

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:63
ANSWERED ON:05.12.2003
REMITTANCE OF PROFIT OF FOREIGN BANKS
AMBATI BRAHMANAIAH

Will the Minister of FINANCE be pleased to state:

- (a) whether Reserve Bank of India(RBI) has allowed foreign banks to remit profits to their respective countries everyquarter without the prior permission of the RBI;
- (b) if so,the reasons for this new relaxation given to foreign banks by the RBI;
- (c) the total profits remitted by foreign banks during the year 2002-2003 bankwise;and
- (d) the likely impact of such remittance on economy of the country?

Answer

MINISTER OF FINANCE [SHRI JASWANT SINGH]

(a) to (d) : A statement is placed on the Table of the House.

STATEMENT FOR LOKSABHA STARRED QUESTION NO 63 FOR 5th DECEMBER 2003 REGARDING REMITTANCE OF PROFIT OF FOREIGN BANKS TABLED BY SHRI A.BRAHMANAIAH

(a) :Yes Sir.

(b) : Periodic remittances enable foreign banks to mitigate their foreign exchange risks and provide cash flow to their head offices to pay interim dividend to their shareholders.

(c) As per Reserve Bank of India only the following nine foreign banks have remitted profit during the year 2002-03:

Sl.No.	Name of the Bank	Amount of profit remitted
--------	------------------	---------------------------

1.	Arab Bangladesh Bank Ltd.	1.82
2.	Bank of Bahrin & kuwait B.S.C.	4.90
3.	Barclays Bank PLC	7.41
4.	Citibank N.A	50.00
5.	Deutsche Bank AG	54.73
6.	JP Morgan Chase Bank	11.81
7	Sonali Bank	0.25
8.	Standard Chartered Bank	259.12
9.	The Bank of Tokyo-Mitsubishi, Ltd.	40.92

(d): Quartely remission of profits by foreign banks does not impact on the economy.

