

NRI

C O N N E C T

October 2023



FOREIGN DIRECT INVESTMENT

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Chief Manager

FOREIGN DIRECT INVESTMENT

Foreign Direct Investment (**FDI**) has been pivotal in India's economic growth and development. FDI has played a crucial role in shaping the country's economic landscape and development. After Independence, country witnessed a restrictive approach towards foreign investments, with limited opportunities for FDI. The focus was primarily on promoting domestic industries and reducing dependence on foreign capital. Later India began to experience a balance of payments crisis and low foreign exchange reserves, prompting need for economic reforms. The government initiated gradual liberalization measures, easing restrictions on FDI in select sectors such as technology collaborations and export-oriented units. The year 1991 marked a significant turning point for FDI in India. In response to a severe economic crisis, the Indian government introduced comprehensive economic reforms and liberalisation measures. Opening up the Indian economy to foreign investment was a transformative step that laid the foundation for India's rapid growth. The government aimed to attract foreign capital, technology, and expertise to boost economic growth and development.

In the subsequent years, the Indian government implemented several reforms to attract FDI and create a conducive business environment. Some notable reforms include;

- 1. FDI Policy Framework :** The government introduced a transparent and predictable FDI policy framework. Restrictions were relaxed and new opportunities were created for foreign investors.
- 2. Special Economic Zones :** The establishment of **SEZs** aimed to attract export-oriented industries and provide a favourable ecosystem for FDI. These zones offered various incentives, including tax benefits and streamlined procedures.
- 3. Single Window Clearance :** The introduction of a single window clearance system simplified the approval process for foreign investors, reducing bureaucracy and improving the ease of doing business.

Since the economic liberalisation 1991, FDI inflows into India have shown steady growth. Foreign investments have poured into various sectors, including manufacturing, services, information technology, infrastructure and retail. FDI has contributed significantly to India's economic growth, employment generation, and technology transfer. It has stimulated domestic industries, promoted innovation, and enhanced productivity.

The inflow of foreign capital has also bolstered export competitiveness, providing Indian businesses access to global markets. Here are some key points highlighting the importance of FDI for India:

1. Capital Infusion : FDI brings in much-needed capital that can be used for investment in various sectors of the economy. It helps finance new projects, expand existing businesses, increasing economic activity and job creation.

2. Technology transfer and Innovation : FDI enables transfer of advanced technologies, managerial expertise, and best practices from foreign companies to domestic industries. This transfer of knowledge fosters innovation, improves productivity and enhances the competitiveness of Indian businesses in both domestic and international markets.

3. Employment generation : FDI inflows create employment opportunities by stimulating economic growth and expanding businesses. Foreign companies set up operations in India, directly and indirectly generating jobs across various sectors, reducing unemployment and poverty.

4. Export promotion : FDI plays a significant role in boosting India's export competitiveness. Foreign companies invest in export-oriented sectors, manufacturing goods for both domestic and global markets. This helps diversify the export base, increase foreign exchange earnings, and improve the country's trade balance.

5. Infrastructure development : FDI contributes to infrastructure development such as ports, airports, roads, and power plants. Foreign investments in infrastructure gap in the country, supporting economic activities, improving logistics and attracting further investments.

6. Enhanced productivity : FDI brings advanced production techniques, management practices, and quality standards. This leads to increased efficiency, higher productivity levels and improved overall performance of domestic industries, benefitting the entire economy.

7. Financial stability : FDI inflows contribute to strengthening the financial stability of the Indian economy. It helps maintain a favourable balance of payments, increases foreign exchange reserves and reduces external vulnerability.

Several sectors in India have been booming in attracting significant FDI inflows. The manufacturing sector, services industry, IT sector, and infrastructure projects have been critical recipients of foreign investments. These investments have driven growth, created job opportunities and fostered skill development. For instance, the automotive sector has seen notable foreign investments, leading to the establishment of world-class manufacturing facilities and a robust automotive ecosystem.

