

Distances can never keep  
friends apart.

 NRI BANKING  
SERVICES



## *NRI Sampark*

*A Quarterly Newsletter for esteemed NRI clients of IDBI Bank Ltd, Vol-20, Jan-March 2020*

**Dear NRI friends,**

The outbreak of the COVID 19 pandemic has affected almost the whole of the world. We request you and your family to stay safe, healthy and strictly adhere to the local guidelines to combat this menace.

The 20<sup>th</sup> edition of our quarterly newsletter “Sampark”, as always, aims to keep our customers informed about our new offers, developments in the financial world and other related topics. We are sure you will find the contents engaging.

Your Bank continues to offer essential services across all our branches despite the nation-wide lockdown. To safeguard the health of our customers and our staff, we have implemented all the measures found necessary for safe and hygienic transactions at our branches and ATMs. Of course, the best way to Bank during this period would be to extensively use non-personal channels such as Internet and Mobile Banking!

We would once again like to assure you that our teams are fully committed to serve you during these trying times.

Stay Safe.

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

Warm Regards,

Sharath Kamath  
General Manager – Retail Banking Group.  
IDBI Bank Ltd.



## **IDBI Bank Ltd in News**



- Shri Suresh Khatanhar has taken charges as IDBI Bank's Deputy Managing Director on Jan 15, 2020, for a period of three years. Prior to his role as DMD, he was associated with IDBI Bank as Executive Director heading Mid Corporate Group and Trade Finance. He has been with IDBI Bank for a span of 22 years, wherein he was responsible for managing varied aspect of commercial banking. Prior to joining IDBI Bank in 1997, he was associated with Dena Bank.

Shri Suresh Khatanhar holds a Master of Commerce (M. Com) degree from University of Mumbai and is also a certified Associate from Institute of Cost & Work Accountant of India (AICWA) and Certified Associate of Indian Institute of Bankers (CAIIB)

With a cumulative experience of 35 years, Shri Khatanhar's portfolio is diversified into commercial banking environments such as Retail Banking Business, Priority Sector Lending, Corporate Banking (Mid Corporate and Large Corporate), service oriented function such as Trade Finance, Risk Management, Audit Management, Compliance, Credit Management & Monitoring and other facets of commercial banking.



## **IDBI Bank in News**

- IDBI Bank implemented three month moratorium scheme to its customers: In view of Corona-19 pandemic RBI had allowed all banks and financial institutions including non-banking financial companies, to extend a three-month moratorium period on EMIs falling due between March 1, 2020 and May 31, 2020 for all term loans. Accordingly IDBI Bank extended scheme to its customers. The moratorium scheme will be uniformly applicable to all standard term loans under housing loans, loans against property, auto loans, education loans and personal loans as of March 1, 2020. There is no separate request required from the borrower. Customers of IDBI Bank who wish to continue with equated monthly installments (EMIs) and do not want to avail the moratorium will need to inform the bank by sending a mail to [moratorium@idbi.co.in](mailto:moratorium@idbi.co.in)
- IDBI Bank register Profit Before Tax at Rs. 756.00 Crore in Q3 FY2020 (Quarter Ending December 31,2019).
- The Department Of Financial Services (DFS), Ministry Of Finance , vide its communication dated December 17, 2019 has directed all the Government Departments and Undertakings to continue allocating the Government Business to IDBI Bank



## Interest Rates on NRI Deposits

### Non Resident Ordinary - NRO Deposit rates (Effective: April 01, 2020)

Maturity Slab	Interest Rate (% p.a.)
7-14 days	3.10
15-30 days	4.00
31-45 days	4.25
46- 60 days	5.00
61-90 days	5.00
91-6 months	5.00
6 months 1 day to 270 days	5.25
271 days upto < 1 year	5.50
1 year	<b>5.85</b>
> 1 year - 2 years	5.75
>2 years to < 3 years	<b>5.80</b>
3 yrs to < 5 yrs	5.75
5 years	5.90
> 5 years - 7 years	5.80
>7 years - 10 years	5.80

### Non-Callable\* NRE/ NRO Deposits (Effective: April 01, 2020)

Tenor	Interest Rate (% p.a.)
<b>1 year</b>	<b>5.95</b>
> 1 year - 2 years	5.85
>2 years to < 3 years	5.90
<b>3 years to &lt; 5 years</b>	5.90
<b>5 years</b>	6.10
> 5 years - 7 years	6.05

### Non Resident External - NRE Deposit rates (Effective: April 01, 2020)

Maturity Slab	Interest Rate (% p.a.)
<b>1 year</b>	<b>5.85</b>
> 1 year - 2 years	5.75
>2 years to < 3 years	<b>5.80</b>
3 yrs to < 5 yrs	5.75
<b>5 years</b>	5.90
> 5 years - 7 years	5.80
>7 years - 10 years	5.80

### Recurring NRE/NRE Deposits (Effective: April 01, 2020)

Tenor	Interest Rate (% p.a.)
1 year	5.85
> 1 year - 2 years	5.75
>2 years to < 3 years	5.80
3 years to < 5 years	5.75
5 years	5.90
> 5 years - 7 years	5.80
>7 years - 10 years	5.80

