

## India's Invisibles\*

Net invisible earnings have underpinned the dramatic strengthening of India's external position through the 1990s and the first quinquennium of the 2000s. Rising surpluses on account of invisible transactions have financed a significant portion of the merchandise trade deficit that has traditionally characterised India's balance of payments. This has been the key factor that has contained the current account deficit at 1.0 per cent of GDP over the period 1993-2001. Through 2001-04, sizeable invisible surpluses have comfortably filled the merchandise trade gap and spilled over into a continuous run of current account surplus (Table). It is only in 2004-05 that a small current account deficit has re-emerged, powered by a massive expansion in merchandise imports. The robust growth of net invisible earnings has, however, become entrenched during the current year. Lead indicators of underlying activity suggest that the invisible surplus of US \$ 14.2 billion recorded in the first half of the year would be built up further over the rest of the year.

In recent years, attention has been drawn to this silent transformation in India's external transactions whereby invisibles comprising services, income from financial assets, labour and property and current transfers are rapidly catching up with merchandise exports as the principal foreign exchange earners for the country. Several forces are at work - the structural shifts in the economy in which services have assumed a dominant position in the production structure and as the key driver of growth; structural reforms and external liberalisation which have released new growth impulses and enabled productivity and cost efficiency to set a cutting edge to

international competitiveness; the information technology revolution; the modes of delivery of services opened up by advances in communication technology which have enabled the reaping of the returns to knowledge advantage. The interaction of these forces with the changes underway in the domestic macroeconomic environment has enabled India to emerge as the preferred habitat for the financial savings of its expatriate diasporas.

Inward remittances from Indians located overseas have surged in response to the reforms carried out since 1993. India's traditional advantage in exports of labour has benefited in recent years from a distinct shift in the destination pattern of the outflow of natural persons away from the Middle East in favour of Europe and America. In 2003-04, India was the world's leading recipient of remittances, accounting for about 20 per cent of global flows. This position is expected to be maintained in 2004-05. According to the IMF's Balance of Payments Statistics Yearbook, India ranked 18<sup>th</sup> among the world's leading exporters of services, with a share of 1.3 per cent in world exports, having moved up from the 27<sup>th</sup> position in 1990 when its share was 0.6 per cent. Among these commercial services, India is fast emerging among the top ten tourism-exporting countries of the world. According to the World Travel and Tourism Council, India became the second fastest growing tourism economy in the world.

The information technology industry in India has fortified its position as a world leader. In the Business Process Outsourcing segment, India has maintained its lead as the best outsourcing destination, particularly for the US and European companies. India accounted for 3.4 per cent of global IT spending in 2003-04. As regards IT enabled services, India renders two-thirds of all offshored services worldwide. Indian companies have also made rapid strides in securing shares in the world markets for communication and management services.

The sustained buoyancy in invisible earnings has provided the impetus for embarking on a graduated but widening liberalisation of the exchange and payments regime for the gamut of invisible imports. The institution of a market-determined exchange rate system in 1993 was followed by a progressive freeing up of bullion imports,

(Per cent)

	1990-91	1995-96	2000-01	2001-02	2002-03	2003-04
Net Invisibles (US \$ billion)	-0.2	5.4	9.8	15.0	17.0	26.0
Net Invisible/ Trade Balance	-2.6	48	78.6	129.4	159.4	168.3
Invisible Receipts/ Invisible Payments	96.9	144.6	143.6	168.8	168.4	196.5
Invisible Receipts/GDP	2.4	5.0	7.1	7.7	8.2	8.8
Invisible Payments/GDP	2.4	3.5	4.9	4.6	4.9	4.5

\* Prepared in the Division of International Finance, Department of Economic Analysis and Policy.

acceptance of the obligations of current account convertibility under Article VIII of the IMF's Articles of Agreement, enhancing of indicative limits for purchasing foreign exchange for various invisible payments up to the current level of US \$ 25,000 and even higher in specific cases, drastic simplification of documentation and retention of earnings/unspent exchange in foreign currency deposits. Even as invisible imports have expanded, they have had a salutary effect on exports of both goods and services by reducing the anti-export bias embedded in the earlier regime. Payments for communication services, construction services, financial services, royalties, copyrights and license fees, management services and transportation services have risen significantly, reflecting the ongoing technological transformation of the economy and the modernisation of Indian industry. The impact of liberalisation is also evident in a spurt in outbound tourist traffic from India. Currently, about 4.5 million Indians annually travel abroad, which exceeds the number of international tourist arrivals in India.