Here are few of the Government policies and Initiatives to attract foreign investments:

1. Startup India : The Startup India campaign, launched in 2016, aims to promote entrepreneurship and innovation by creating a favourable startup ecosystem. The initiative provides tax benefits, funding support, and more accessible startup compliance procedures. It also fosters incubation centres, mentorship programs and networking opportunities to nurture the growth of emerging businesses.

2. Digital India : Digital India is an ambitious program that seeks to transform India and bridge the digital divide digitally. The initiative promotes digital infrastructure development, e-governance, digital empowerment, and the widespread adoption of technology across sectors. It creates opportunities for technology companies to invest in India's digital ecosystem.

3. Product-linked Incentive scheme : The PLI scheme launched in 2020, aims to enhance India's manufacturing capabilities and promote domestic production in strategic sectors. The scheme provides financial incentives to companies for total output and investments in crucial sectors such as electronics, pharmaceuticals, automobiles, and textiles. It aims to attract global companies to set up manufacturing units in India.

4. National Infrastructure Pipeline : The NIP is a comprehensive program launched in 2019 to enhance infrastructure development in India. It outlines strategic infrastructure projects across roads, railways, airports, power and urban infrastructure. The program aims to attract private investment, including FDI, in infrastructure projects, thereby creating employment opportunities and fostering economic growth.

Combined with government's vision, these policies and programs aim to propel India's economic growth and establish it as a preferred destination for foreign investors. Despite of challenges like bureaucratic hurdles, policy uncertainties, infrastructure gaps, skill development and labour laws there are many opportunities like, emerging sectors, untapped regions, greenfield investments, strategic partnerships, attractive consumer market, digital transformation and resilient sectors.

Foreign Direct Investment has been a driving force behind India's economic growth and development. Through FDI, India has gained access to capital technology, and expertise, increasing productivity, employment and export competitiveness. With the government's proactive measures and ongoing reforms, India is well-positioned to further enhance its attractiveness as a global investment destination.



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Abin Jose
Manager



TIPS FOR RECENTLY MIGRATED NRIs

Have you moved to overseas recently? Hope you have checked on the following points.

Indians who recently moved overseas are recommended to follow some action points to for a better management of financial assets.

- **Conversion of Resident Accounts:** Migrated Indians are required to intimate the bank about their NRI status. Accordingly, the bank will convert the resident account into an **NRO (Non Resident Ordinary)** account. NRIs are permitted to deposit income earned in India like rent, dividend etc., into their NRO accounts.

- **Open an NRE (Non Resident External) Account:** Its recommended to open an NRE account by a migrated Indian. NRIs can transfer funds from abroad in foreign currency to their NRE rupee account and can be used to pay expense in India. The funds in the account are free from income tax in India and can be fully repatriable.

- **Portfolio Investment Scheme (PIS) Account:** PIS account has been introduced by the Reserve Bank of India (RBI) to enable NRIs to invest in

the Indian stock market. An NRI can open PIS account with an RBI authorized dealer for purchase and sale of shares. South Indian Bank provides PIS facility to NRIs. The investment made through PIS account is repatriable.

- Migrated Indians are required to intimate their residential status to the tenant if any house property is let out in India as the tenant will be required to deduct TDS on rent as per the specified rate.

- If migrated Indian is selling any property in India, he is required to intimate his residential status to the buyer of the property as the buyer will deduct the TDS as per provision of Section 195 of the Income Tax Act.

- **Insurance Policy:** Migrated Indians can continue to hold their insurance policies and continue payment of premium.

- **Power of Attorney:** To carry out any transaction in India (For example to execute documents related to sale of property): it is vital to create a power of attorney with either a family member or a trustworthy person.

- NRIs can acquire immovable property other than agriculture property/plantation property/farm house in India without an approval from RBI.

- NRIs can make an investment in an Indian firm, LLP or proprietary concern on a non-repatriation basis.

- **Taxation:** Be sure to clear all tax liabilities before migration. Also make an enquiry on whether the country of migration has an agreement with India on DTAA (Double Taxation Avoidance Agreement) DTAA ensures there is no double taxation on income earned in your country of residence and taxes are paid in both countries.



