



January - March 2021

**A Quarterly Newsletter for esteemed NRI clients of IDBI Bank Ltd, Vol-27**

Dear NRI friends,

Greeting from IDBI Bank!

At IDBI bank we wish to rededicate ourselves to offer responsive and wide range of products and services keeping in mind the evolving aspiration and technological trends, and continue to serve you with zeal and enthusiasm

We acknowledge your contribution in the growth of the Indian economy. Your contribution strengthening national savings, investment, capital accumulation and so on.

The Twenty Seventh edition of our quarterly newsletter “Sampark”, aims to keep our customers informed about latest facilities offered to our customers and development in various area, which I am sure will be of interest to you.

We earnestly request you to continue your patronage with your own IDBI Bank and make use of various NRI Products and Services.

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

With Warm Regards,

Varada Menon,  
General Manager – Retail Banking Group  
IDBI Bank Ltd.



- ▶ IDBI Bank reported a 53 per cent jump in standalone net profit at Rs 578 crore for the third quarter ended December. The Bank had reported a standalone net profit of Rs 378 crore in the October-December quarter of the previous year. The bank's net interest income rose by 31 per cent to Rs 2,383 crore during the reported quarter as against Rs 1,817 crore in the year-ago period.
- ▶ IDBI Bank has become one of the stakeholders in the government-promoted bad bank National Asset Reconstruction Company Ltd (NARCL), and will invest over Rs 272 crore. Earlier on March 8, the Bank had executed an investment agreement for participation in the equity share capital of India Debt Resolution Company Ltd (IDRCL) The bank's final holding in NARCL and IDRCL will be 5 per cent and 9 per cent, respectively.
- ▶ IDBI Bank has announced the launch of two new products namely Corporate Liquidity Management Solution (C-LMS) and Government Liquidity Management Solution (G-LMS) designed to meet the needs of Institutional customers. The purpose of C-LMS and G-LMS is to provide real time, web based and formula driven liquidity management solution. It provides tools to institutions for enhanced visibility of liquidity position across the organization, helping them in forecasting and projecting the cash positions at a glance. Additionally, C-LMS helps corporate customers to automate the transfer of funds across various accounts of the entity. It also helps corporate customers to manage liquidity efficiently, thereby helping in efficient working capital management
- ▶ IDBI Bank has started offering products benchmarking to Alternative Reference Rates (ARRs) thus replacing London Inter-Bank Offered Rate (LIBOR) With effect from January 1, 2022, all the new transactions are being referenced to the ARR. The Alternative Reference Rates (ARRs) include Secured Overnight Financing Rate (SOFR) for USD transactions, Sterling Overnight Inter-bank Average (SONIA) for GBP transactions, etc. The transition away from the London Interbank Offered Rate (LIBOR) is a global phenomenon and is one of the important events.
- ▶ IDBI Bank has introduced a special product for MSME, viz. Samruddhi Express under which Working Capital Term Loan facility will be extended to eligible borrowers. Individuals, proprietorship concerns, partnerships firms classified as MSME and engaged in business for at least one year are eligible to apply.

## Interest Rates on NRI Deposits



### Non Resident Ordinary-NRO Deposit rates

Maturity Slab	Interest Rate (% p.a.)
7-14 days	2.70
15-30 days	2.70
31-45 days	3.00
46- 60 days	3.25
61-90 days	3.40
91-6 months	3.75
6 months 1 day to 270 days	4.40
271 days upto < 1 year	4.50
1 year	5.15
> 1 year - 2 years	5.25
>2 years to < 3 years	5.35
3 yrs to < 5 yrs	5.50
5 years	5.60
> 5 years - 7 years	5.60
>7 years - 10 years	5.50

### Non Resident External - NRE Deposit rates

Maturity Slab	Interest Rate (% p.a.)
1 year	5.15
> 1 year - 2 years	5.25
>2 years to < 3 years	5.35
3 yrs to < 5 yrs	5.50
5 years	5.60
> 5 years - 7 years	5.60
>7 years - 10 years	5.50

### Recurring NRE/NRO Deposits

Tenor	Interest Rate (% p.a.)
1 year	5.15
> 1 year - 2 years	5.25
>2 years to < 3 years	5.35
3 years to < 5 years	5.50
5 years	5.60
> 5 years - 7 years	5.60
>7 years - 10 years	5.50

• The above rates are applicable only on Fresh NRE / NRO deposits and on renewal of maturing deposits for amounts less than Rs. 2 crore. For the interest rate on NRE / NRO deposit for amount Rs 2 Crore and above, kindly refer to "RATES FOR BULK DEPOSITS ( Rs. 2 cr. and Above )" under URL <http://www.idbi-bank.in/interest-rates.asp>. • No interest will be paid on NRE deposits closed pre-maturely in less than 1 year.