Since 1995, international trade in services has moved into centre-stage in international trade policy negotiations with the first set of international rules for trade in service being brought into force under the General Agreement on Trade in Services (GATS) of the World Trade Organisation (WTO). Negotiations commenced on January 1, 2004 which are based on request-offer approach. India, which has been a signatory to the GATS since its inception, has made initial commitments binding it not to introduce restrictions that could adversely impact international trade in services. India has made 'requests' to trading partners to consider liberalisation in computer-related services, architecture services, health services, audio-visual services, tourism, maritime services and financial services. India has also received requests from about 50 countries to take commitments in a range of service sectors with regard to transparency in domestic regulations, simplification of procedures, elimination of differential treatment of foreign service suppliers and facilitation of the movement of natural persons. The GATS also covers commitments to liberalise the modes of delivery of services – cross-border trade, consumption

abroad, commercial presence and movement of natural persons – and it is in the context of mode four that India is an important stakeholder in the negotiations in view of its position as a dominant remittance-receiving economy.

In the recent period, the setting of trade policy in India has reflected the strategic importance of India's comparative advantage in trade in services. The service sector has been identified as a thrust sector for trade policy. The EXIM Policy and the Union Budget for 2003-04 have sought to promote exports of services through access to service providers to duty free imports, advance licenses, venture capital funds and by formulation of specific action plans for service sectors. The Foreign Trade Policy, 2004-2009 has announced the setting up of the Services Export Promotion Council to map opportunities for key services in important markets and to develop strategic market access programmes.

The rising importance of trade in invisibles in India's balance of payments provides a unique opportunity for exploiting competitive advantage and positioning national interests strategically in the ongoing negotiations under the GATS. Recent trade policy initiatives to boost exports of services hinge around a better understanding of the underlying dynamics of invisible trade for the identification of niches of competitiveness and growth impulses in the service sector. It is in this context that the EXIM Policy, 2003-04 set up an empowered Group for the collection and maintenance of data relating to exports of services. This article seeks to contribute to this endeavour by providing disaggregated information on India's trade in invisibles for the period 2000-01 to 2004-05 (April-September). By doing so, it extends the analysis on invisibles set out in the article entitled "Invisibles in India's Balance of Payments: 2000-01 and 2001-02", published in RBI Bulletin, May 2003. The data on invisibles, which are presented in Tables 1 to 4, are extracted from balance of payments records and their classification broadly conforms to the recommendations of the International Monetary Fund's Balance of Payments Statistics Manual (1993). Henceforth, the data on invisibles will be regularly released in the RBI Bulletin.

Items	(Rs. crore)				(US \$ million)			
	2000-01 R	2001-02 R	2002-03	2003-04	2000-01 R	2001-02 R	2002-03	2003-04
<b>a) SERVICES</b>								
<b>i) TRAVEL ACCOUNT</b>								
Tourist Expenses in India	16064	14975	15991	18873	3497	3137	3312	4122
<b>TOTAL</b>	<b>16064</b>	<b>14975</b>	<b>15991</b>	<b>18873</b>	<b>3497</b>	<b>3137</b>	<b>3312</b>	<b>4122</b>
<b>ii) TRANSPORTATION ACCOUNT</b>								
a) Sea Transport								
Surplus remitted by Indian companies operating abroad	157	344	241	162	34	71	50	35
Operating expenses of foreign companies in India	398	495	695	1141	87	103	145	248
Charter hire charges	453	407	401	398	99	85	83	87
b) Air Transport								
Surplus remitted by Indian companies operating abroad	851	739	820	457	185	154	170	100
Operating expenses of foreign companies in India	94	44	21	78	22	10	5	18
Charter hire charges	19	85	21	79	4	18	5	17
c) Freight on exports	6670	7053	8775	11329	1458	1476	1815	2470
d) Others	722	1159	1287	1314	157	244	263	285
<b>TOTAL</b>	<b>9364</b>	<b>10326</b>	<b>12261</b>	<b>14958</b>	<b>2046</b>	<b>2161</b>	<b>2536</b>	<b>3260</b>
<b>iii) INSURANCE ACCOUNT</b>								
a) Insurance on export	1111	1179	1466	1711	243	247	303	373
b) Premium								
Life	4	26	101	3	1	5	21	0
Non-life	24	32	28	52	5	8	6	12
Reinsurance from foreign companies	18	40	76	42	4	8	16	9
c) Commission on Business received from foreign companies	7	15	18	3	2	4	4	0
d) Others	70	82	94	116	15	16	19	26
<b>TOTAL</b>	<b>1234</b>	<b>1374</b>	<b>1783</b>	<b>1927</b>	<b>270</b>	<b>288</b>	<b>369</b>	<b>420</b>
<b>iv) Government Not Included Elsewhere</b>								
a) Maintenance of foreign embassies and diplomatic missions in India	1019	935	860	999	222	195	178	217
b) Maintenance of international and regional institutions in India	1967	1532	557	300	429	323	115	65
<b>TOTAL</b>	<b>2986</b>	<b>2467</b>	<b>1417</b>	<b>1299</b>	<b>651</b>	<b>518</b>	<b>293</b>	<b>282</b>
<b>v) MISCELLANEOUS ACCOUNT</b>								
Communication services	5262	3585	3931	4801	1138	752	812	1047
Construction services	2430	696	863	2129	536	144	178	465
Financial services	1577	1387	3276	1447	347	292	676	315
Software services	29013	36038	46424	55986	6341	7556	9600	12200
News agency services	511	43	284	274	114	9	59	59
Royalties, copyright and license fees	272	104	111	110	60	22	23	24
Management services	1522	2464	3890	6197	334	519	807	1354
Other services	4320	8280	10188	6435	934	1742	2098	1401
<b>TOTAL</b>	<b>44907</b>	<b>52597</b>	<b>68967</b>	<b>77379</b>	<b>9804</b>	<b>11036</b>	<b>14253</b>	<b>16865</b>