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Sharon U S
Assistant Manager

IMPACT OF ICC WORLD CUP CRICKET 2023 ON INDIAN ECONOMY

India is hosting the 13th edition of **ICC Men's Cricket World Cup 2023**. India has hosted World Cup in year 2011 and will now do it this year, after a gap of 12 years and it is for the first time that the entire event is being hosted in India. Cricket is one of the most popular sports in the world and is having a noticeable impact on stock markets, particularly in cricket-loving nations like India.

The world cup will likely to be having a positive impact on our economy. When a significant cricket event, such as a World Cup or a high profile domestic leagues like (**IPL**), is underway, it tends to capture the nation's attention, boosting consumer sentiment and advertiser interest. This surge in interest can translate into increased advertising revenue for media companies broadcasting the matches, leading to positive sentiment around their stocks. Additionally, sectors related to hospitality, travel and retail often witness increased economic activity during cricket tournaments, which can positively affect their stock prices. However, it is important to note that the impact is usually short term and primarily sentiment-driven, with a limited long term effect on the overall stock market.

The various sectors like travel, tourism, hotels, food and beverages will be the major beneficiaries. Many fans from various part of the world will travel to watch the matches, and this can create a boost in the travel and hospitality sector. The demand for food and beverages is also experiencing a significant impact during the period.

The economists predict that the total viewership across television and streaming platforms will surpass the 2019 record. This anticipation spells good news for broadcasters and sponsors. Yet, the World Cup is not merely about the matches, It's an experience like an Indian festival. This grand event promises to provide an economic boost across various sectors. In conclusion, the ICC Cricket World Cup 2023 is a celebration of India's economic vitality, showcasing its prowess in hosting a global sporting event while providing significant economic benefits across various sectors of the economy.

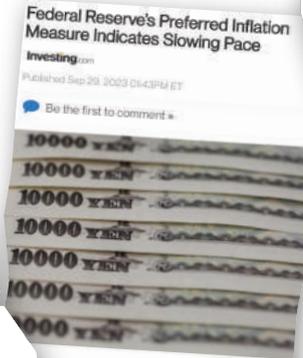
News Corner



Portugal to ditch tax breaks for foreign residents amid housing crisis



Synopsis
Portugal's Prime Minister, Antonio Costa, has announced plans to close the tax breaks scheme for foreign residents in the country by 2024. The scheme, known as the NHR, was introduced in 2009 to attract investors and retirees. However, the housing market has become increasingly unaffordable for many residents.



Australia to crack down on 'significant abuse' in immigration system



UK student visas: Concerns rise over education scams in India



Synopsis
There has been an increase in the use of counterfeit marksheet and education certificates to obtain student visas for the UK. The police have reported at least six cases in recent weeks. Investigations suggest that the streamlined visa application process and the popularity of UK education among Indian students may be contributing factors to the surge in fraud cases.



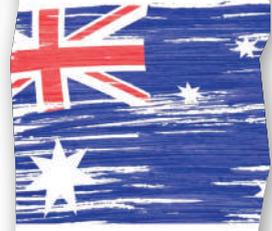
Monetary Policy: The RBI Governor Shakti Kanishk today announced that the Monetary Policy Committee (MPC) has decided to keep the repo rate unchanged at 6.5%.



Monetary policy: RBI leaves inflation projection for FY24 unchanged at 5.4%, but price pain remains major risk



Australia will no longer let international students enroll in two courses simultaneously



Synopsis
Australia is implementing new rules that prevent international students from enrolling in two courses concurrently during the first six months of their stay.

Super rich Indians buy second homes in Dubai cement status world's busiest luxury property market



Indians asking - Can we bring our family?



Synopsis
The number of Indian students studying abroad has increased significantly, with over 1.3 million students enrolled in various countries.

France is ready to welcome 30,000 students by 2030



Synopsis
Currently, the maximum 500,000 won (\$370) worth of a local purchase and 2.5 million won in total is applicable for tax refunds when foreign students return to their home countries.