### Foreign Currency Non Resident (Bank) - FCNR (B) deposit rates (% p.a.)\* (Effective: April 01, 2022)

Maturity Slab	USD	GBP	EUR	AUD	CAD	JPY	SGD	HKD	CHF
1 yr to less than 2 yrs	1.53%	1.29%	0.00%	0.99%	1.63%	0.00%	1.01%	0.97%	0.00%
2 yrs to less than 3yrs	1.93%	1.49%	0.00%	1.75%	1.99%	0.00%	1.38%	1.54%	0.00%
3 yrs to less than 4 yrs	2.18%	1.65%	0.21%	2.00%	2.26%	0.00%	1.64%	1.83%	0.00%
4 yrs to less than 5 yrs	2.28%	1.74%	0.49%	2.10%	2.41%	0.00%	1.81%	2.02%	0.00%
5 years only	2.38%	1.84%	0.71%	2.20%	2.55%	0.00%	1.97%	2.12%	0.00%

• No interest will be paid on FCNR deposits closed pre-maturely in less than 1 year.  
 • FCNR(B) deposit above USD 1 million or equivalent should be placed with prior consultation of Branch or NRI Cell at [nri@idbi.co.in](mailto:nri@idbi.co.in)



**Product Focus—Rupee Yiled Enhancer**

Non-Resident Indians (NRIs) who want to invest in Indian stocks and bonds can do so through the Reserve Bank of India's (RBI's) Portfolio Investment Scheme (PIS). NRIs can purchase and sell shares as well as convertible debentures of companies registered in India via a recognized stock exchange, for routing these transactions through their account with a designated bank branch PIS account is required.

Sr.No	Particulars	Details
1	Feature	<ul style="list-style-type: none"> <li>* RBI designated mandatory route for NRIs / PIOs to invest in Secondary stock market in India.</li> <li>● Purchase and sale of shares / convertible debentures of listed Indian Companies on a recognized stock exchange.</li> <li>● Only delivery based transactions are allowed.</li> <li>● Only one PIS account at a given point of time with any banks in India.</li> <li>● Investment is restricted in company that is engaged in the business of chit funds, agricultural or plantation activities, real estate business related to agricultural or farmland, construction of farmhouses, etc.</li> </ul>
2	Monthly Average Balance	<ul style="list-style-type: none"> <li>● Zero balance PIS Account</li> </ul>
3	Charges structure	<ul style="list-style-type: none"> <li>● Lowest Annual Maintenance Fees (Rs.1000)</li> <li>● Purchase/Sale transaction reporting charges – Rs.100 per trade date.</li> </ul>
4	Other Benefits	<ul style="list-style-type: none"> <li>● Broker account directly settled by the Bank. Hence, hassle-free trade transaction for the customer.</li> <li>● Enhanced Set-Off Facility at Portfolio level, which includes                             <ul style="list-style-type: none"> <li>i) Losses to be carried forward till last day of the current Financial Year</li> <li>ii) Set-off of losses against future profits</li> <li>iii) Losses from NRE-PIS A/c can be adjusted against profits from NRO A/c &amp; vice-versa</li> </ul> </li> <li>● TDS estimation/deduction taken care by IDBI Bank.</li> </ul>