*The rates mentioned are subject to change from time to time. Please verify the rates on our website [www.idbbank.in](http://www.idbbank.in)  
No interest is payable on NRE / FCNR (B) deposit closed prematurely in less than a year*

*\* Non-Callable Deposits :*

- Deposit amount from Rs 15.00 lakhs to < Rs. 2.0 Cr*
- Pre mature closure not permitted*
- Capital gain and RD not permitted*
- Sweep facility and Auto renewal not permitted.*

*# DTAA benefit available for TDS on NRO Deposits*

### Foreign Currency Non Resident (Bank) - FCNR (B) deposit rates (% p.a.)\* (Effective: April 01, 2020)

Maturity Slab	USD	GBP	EUR	AUD	CAD	JPY	SGD	HKD	CHF
1 yr to less than 2 yrs	<b>1.52%</b>	<b>1.19%</b>	<b>0.30%</b>	<b>1.09%</b>	<b>1.30%</b>	<b>0.27%</b>	<b>1.18%</b>	<b>1.66%</b>	<b>0.00%</b>
2 yrs to less than 3yrs	<b>1.35%</b>	<b>1.19%</b>	<b>0.25%</b>	<b>1.11%</b>	<b>1.30%</b>	<b>0.18%</b>	<b>1.37%</b>	<b>1.51%</b>	<b>0.00%</b>
3 yrs to less than 4 yrs	<b>1.24%</b>	<b>1.10%</b>	<b>0.15%</b>	<b>1.14%</b>	<b>1.33%</b>	<b>0.08%</b>	<b>1.35%</b>	<b>1.59%</b>	<b>0.00%</b>
4 yrs to less than 5 yrs	<b>1.24%</b>	<b>1.11%</b>	<b>0.16%</b>	<b>1.26%</b>	<b>1.41%</b>	<b>0.05%</b>	<b>1.37%</b>	<b>1.70%</b>	<b>0.00%</b>
5 years only	<b>1.28%</b>	<b>1.12%</b>	<b>0.20%</b>	<b>1.33%</b>	<b>1.47%</b>	<b>0.04%</b>	<b>1.39%</b>	<b>1.74%</b>	<b>0.00%</b>

## Product Focus – Rupee Yield Enhancer.

**Rupee Yield Enhancer**



**Now earn  
higher yield  
on your  
NRE Funds**

### *Features & Benefits : IDBI Rupee Yield Enhancer.*

Sr.No	Particulars	Details
1	Feature	<p>Rupee Yield Enhancer is aimed to offer better yield on NRE deposits by converting the balance in NRE deposits into FCNR (B) deposits from 1 year to 5 years and booking a forward sale contract for principal and interest of FCNR (B) deposit (i.e. NRI Depositor will sell FCNR (B) deposit maturity proceeds at forward premia). On maturity of the forward contract, NRI Depositor shall receive the proceeds in Indian Rupees at the contracted exchange rate. If the combined return from the FCNR Deposits and forward premia is higher than NRE Deposit, this route will yield higher return to the NRI Depositor.</p> <p>Thus, based on the relative interest rates on NRE Deposits &amp; Foreign Currency Deposits (FCNR) along with the prevailing forward premia, NRI Depositor may use the forward foreign exchange contract to improve yield on deposits.</p> <p>Cancellation of forward cover is not permitted. However, if need to cancel the contract, exchange loss arising on account of pre-mature closure of the deposit / forward foreign exchange contract along with the cost /expenses related thereto, if any, to be borne by the customer.</p>
2	Minimum Amount and tenor	Minimum investment of USD 5000 or its equivalent for a maximum period of 5 years & minimum period of one year.



## ***Economic Outlook***



- The RBI notified that the Deposit Insurance and Credit Guarantee Corporation has raised the **limit of insurance cover for depositors** in insured banks from the current level of Rs. 1 lakh to Rs. 5 lakh per depositor with effect from February 4, 2020. **The enhanced deposit insurance cover is aimed at protecting depositors' interests and strengthening depositor confidence in the banking system.**
  
- The Economist Intelligence Unit (EIU) has reduced its Global growth forecast for the year 2020 to 2.2 percent. Earlier, it has forecasted the growth to be at 2.3 percent. This decrease has been made due to the impact of Novel coronavirus outbreak in China and its spread in other countries globally.
  
- As at end-Jan'20, India's **Fiscal Deficit** was estimated to be at Rs. 9.85 lakh crore or 128.5% of the Revised Estimate (RE) ,India's fiscal deficit is likely to widen due to lower tax collection on the back of slowing economic activities. Furthermore, the Government's commitment to provide stimulus to economic activity is expected to keep its expenditures at an elevated level.
  
- Jeff Bezos, the chief of Amazon.com Inc, said that the company will invest USD 1 billion (over Rs 7,000 crore) in India to bring small and medium businesses online.
  