R : Revised.

Items	(Rs. crore)				(US \$ million)			
	2000-01 R	2001-02 R	2002-03	2003-04	2000-01 R	2001-02 R	2002-03	2003-04
<b>b) TRANSFERS</b>								
<b>i) OFFICIAL TRANSFERS</b>								
Donations received from Non- residents	393	211	156	437	85	44	32	95
Grant under PL 480 II	439	323	280	161	97	68	58	35
Grants from other Governments	324	1663	1738	1974	70	346	361	433
<b>TOTAL</b>	<b>1156</b>	<b>2197</b>	<b>2174</b>	<b>2572</b>	<b>252</b>	<b>458</b>	<b>451</b>	<b>563</b>
<b>ii) PRIVATE TRANSFERS</b>								
Inward remittance from Indian workers abroad for family maintenance etc.	35507	31361	47915	49683	7747	6569	9914	10798
Local withdrawals/redemptions from non-resident deposits	21577	40654	32147	53521	4727	8546	6644	11685
Gold and silver brought through passenger baggage	44	61	89	86	10	13	18	19
Personal gifts/donations to charitable/religious institutions in India.	2664	3016	2964	3137	581	632	613	681
<b>TOTAL</b>	<b>59792</b>	<b>75092</b>	<b>83115</b>	<b>106427</b>	<b>13065</b>	<b>15760</b>	<b>17189</b>	<b>23183</b>
<b>c) INCOME ACCOUNT</b>								
<b>i) Compensation of Employees</b>								
Wages received by Indians working on foreign contracts	585	593	565	709	128	125	117	155
<b>ii) Investment Income</b>								
Interest received on loans to non-residents	696	2802	1955	4156	151	589	404	908
Dividend/profit received by Indians on foreign investment	54	273	64	96	11	57	14	22
Reinvested Earning	1553	3339	5342	4099	340	700	1104	892
Interest received on debentures, FRNs, CPs, fixed deposits and funds held abroad by ADs out of foreign currency loans/export proceeds	86	63	69	123	18	13	14	26
Interest received on overdraft of VOSTRO accounts of foreign correspondents/branches by the ADs	26	3	5	2	6	0	0	0
Payment of taxes by the non-residents/refund of taxes by foreign governments to Indians	313	626	100	729	70	131	21	159
Interest/discount etc. earnings on RBI investment	8927	8344	8885	9708	1950	1757	1835	2115
Interest/remuneration on SDR holdings	35	37	64	46	8	7	13	10
<b>TOTAL</b>	<b>11690</b>	<b>15487</b>	<b>16484</b>	<b>18959</b>	<b>2554</b>	<b>3254</b>	<b>3405</b>	<b>4132</b>

R : Revised.