Plans for H-1B stamping from within the United States announced, but no word on implementation date yet

The World's global wealth hub relocations could benefit India's economy



US extends work permit validity to five years for Green Card hopefuls



U.S. Citizenship and Immigration Services

LIST OF CORRESPONDENT BANKS WITH SWIFT ARRANGEMENT

Currency Details	Bank & Address	SIB's A/c no. with them	SWIFT Code
USD (US Dollar)	J P MORGAN CHASE BANK NA, 383 Madison Avenue New York, New York 10179 ABA Routing Number: 021000021	906918203	CHASUS33
	The Bank of New York Mellon (BNY Mellon), 240 Greenwich Street NY 10286, USA ABA ROUTING NO: 021000018	803-3162-716	IRVT US3N
	Standard Chartered Bank, One Madison Avenue, New York, NY 10010-3603 ABA ROUTING NO: 026002561	3582021649001	SCBLUS33
GBP (Pound Sterling)	J P MORGAN CHASE BANK NA, 25 Bank Street, Canary Wharf London United Kingdom E14 5JP IBAN: GB03CHAS60924280035960	80035960	CHASGB2L
	Standard Chartered Bank, 1 Basinghall Avenue, London EC2V SDD, United Kingdom IBAN Number: GB88 SCBL 6091 0412 6928 56	01269285601	SCBLGB2L
EURO	J P Morgan SE , Taunustor 1, 60310 Frankfurt am Main , Germany, IBAN: DE55501108006231419232	6231419232	CHASDEFX
	Standard Chartered Bank (Germany) GMBH, Franklinstrasse 46-48 60486 Frankfurt /Main, Germany, IBAN:DE40512305000018160002	018160002	SCBLDEFX
JPY (Japanese Yen)	Standard Chartered Bank, 21st Floor Sanno Park tower Tower 2-11-1 Nagatacho, Chiyoda-ku Tokyo 100-6155 Japan	23762101110	SCBLJPJT
CAD (Canadian Dollar)	The Bank of New York Mellon(BNY Mellon), 240 Greenwich Street NY 10286, USA	8033060042	IRVTUS3N (Intermediary bank:- Royal Bank of Canada, Toronto ROYCCAT2)
CHF (Swiss Franc)	Zurcher Kantonalbank, Hardstrasse 201, Zrich (Prime Tower) IBAN Number : CH9500700070001284444	0-0700-01284444	ZKBKCHZ80A
AUD (Australian Dollar)	State Bank of India, Suite 31.02, Australia Square,264, George Street Sydney,NSW 2000, Australia	30113039120001	SBINAU2SXXX
AED (UAE Dirham)	Mashreq Bank, P O Box1250, Riqa, Diera Dubai, UAE, IBAN No : AE960330000019030000172	019030000172	BOMLAEAD
SGD (Singapore Dollar)	DBS Bank Ltd 12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore-018982	037-003682-0	DBSSSGSG
SAR (Saudi Riyal)	Al Rajhi Bank, Head Office, Al Olayia Main Street – Riyadh, Al Akaria Building 3, P.O. Box 28, Riyadh – 11411 Saudi Arabia.	IBAN: SA0780000100608010055456	RJHISARI

