

**GOVERNMENT OF INDIA
OVERSEAS INDIAN AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3103
ANSWERED ON:12.12.2012
REMITTANCE FROM ABROAD
Bali Ram Dr.

Will the Minister of OVERSEAS INDIAN AFFAIRS be pleased to state:

- (a) the details of the remittance made by the Indians working abroad during the last three years and the current year, country and year-wise;
- (b) whether the Government proposes to simplify the foreign exchange policy related to remittance by overseas Indians; and
- (c) if so, the details thereof?

Answer

MINISTER OF OVERSEAS INDIAN AFFAIRS (SHRI VAYALAR RAVI)

(a): Remittances received during the last three years and the current year is as under:

(US\$ Million)

Year	Gross	Net
2009-10	53,636	51,791
2010-11	55,618	53,125
2011-12	66,129	63,469
April-June 2012	17,455	16,808

(b) & (c): The Government has taken following measures for facilitating remittances by overseas Indians:

Banks are allowed to have any number of tie-up arrangements, with prior approval of the Reserve Bank and any number of drawee branches, under Rupee Drawing Arrangement (RDA), subject to having sound risk management systems and regular monitoring of funds position to avoid concealed overdrafts in the vostro accounts.

Banks have been advised to put in place 'Awareness Programmes' to sensitize NRIs on the options available to them to minimize the cost of remittances. This will make the costing more transparent.

Banks have also been advised to review their existing scale of charges, both at the foreign and domestic end, to minimize the current cost of remittances. Banks are also encouraged for bringing improvements in infrastructure and extending the scope of electronic payment mechanism for inter-city settlement between the banks in India so as to reduce the cost of NRI remittances.

Large banks are advised to examine the feasibility of setting up Centralized Remittance Receiving Centers for efficiency and better customer service. Further, they may identify remittances as an independent business segment and resort to latest technology for handling large volume at lower cost and explore tie-ups with more correspondent banks at existing and new centers.

Exchange Houses under Rupee Drawing Arrangement (RDA) have been permitted to open Liaison Offices (LOs) in India. These LOs may issue Demand Drafts in favour of the beneficiaries in a cost-effective manner.

The period for the collateral requirement under Non-Demand Deposit Account (DDA) has been reduced from 30 days to 10 days, which can be kept either in the form of cash deposit or a bank guarantee from an international bank of repute.

Requirement of collateral under Speed Remittance Arrangement has been reduced from 3 days to 1 day remittances.

Collateral requirement for Exchange Houses, which have not completed 3 years of operation has been reduced from 1 month to 7 days remittances.