

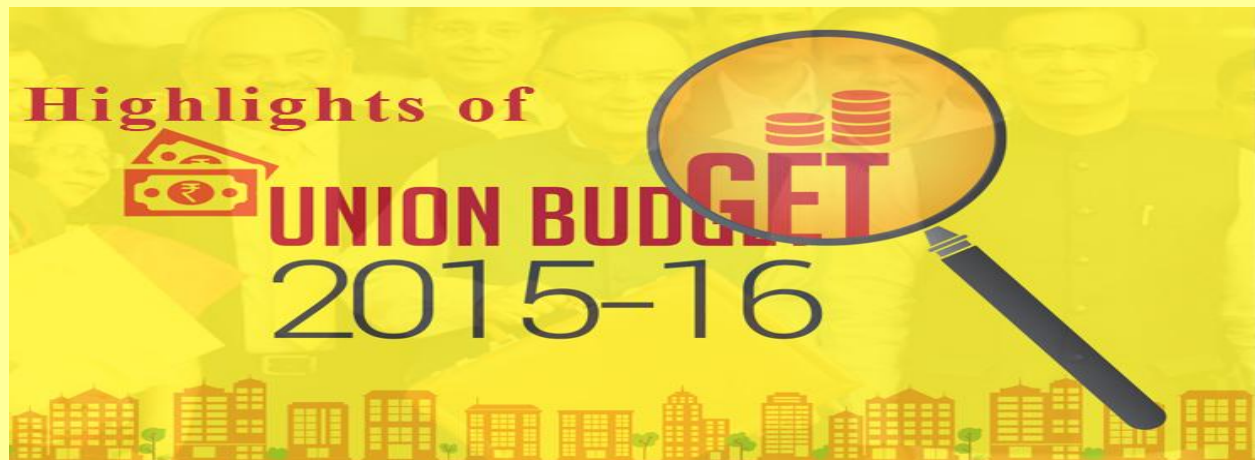


NRI NEWS BULLETIN

February 2015

Vol No: 2/2015

We wish all our NRI customers' Season's Greetings!



FISCAL DEFICIT

- * Fiscal deficit seen at 3.9 percent of GDP in 2015/16
- * Will meet the challenging fiscal target of 4.1 percent of GDP
- * Remain committed to meeting medium term fiscal deficit target of 3 percent of GDP
- * Current account deficit below 1.3 percent of GDP

GROWTH

- * GDP growth seen at between 8 percent and 8.5 percent y-o-y
- * Nominal economic growth seen between 11 and 12 percent
- * Aiming double digit growth rate, achievable soon

INFLATION

- * Expects consumer inflation to remain close to 5 % by March, opening room for more monetary policy easing
- * Monetary policy framework agreement with the RBI clearly states objective of keeping inflation below 6 percent

REVENUES

- * Revenue deficit seen at 2.8% of GDP
- * Non tax revenue seen at Rs.2.21 trillion
- * Agricultural incomes are under stress
- * Net receipts under market stabilisation scheme estimated at Rs.200 billion

DISINVESTMENT

- * Government targets Rs.410 billion (\$6.7 billion) from stake sales in PSU companies in 2015/16
- * Total stake sale in 2015/16 seen at Rs.695 billion
- * Sets stake sale target for 2016/17 at Rs.550 billion

MARKET REFORMS

- * Propose to merge commodities regulator with SEBI
- * To bring a new bankruptcy code
- * Provide for a monetary policy committee
- * To set up public debt management agency

* Proposes to introduce a public contract resolution of disputes bill

* To establish an autonomous bank board bureau to improve management of public sector banks

POLICY REFORMS

* To enact a comprehensive new law on black money

* Propose to create a universal social security system for all Indians

* To launch a national skills mission soon to enhance employability of rural youth

* To raise visa-on-arrival facility to 150 countries from 43

* Allocates Rs.346.99 billion for rural employment guarantee scheme

BORROWING

* Gross market borrowing seen at Rs.6 trillion

* Net market borrowing seen at Rs.4.56 trillion

GENERAL ANTI-AVOIDANCE RULES (GAAR)

* Government defers rollout of anti-tax avoidance rules GAAR by two years

* GAAR to apply prospectively from April 1, 2017

* Retrospective tax provisions will be avoided

TAXATION

* To abolish wealth tax

* Replaces wealth tax with additional 2 % surcharge on super rich (with taxable income of Rs.1 Cr and above)

