

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

STARRED QUESTION NO:316

ANSWERED ON:18.03.2015

REMITTANCES BY INDIAN WORKERS ABROAD

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

- (a) the details of remittances/private transfers by Indian workers abroad/non-resident Indians during each of the last three years and the current year, region-wise;
- (b) whether there has been a decline in foreign remittances of Indian workers abroad and if so, the details thereof and the reasons therefor;
- (c) the measures taken by the Government to facilitate remittance by overseas Indians and simplify foreign exchange policy with respect to them; and
- (d) the manner in which remittances from overseas Indians are utilized in the country?

Answer

MINISTER OF OVERSEAS INDIAN AFFAIRS (SMT.SUSHMA SWARAJ)

(US\$ Billion)

Year Amount

2011-12	66.1
2012-13	67.6
2013-14	69.6
2014-15	34.9
(April- September)	

(a) As per information received from Reserve Bank of India, the amount of remittances (i.e. private transfers) received by India during the last three years is as under:

(b) No Madam.

(c) Beneficiaries in India can receive cross-border inward remittances through banking and postal channels. Besides there are two more channels for receiving inward remittances in India viz. Rupee Drawing Arrangement (RDA) with Exchange Houses and Money Transfer Service Scheme (MTSS) with Overseas Principals where non-banks are also involved at remitters' end or at beneficiaries' end or at both ends. RBI formulates policy related to RDA and MTSS and monitors inward remittances received through these channels.

The Foreign Exchange Management Act, 1999 (FEMA) was enacted in 1999.

RBI has initiated the task of rationalizing and simplifying Regulations of FEMA 1999 so that they are in line with evolving business practices

(d) According to the RBI Study on Remittances from Overseas Indians: Modes of Transfer, Transaction Cost and Time Taken, published on 10-12-2013, the highest share of utilization of remittances is towards family maintenance (between 50-60%), followed by bank deposits (20%). Investment in land / property; equity & shares (3-4%); and others (21%).