LIST OF EXCHANGE HOUSES/BANKS HAVING RUPEE DRAWING ARRANGEMENT WITH SOUTH INDIAN BANK

Country	Name of the bank/ Exchange Company	Remittance facility
UAE	Hadi Express Exchange, P.O Box 28909, Dubai, UAE, Ph: 00971-43537650	SIB Express
	UAE Exchange Centre LLC, Head office, P.O Box 170, Abudhabi, UAE, Ph: 00971-26322166	SIB Express
	Al Ahaliya Money Exchange Bureau, P.O Box 2419, Abu Dhabi, UAE, Ph: 00971-26270004	SIB Express
	Al Rostamani Exchange, P.O Box 10072, Al Rostamani Bldg. (Above 1st gulf Bank) Mezzanine Floor, Bur Dubai, UAE, Ph: 00971-263223222	SIB Express
	Al Fardan Exchange Company, P.O Box 498, Abudhabi, UAE, Ph: 00971-26223222	SIB Express
	Al Ansari Exchange, Head office, P.O Box 6176, Dubai, UAE, Ph: 00971-26224421/ 26108888/43772666	SIB Express
	Sharaf Exchange LLC, P.O Box 29040, Dubai, UAE, Ph: 00971-43554560	SIB Express
	Lulu International Exchange LLC, P.O Box 4059, Plot No. C-210 Muroor Road, Abu Dhabi, UAE, Ph: 00971-26421800	SIB Express
	Joy Alukkas Exchange, P.O Box 171468, Bur Dubai, UAE, Ph : 00971-42522900	SIB Express
	GCC Exchange, P.O Box 41704, Al Sabkha, Deira, Dubai, UAE	SIB Express
	Delma Exchange, P.O Box 129869, Abu Dhabi, UAE, Ph: 00971-26225511/26225544	SIB Express
	Federal Exchange, Mohammed Bin Zayed City, P.O. Box 29407, Abu Dhabi, UAE. Tel : +971 2 555 8851	SIB Express
	Muthoot Exchange, P O Box 123387, Ayal Nasar, Naif Road, Deira, Dubai, Tel: +9714 2726339	SIB Express
M/s Send Exchange, Zayed 1st Electra Street, Khalfan Megar Al Suwaidi Building, Abu Dhabi, UAE	SIB Express	
Kuwait	UAE Exchange Centre, Kuwait, P.O Box 26155, Postal Code: 13122, Safat, Kuwait, Ph: 00965-22459417	SIB Express
	National Exchange Co., P.O Box 11520, Postal Code: 15355, Dasma, Kuwait Ph: 00965-5736603	SIB Express
	M/s Kuwait Asian International Exchange Co W.L.L, Office No. 48 Adel & Anwar Mustafa Thunayan Al Ghanim Complex, Street 7 Block 73, Fahaheel Area, Kuwait Tel: +965-23912944	SIB Express
	M/s Wall Street Exchange Co WLL, P.O. Box : 29942, Safat, 13160, Kuwait Tel: +965 1822055 Ext. #115	SIB Express
	M/s. U J Exchange Company, Hawally, Tunis Street, Block 7, Al-Fajr complex - Shop 24, Safat 13127, Kuwait Tel: +965 22286600 +965 60724866	SIB Express
Oman	Joyalukkas Exchange LLC (formerly Majan Exchange LLC) P.O Box 583, Postal Code: 117, Sultanate of Oman., Ph: 00968-24794017	SIB Express
	Oman International Exchange, P.O Box 994 Postal Code: 114, Hay Al mina, Sultanate of Oman, Ph: 00968-24834954	SIB Express
	Hamdan Exchange Co., Head Office, P.O Box 190 Postal code: 211, Salalah, Sultanate of Oman Ph: 00968-23211258/24830893	SIB Express
	Lulu Exchange Co LLC (formerly Asia Express Exchange Co. LLC), P.O Box 881, Ruwi, Postal Code: 112, Sultanate of Oman, Ph: 00968-24788787	SIB Express
	M/s Wasel Exchange SAOC, PB 3548, PC 112, Ruwi, Muscat, Oman., Ph: 00968 9263 8801	SIB Express
Bahrain	N.E.C BSC (c) (formerly Nonooo Exchange Co.), P.O Box 11970, Manama, Bahrain Ph: 0097317230905	SIB Express
	Zenj Exchange Co., P.O Box 236, Manama, Bahrain, Ph: 0097317224352	SIB Express
	M/s Bahrain India International Exchange Co. BSC (c) , P.O Box :3204, Manama, Kingdom Of Bahrain	SIB Express