Items	(Rs. crore)				(US \$ million)			
	2000-01 R	2001-02 R	2002-03	2003-04	2000-01 R	2001-02 R	2002-03	2003-04
<b>a) SERVICES</b>								
<b>i) TRAVEL ACCOUNT</b>								
Business	7200	7001	9617	11338	1586	1471	1987	2470
Health Related	18	18	18	26	4	4	4	6
Education Related	435	1182	818	1082	95	249	169	237
Basic travel quota ( BTQ)	1738	2465	3830	2006	381	518	796	436
Pilgrimage	867	541	604	572	187	113	125	127
Others	2483	3129	1268	1087	551	659	260	235
<b>TOTAL</b>	<b>12741</b>	<b>14336</b>	<b>16155</b>	<b>16111</b>	<b>2804</b>	<b>3014</b>	<b>3341</b>	<b>3511</b>
<b>ii) TRANSPORTATION ACCOUNT</b>								
a. Sea Transport								
Surplus remitted by Foreign companies operating in India	1872	2245	1603	491	408	474	330	106
Operating expenses of Indian companies abroad	3736	2125	2439	1709	831	446	505	372
Charter hire charges	700	534	540	470	157	112	111	103
b. Air Transport								
Surplus remitted by Foreign companies operating in India	5632	6477	6827	3061	1236	1362	1410	666
Operating expenses of Indian companies abroad	444	529	539	619	98	111	112	134
Charter hire charges	336	333	391	286	73	70	82	63
c. Freight on imports	2970	3482	2895	3576	647	732	600	780
d. Remittance of passage booking abroad	52	136	80	49	12	29	17	11
e. Others	430	625	514	442	96	131	105	96
<b>TOTAL</b>	<b>16172</b>	<b>16486</b>	<b>15828</b>	<b>10703</b>	<b>3558</b>	<b>3467</b>	<b>3272</b>	<b>2331</b>
<b>iii) INSURANCE ACCOUNT</b>								
a. Premium								
Life	1	3	2	5	0	0	0	1
Non-life	37	123	22	47	9	25	5	10
Reinsurance	805	850	1421	1223	180	178	295	267
b. Commission on Business	1	15	3	2	0	3	0	0
c. Others	160	348	239	395	34	74	50	85
<b>TOTAL</b>	<b>1004</b>	<b>1339</b>	<b>1687</b>	<b>1672</b>	<b>223</b>	<b>280</b>	<b>350</b>	<b>363</b>
<b>iv) GOVERNMENT NOT INCLUDED ELSEWHERE</b>								
a. Maintenance of Indian embassies and diplomatic missions abroad	1199	1002	938	856	262	209	195	186
b. Remittances by foreign embassies and missions in India	261	347	167	120	57	74	33	26
<b>TOTAL</b>	<b>1460</b>	<b>1349</b>	<b>1105</b>	<b>976</b>	<b>319</b>	<b>283</b>	<b>228</b>	<b>212</b>
<b>v) MISCELLANEOUS ACCOUNT</b>								
Communication services	583	1767	4704	2664	127	370	965	572
Construction services	757	2446	6391	2996	166	517	1326	655
Financial services	8991	6046	6765	2295	1973	1264	1388	500
Software services	2705	3202	3565	2074	591	672	737	450
News agency services	1167	777	1122	848	256	163	232	185
Royalties, copyright and license fees	1073	1723	1703	2039	235	361	352	444
Management services	2499	2537	3135	3732	546	533	648	814
Other services	17498	13842	20615	38180	3778	2892	4281	8321
<b>TOTAL</b>	<b>35273</b>	<b>32340</b>	<b>48000</b>	<b>54828</b>	<b>7672</b>	<b>6772</b>	<b>9929</b>	<b>11941</b>

R : Revised.

Items	(Rs. crore)				(US \$ million)			
	2000-01 R	2001-02 R	2002-03	2003-04	2000-01 R	2001-02 R	2002-03	2003-04
<b>b) TRANSFERS</b>								
<b>i) OFFICIAL TRANSFERS</b>								
Grants/donations from official sector	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ii) PRIVATE TRANSFERS</b>								
Remittances by foreign workers for family maintenance etc.	581	1392	3668	1361	124	292	757	296
Personal gifts/donations to charitable/religious institutions in India.	400	337	218	247	87	70	45	54
<b>TOTAL</b>	<b>981</b>	<b>1729</b>	<b>3886</b>	<b>1608</b>	<b>211</b>	<b>362</b>	<b>802</b>	<b>350</b>
<b>INCOME</b>								
<b>i) Compensation of Employees</b>								
Payment of wages/salary to Non-residents working in India	2123	2318	2892	3835	468	487	598	836
<b>TOTAL</b>	<b>2123</b>	<b>2318</b>	<b>2892</b>	<b>3835</b>	<b>468</b>	<b>487</b>	<b>598</b>	<b>836</b>
<b>ii) Investment Income</b>								
Payment of interest on non-resident deposits	8276	8621	6845	6854	1811	1808	1413	1492
Payment of interest on loans from non-residents	13401	13599	12565	14751	2930	2855	2594	3217
Payment of dividend/profit to non-resident shareholders	4676	3397	2237	4041	1047	712	462	878
Reinvested Earning	6177	7841	8866	8271	1352	1644	1832	1800
Payment of interest on debentures, FRNs CPs fixed deposits, Government securities etc.	271	103	207	69	60	23	43	15
Charges on SDRs	73	248	96	74	16	52	20	16
Interest paid on overdraft on NOSTRO Account	2	2	22	4	0	0	4	1
Payment of taxes by the Indians/refund of taxes by government to non-residents	9	19	9	19	2	4	2	4
<b>TOTAL</b>	<b>32885</b>	<b>33830</b>	<b>30847</b>	<b>34083</b>	<b>7218</b>	<b>7098</b>	<b>6370</b>	<b>7423</b>