* Proposes to cut to 25 % corporate tax over next four years

* Net gain from tax proposals seen at Rs.150.68 billion

* Proposes to rationalize capital gains tax regime for real estate investment trusts

- * Extends withholding tax concession on foreign debt purchases by two years
- * Expects to implement goods and services tax by April 2016
- * To reduce custom duty on 22 items
- * Basic custom duty on commercial vehicle doubled to 20 percent
- * Proposes to increase service tax rate and education cess to 14 % from 12.36%
- * Plans to introduce direct tax regime that is internationally competitive on rates without exemptions
- * Exemptions for individual tax payers to continue
- * To enact tough penalties for tax evasion in new bill
- * Tax dept to clarify indirect transfer of assets and dividend paid by foreign firms

PERSONAL INCOME TAX

- * No revision of income tax brackets
- * Limit of deduction of health insurance premium increased to Rs.25,000 from Rs.15,000 ; limit increased to Rs.30,000 from Rs.20,000 for the elderly
- * People aged above 80 and not covered by health insurance to be allowed deduction of Rs.30,000 for medical expenses
- * Additional deduction of Rs.25,000 for the disabled
- * Limit on deduction for contributions to pension fund and new pension scheme increased to Rs.150,000 from Rs.100,000
- * Additional deduction of Rs.50,000 for contribution to NEW PENSION SCHEME under section 80CCD
- * Monthly transport allowance exemption doubled to Rs.1,600

INFRASTRUCTURE

- * Investment in infrastructure will go up by 700 bln rupees in 2015/16 over last year

* Plans to set up NATIONAL INVESTMENT INFRASTRUCTURE FUND

* Proposes tax-free infrastructure bonds for projects in roads, rail and irrigation projects

* Proposes 5 "ultra mega" power projects for 4,000 MW each

* Second unit of Kudankulam nuclear power station to be commissioned

* To build additional 100,000 km of road

* Ports in public sector will be encouraged to corporatise under Companies Act

EXPENDITURE

* Plan expenditure estimated at about Rs.4.65 trillion

* Non-plan expenditure seen at about Rs.13.12 trillion

* Allocates Rs.2.46 trillion for defence spending

* Allocates 331.5 billion rupees for health sector

* If revenue improves, hope to raise budgeted allocations for rural job scheme by Rs.50 billion

INVESTMENT

* Government to provide Rs.79.4 billion capital infusion to state-run banks

* Propose to do away with different types of foreign investment caps and replace them with composite caps

* To allow foreign investment in alternative investment funds

* Public investment needed to catalyse investment

GOLD

* To launch gold deposit accounts and sovereign bond

* Import duty stays at 10%

* To work on Indian-made gold coin to cut imports



Canara Bank customers can **Hotlist** their Debit / Credit Cards through **SMS**

For Visa Credit Cards type message as
BLOCK<space>CAN<space><last four digits of the card>
and send to **575758**.

For Master Credit Cards type message as
CAN<space>HOTLISTCC<space>Card Number (16 digits) <space>Date of Birth (yyyymmdd)
and send to **567060**.

For Debit Card type message as
CAN<space>HOTLISTDC<space>Card Number (16 digits)
and send to **567060**.

* The customer shall send the following SMS from their registered mobile number

Home Loan
Low And Attractive Interest Rate

केनरा बैंक  Canara Bank
A Government of India Undertaking
Together We Can

Dreaming of owning your home ?

Fulfill your dreams with Canara Home loan.



NRI's can avail benefits under the DTAA by timely submission of documents listed below to the deductor:

1. Tax Residency Certificate (TRC) certifying his/her residence abroad.
2. Xerox Copy of the PAN card of the Non Resident customer.
3. Request letter from the NRI customer
4. Self Declared Form 10F (download from the following link):

<http://www.incometaxindia.gov.in/Forms/Income-Tax%20Rules/10312000000007197.pdf>

For DTAA rates of various countries click on following link:

<http://www.canarabank.com/English/Content/NRI%20NEWS%20BULLETIN%20%20SEPT%202014.pdf>

We are furnishing below the most competitive Interest Rates offered by us on various Non-resident Deposit Schemes, where you can securely invest your funds with your own Bank.