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Country	Name of the bank/ Exchange Company	Remittance facility
Qatar	Al Fardan Exchange Co., P.O Box 339, Doha, Qatar, Ph: 00974-4335117	SIB Express
	Gulf Exchange Co., P.O Box 4847, Doha, Qatar, Ph: 00974-4383222	SIB Express
	City Exchange Co., Near Arab Roundabout/Souq Al Najadah, P.O Box 16081, Doha, Qatar Ph: 00974-4435060	SIB Express
	M/s Al Dar for Exchange Works W.L.L, P.O Box 24048, Nuaijah, IBA xBuilding, C-Ring Road, Doha, Qatar, Ph: 00974-4566514	SIB Express
	M/s Al Dar for Exchange Works W.L.L, P.O Box 24048, Nuaijah, IBA Building, C-Ring Road, Doha, Qatar, Ph: 00974-4566514	SIB Express
	M/s Islamic Exchange Co., P.O Box 80925, Doha, Qatar, Ph: 00974-4422718	SIB Express
	Al Sadd Exchange, Post Box.17127, Al Ameer Street, Fareej Al Soudan , Doha – Qatar Ph: +974 44323334	SIB Express
	Doha Exchange Co WLL, Al Jasra Souq Waqif, Doha, Qatar, +974 44510733	SIB Express
	Doha Bank, P.O Box 3818, Grand Hamad Avenue, Doha, Qatar, Ph: 00974-44456600	TT (Swift)
Saudi Arabia	Al Rajhi Bank, P.O Box 28, Riyadh 11411, Kingdom of Saudi Arabia, Ph: 00966612116000	TT (Swift)
	Arab National Bank, P.O Box 56921, Riyadh 11564, Saudi Arabia, Ph: 00966590302887	TT (Tele Money)
Singapore	International Exch. Co. (S) Pte Ltd., 111, North Bridge Road, #01-17/18, Peninsula Plaza, Singapore-179098, Ph: 006563387749	SIB Express
Australia	Flyworld Money Exchange Pty Ltd, 49 Princes Highway, Dandenong Vic, 3175, Australia. Ph: 0449 891 010	SIB Express
	PFG Forex Pty Ltd, 189 B South Center Road, Tullamarine, VIC 3043, Australia. Ph: +61-3-9001 5864	SIB Express
	Remit International Pty Ltd, Australia, 1/100 Oaks Ave Dee WHY , NSW Australia 2099. Ph: + 61402098618	SIB Express
Canada	Buckzy Payments INC. 67 Young Street. Suite 701, Toronto, ON M53 1J8. Ph: 91 98470 41060	SIB Express
	M/s U Remit International Corporation, 1500-4, Robert Speck Parkway, Mississauga, L4Z 1S1, Toronto, Ontario, Canada. Ph No: +971 544465611	SIB Express
United Kingdom	M/s GCC Exchange UK Ltd, 90, High Street, Southall, Middlesex-UB1 3DB, United Kingdom, Ph : +442085712065	SIB Express
	M/s Direct Remit Limited, 444 Edgware Road, London, W2 1G, Ph +971 527553421, +971 553407625	SIB Express
	M/s KMB International Money Transfer Ltd, 88 Caledonian Road, King's Cross, London N1 9DN, United Kingdom, Ph: +44 7309058496	SIB Express
	M/s Horizon Remittance Ltd, 115 Uxbridge Road, London, W12 8NL, United Kingdom. Tel: +44208 746 0588 Whatsapp +447749475175	SIB Express
USA	M/s Muthoot Finserve USA INC, 1407, Oak Tree Road, Iselin, New Jersey, 08830, USA customersupport@muthootgroup.us, Ph 91-8137990642	SIB Express
	M/s WALL STREET FINANCE LLC, 1055 Westlakes Drive, Suite 175, Berwyn, PA19312, USA. Ph: +1 267 205 2213	SIB Express
Seychelles	M/s Raji Exchange Limited, K B Emporium Building, Rue de Diolinda, Providence Industrial Estate, Mahe Island, P O Box 1212, Victoria, Seychelles, Ph No: +248 2505020	SIB Express
Jordan	M/s ZamZam Exchange LLC, Wasfi Altall ST, Amman, Jordan, (962) 7244844 (962) 778878878/ 776211343	SIB Express
Kenya	FLEX MONEY TRANSFER LIMITED, SUITE 13, 4th FLOOR, THE GREENHOUSE, NGONG' ROAD, NAIROBI, KENYA Ph: +254 203861100 Office Mobile: +254781304137	SIB Express

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