- As announced in the Seventh Bi-monthly Monetary Policy Statement, 2019-20, it has been decided by the Monetary Policy Committee (MPC) to reduce the policy Repo rate under the Liquidity Adjustment Facility (LAF) by 75 basis points from 5.15 per cent to 4.40 per cent with immediate effect.

## Banking Update



- As announced in its Sixth Bi-monthly Monetary Policy Review 2019-20, the RBI notified that Regional Rural Banks (RRBs) will be permitted to act as merchant acquiring banks using Aadhaar Pay – BHIM app and POS terminals, subject to the some conditions.
- The RBI notified the draft Framework for Authorization of a pan-India New Umbrella Entity (NUE) for Retail Payment Systems on February 10, 2020 which will work along the lines of National Payments Corporation of India (NPCI).
- The Ministry of Finance **launched EASE 3.0 - the PSB Reforms Agenda 2020-21** on February 26, 2020. EASE 3.0 seeks to enhance ease of banking in all customer experiences, using technology, FinTech, alternate data and analytics. A wide array of tech-enabled, ease enhanced services is expected to be provided by PSBs in FY21
- The RBI has advised banks that all new loans to medium enterprises must be linked to an external benchmark w.e.f April 1, 2020.
- The Central Government has re-appointed Shri B. P. Kanungo as Deputy Governor, Reserve Bank of India for a further period of one year with effect from April 3, 2020, or until further orders, whichever is earlier, upon completion of his existing term on April 2, 2020.
- Post-merger of selected PSB, All branches of Allahabad Bank will function as branches of Indian Bank, all branches of Andhra Bank and Corporation Bank will function as branches of Union Bank of India and all branches of Oriental Bank of Commerce and United Bank of India will function as branches of Punjab National Bank from April 1, 2020.
- WhatsApp pay has received the approval of National Payments Corporation of India (NPCI) to expand its UPI project to 10 million users, Whatsapp was running this feature as a pilot for 1 million users and was waiting for a license since 2018 and now it has got the approval from NPCI.
- The Union Cabinet has approved the amendments to the Banking Regulation Act in order to bring cooperative banks under the regulatory mechanism of Reserve Bank of India. The government has taken this decision after considering the situation of the Punjab and Maharashtra Cooperative (PMC) Bank which are under crisis. This move will ensure greater accountability and transparency in the functioning of cooperative banks.

## Banking Updates



- The Government of India will start the circulation of new one rupee note in the market. Government has specified and notified "Printing of One Rupee Currency Notes Rules, 2020". These new 1 Rs notes will be printed by the Ministry of Finance not by RBI. The note will have the bilingual signature of Atanu Chakraborty who is the Secretary of Ministry of Finance.
- Reserve Bank of India (RBI) has launched a mobile app named Mobile Aided Note Identifier (MANI) to help visually challenged people to identify denomination of currency notes. The RBI launched the mobile app considering the reports of problems faced by visually-challenged people in identifying these new currency notes due to the significant changes in the sizes and designs after the demonetization in November 2016.
- RBI asks banks to allow at the time of issue or re-issue, all cards (physical and virtual) should be enabled for use only at contact-based points of usage [ATMs and Point of Sale (PoS) devices] within India. The instructions given by the RBI assume significance amid rising instances of cyber frauds. Customers will have to separately set up services on their card for international transactions, online transactions, card-not-present transactions and contactless transactions.
- According to the Finance Ministry, the Public Sector Banks have recovered a record Rs 2.03 lakh crore bad loans in last one-and-half years. The bad loans have fell down to Rs 7.27 lakh crore at the end of September 2019 from Rs 8.96 lakh crore at the end of March 2018.
- To mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses following decision has been taken by Government of India
  1. Rescheduling of Payments – Term Loans and Working Capital Facilities
  2. Easing of Working Capital FinancingThe rescheduling of payments, including interest, will not qualify as a default for the purposes of reporting to Credit Information Companies (CICs) by the lending institutions.



## Frequently asked Questions & Answers (FAQs)



### Q.1 Can a Non Resident Indian acquire agricultural property?

A. As per the Foreign Exchange Management Act 1999 (FEMA) a NRI / PIO / OCI cannot acquire agricultural land / plantation property / farm house in India.

### Q.2 Can a Non Resident Indian invest in Public Provident Fund (PPF)?

A. NRIs are not permitted to invest in small savings or Public Provident Fund (PPF).

### Donate @ PM-CARES

Keeping in mind the need for having a dedicated national fund with the primary objective of dealing with any kind of emergency or distress situation, like posed by the COVID-19 (Coronavirus) pandemic, Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund' has been set up. Citizens and organizations can go to the website [pmindia.gov.in](http://pmindia.gov.in) and donate to PM CARES Fund using the following details.

For making online donation to PM-CARE via net banking please visit to below link:  
<https://inetapps.idbibank.co.in/pmcaresfund>.

You may also pay cash in our branches /pay through cheque /demand drafts favoring "PM CARES Fund" Account number 0011104000631945 and drop at any of our branch.

### Reach us at

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

Customer Care: (+91-22) 67719100

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