FOREIGN CURRENCY NON RESIDENT (FCNR) DEPOSIT RATES (% p.a.)*
(Effective 01.03.2015)

| PERIOD OF DEPOSIT | CURRENCY OF DEPOSITS | | | | |
|---------------------------------------|----------------------|------|------|------|------|
| | USD | GBP | EUR | CAD | AUD |
| 1 year & above but less than 2 years | 1.51 | 1.68 | 1.10 | 1.95 | 3.11 |
| 2 years & above but less than 3 years | 1.91 | 2.01 | 1.10 | 1.90 | 3.11 |
| 3 years & above but less than 4 years | 3.26 | 3.24 | 2.14 | 2.97 | 4.15 |
| 4 years & above but less than 5 years | 2.51 | 2.42 | 1.21 | 2.07 | 3.33 |
| 5 years only | 2.70 | 2.55 | 1.28 | 2.18 | 3.43 |

Non Resident External (NRE) Term Deposit rates* (Effective 06.03.2015)

| Period of Deposit | RATE OF INTEREST (% PA) | |
|--------------------------------------|--------------------------|------------------------|
| | Less than Rs. 1.00 Crore | Rs. 1.00 Crore & above |
| 1 Year only | 8.80 | 8.50 |
| Above 1 Year to less than 2 Years** | 8.80 | 8.50 |
| 2 Years & above to less than 3 Years | 8.80 | 8.20 |
| 3 Years & above to 5 Years | 8.75 | 8.00 |
| 5 Years & above to 8 Years | 8.50 | 8.00 |
| 8 Years & above to 10 Years | 8.50 | 8.00 |
| **444 Days/555 Days (Canara Shikhar) | 8.85 | -- |

Non Resident Ordinary (NRO) Term Deposit rates* (Effective 06.03.2015)

| Period of Deposit | RATE OF INTEREST (% PA) | |
|--------------------------------------|---------------------------------|-----------------------------------|
| | Less than Rs. 1.00 Crore | Rs. 1.00 Crore & above |
| 7 Days to 14 Days # | 4.00 | 6.25 |
| 15 Days to 30 Days | 4.50 | 6.25 |
| 31 Days to 45 Days | 6.25 | 7.00 |
| 46 Days to 60 Days | 7.00 | 7.75 |
| 61 Days to 90 Days | 7.00 | 7.75 |
| 91 Days to 120 Days | 7.25 | 8.25 |
| 121 Days to 179 Days | 7.25 | 8.25 |
| 180 Days to 269 Days | 7.75 | 8.25 |
| 270 Days to less than 1 Year | 8.25 | 8.50 |
| 1 Year only | 8.80 | 8.50 |
| Above 1 Year to less than 2 Years** | 8.80 | 8.50 |
| 2 Years & above to less than 3 Years | 8.80 | 8.20 |
| 3 Years & above to less than 5 Years | 8.75 | 8.00 |
| 5 Years & above to less than 8 years | 8.50 | 8.00 |
| 8 Years & above to 10 years | 8.50 | 8.00 |
| **444 Days/555 Days (Canara Shikhar) | 8.85 | -- |

Rates are applicable only for single deposit of Rs.5.00 lakh & above

* The rates mentioned are subject to change from time to time. Please verify the latest rates in our Website (Link): <http://www.canarabank.com/English/Scripts/DepositAccounts.aspx>



EXCHANGE RATES FOR MAJOR CURRENCIES:

| CURRENCY | Exchange Rate(INR) |
|--------------------------|---------------------------|
| USD | 61.75 |
| GBP | 95.01 |
| EUR | 68.93 |
| CAD | 49.20 |
| AUD | 48.08 |
| Bahraini Dinars | 163.49 |
| UAE Dirham | 16.79 |
| Saudi Riyals | 16.44 |
| Omani Riyals | 159.77 |
| Qatari Riyals | 16.93 |
| South African Rand (ZAR) | 5.27 |

(TT buying rates as on 28th February 2015)

RATES ARE IN RUPEES FOR ONE UNIT OF FOREIGN CURRENCY

Please look for our next News Bulletin for further more information to make your banking experience easy and enjoyable. Your valuable feedback and suggestions are always welcome!

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