**Economic Outlook**

- ▶ Apr-Feb period of FY22, the WPI inflation rate was significantly higher at 12.74% as compared to muted inflation rate of 0.70% in the Apr-Feb period of FY21, partly reflecting the low base effect.
- ▶ Retail inflation rate, as measured by the All-India Consumer Price Index (CPI), rose for the fifth consecutive month to an eight-month high of 6.07% (y-o-y) in Feb'22 as compared to 6.01% in Jan'22 and 5.03% in Feb'21
- ▶ India's merchandise trade deficit, after narrowing in Jan'22, widened by 59.18% (y-o-y) to US\$20.88 billion in Feb'22 from US\$13.12 billion in Feb'21 due to higher growth in imports as compared to exports. However, on a cumulative basis, exports continued to register relatively healthy growth with the country achieving ~94% of the export target of US\$400 billion till Feb'22 underscoring relatively steady global demand
- ▶ The Index of Industrial Production (IIP), after registering deceleration for four consecutive months and touching a 10-month low growth in Dec'21, recovered marginally in Jan'22. The IIP registered a muted growth of 1.3% (y-o-y) in Jan'22
- ▶ India's Gross Domestic Product (GDP) was estimated at Rs. 38.2 lakh crore in Q3 FY22 vis-à-vis Rs. 36.3 lakh crore in Q3 FY21. The Gross Value Added (GVA) at basic prices, which captures sectoral performance, was estimated at Rs. 35.3 lakh crore in Q3 FY22 vis-à-vis Rs. 33.7 lakh crore in Q3 FY21. In tandem with the trend witnessed in GDP.



**Banking Updates**

- 
- ▶ As per RBI Residents and non-residents who are eligible to invest in corporate bonds and debentures under the Foreign Exchange Management (Debt Instruments) Regulations 2019 will be eligible to participate in the credit derivatives market. While retail users will be allowed to buy protection only for the purpose of hedging, non-retail users may buy protection for hedging or otherwise.
  - ▶ The RBI has notified that enhancement in the investment limit for Foreign Portfolio Investors (FPIs) under the Voluntary Retention Route (VRR) by Rs. 1 lakh crore from Rs. 1.50 lakh crore to Rs. 2.50 lakh crore with effect from April 1, 2022. A further increase in the FPI limits under VRR may help in attracting additional capital flows
  - ▶ The RBI has permitted banks in India, having Authorised Dealer Category-I (AD Cat-I) license under FEMA, 1999, to offer Foreign Currency Settled OIS (FCS-OIS) based on the Overnight Mumbai Interbank Outright Rate (MIBOR) benchmark published by Financial Benchmarks India Pvt. Ltd. (FBIL) to persons not resident in India as well as to other AD Cat-I banks. This is aimed at providing a further fillip to the interest rate derivative market in the country, removing the segmentation between onshore & offshore markets and improving the efficiency of price discovery
  - ▶ The RBI, in its monetary policy review on February 10, 2022, has maintained status quo on the key policy rates for the 10th consecutive review while retaining an accommodative policy stance. Accordingly, the policy rates are as follows:
    - Repo Rate unchanged at 4.00%;
    - Reverse Repo Rate unchanged at 3.35%;
    - Marginal Standing Facility (MSF) Rate unchanged at 4.25%;
    - Bank Rate unchanged at 4.25%;
    - CRR unchanged at 4.00%; and
    - SLR unchanged at 18.00%.
  - ▶ The RBI has notified the Framework for Facilitating Small Value Digital Payments in Offline Mode
  - ▶ The RBI has enhanced the threshold limit for banks to maintain Liquidity Coverage Ratio (LCR) on deposits and other extension of funds received from non-financial small business customers from Rs. 5 crore to Rs. 7.5 crore. The upward revision in the said threshold aligns the RBI guidelines with the Basel Committee on Banking Supervision (BCBS) standard and is aimed at enabling banks to manage liquidity risk more effectively



**Frequently asked Questions  
& Answers (FAQs)**



**Frequently asked Questions & Answers (FAQs)**

Q-1 How much funds can be transferred from NRE / NRO / FCNR (B) account to beneficiary overseas account ?

A: From NRE/FCNR(B): No restriction, fund up to any limit can be transferred.

From NRO account: Funds up to USD 1 million per financial year can be transferred.

Q.2 Can a resident account be opened with NRI as joint holder?

A: Individuals resident in India are permitted to include non-resident Indian (NRI) close relative (s) as a joint holder(s) in all types of resident bank accounts on “Either or Survivor” operation basis.



Reach us at

For any Queries, Complaints & Suggestions, kindly write to us at: [nri@idbi.co.in](mailto:nri@idbi.co.in)

Toll Free Numbers: 1800 209 4324 | 1800 22 1070

NRI Helpline: (+91-22) 67719100

Level 1 Escalation: [sumit.haritwal@idbi.co.in](mailto:sumit.haritwal@idbi.co.in)

Website: [www.idbibank.in](http://www.idbibank.in)     

**SWIFT Code: IBKLINBB**