

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1521
ANSWERED ON:09.03.2007
FOREIGN EXCHANGE INFLOW
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has adequate machinery and system to monitor and tabulate foreign exchange inflows into the country;
- (b) if so, whether RBI collects and tabulates the data of foreign exchange inflow on a country-wise basis;
- (c) if not, the manner in which the RBI collect information as to which set of NRI's are sending the quantum of foreign exchange;
- (d) the extent to which the RBI geared to do this basic work efficiently;
- (e) the steps proposed to assist NRI's who actually send foreign exchange remittances through legal banking channels in the country;
- (f) whether remittance is also coming through illegal channels; and
- (g) if so, the details thereof and the steps taken/being taken to check it?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P.K. BANSAL)

(a): The total foreign exchange inflows to India and outflows from India are compiled and disseminated by Reserve Bank of India as part of India's overall Balance of Payments. These are compiled in accordance with the international best practices as prescribed in the Balance of Payments Manual, 5th edition, IMF. These are disseminated on the RBI's website and also published in RBI's monthly bulletin. Besides, the RBI also publishes the sources of accretion to foreign exchange reserves.

(b), (c), (d) & (e): The overall balance of payment is compiled and disseminated in accordance with the international best practices where the country-wise details are not available. The RBI provides instrument-wise details on non-resident deposits in its monthly bulletin. Besides, the remittances received from overseas Indians in the form of private transfers are also made available as part of the quarterly Balance of Payments Statistics. The RBI is fully equipped to carry out this basic work. The RBI is engaged, on an ongoing basis, in reviewing and simplifying procedures and rules of foreign exchange remittances for improving facilities available to non-resident Indians.

(f) and (g) Remittances coming through illegal channels are clandestine activities on which no firm data can be maintained. However, the Enforcement Directorate, on an ongoing basis, keeps preventive vigil and enforces the Foreign Exchange Management Act 1999 to address the problem of illegal activities.