per financial year for any current or capital account transaction or for both?

Ans: AD Banks can allow remittances up to USD 2,50,000 per individual per financial year for any permitted current or capital account transaction or combination of both.

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