R : Revised.

Items	(Rs. crore)		(US \$ million)	
	Apr-Jun 04	July-Sept 04	Apr-Jun 04	July-Sept 04
<b>a) SERVICES</b>				
<b>i) TRAVEL ACCOUNT</b>				
Tourist Expenses in India	3859	4867	860	1054
<b>TOTAL</b>	<b>3859</b>	<b>4867</b>	<b>860</b>	<b>1054</b>
<b>ii) TRANSPORTATION ACCOUNT</b>				
<b>a) Sea Transport</b>				
Surplus remitted by Indian companies operating abroad	458	225	102	49
Operating expenses of foreign companies in India	1586	512	353	111
Charter hire charges	116	13	26	3
<b>b) Air Transport</b>				
Surplus remitted by Indian companies operating abroad	342	156	76	34
Operating expenses of foreign Companies in India	100	120	22	43
Charter hire charges	3	0	1	0
<b>c) Freight on exports</b>	2919	3228	650	699
<b>d) Others</b>	283	255	63	38
<b>TOTAL</b>	<b>5807</b>	<b>4509</b>	<b>1293</b>	<b>977</b>
<b>iii) INSURANCE ACCOUNT</b>				
<b>a) Insurance on export</b>	467	499	104	108
<b>b) Premium</b>				
Life	96	5	21	1
Non-life	824	358	184	78
Reinsurance from foreign companies	41	23	9	5
<b>c) Commission on Business received from foreign companies</b>	74	31	17	7
<b>d) Others</b>	68	52	15	11
<b>TOTAL</b>	<b>1570</b>	<b>968</b>	<b>350</b>	<b>210</b>
<b>iv) GOVERNMENT NOT INCLUDED ELSEWHERE</b>				
<b>a) Maintenance of foreign embassies and diplomatic missions in India</b>	441	240	98	52
<b>b) Maintenance of international and regional institutions in India</b>	414	140	92	30
<b>TOTAL</b>	<b>855</b>	<b>380</b>	<b>190</b>	<b>82</b>
<b>v) MISCELLANEOUS ACCOUNT</b>				
Communication services	2324	1855	518	402
Construction services	399	276	89	60
Financial services	791	396	176	86
Software services	15716	16786	3501	3637
News agency services	451	305	100	66
Royalties, copyright and license fees	75	69	17	15
Management services	1136	1766	253	383
Other Business services	9718	7959	2165	1724
Personal, Cultural & Recreational services	187	72	42	16
Refunds/rebates on accounts of imports, bidding process etc.	423	487	94	106
Other services	2511	1579	558	340
<b>TOTAL</b>	<b>33731</b>	<b>31550</b>	<b>7513</b>	<b>6835</b>

Items	(Rs. crore)		(US \$ million)	
	Apr-Jun 04	July-Sept 04	Apr-Jun 04	July-Sept 04
<b>b) TRANSFERS</b>				
<b>i) OFFICIAL TRANSFERS</b>				
Donations received from Non- residents	111	61	25	13
Grant under PL 480 II	31	32	7	7
Grants from other Governments	256	732	57	159
<b>TOTAL</b>	<b>398</b>	<b>825</b>	<b>89</b>	<b>179</b>
<b>ii) PRIVATE TRANSFERS</b>				
Inward remittance from Indian workers abroad for family maintenance etc.	14993	8748	3339	1895
Local withdrawals/redemptions from non-resident deposits	13036	11977	2904	2595
Gold and silver brought through passenger baggage	30	28	7	6
Personal gifts/donations to charitable/religious institutions in India.	1203	1352	268	293
<b>TOTAL</b>	<b>29262</b>	<b>22105</b>	<b>6518</b>	<b>4789</b>
<b>c) INCOME ACCOUNT</b>				
<b>i) Compensation of Employees</b>				
Wages received by Indians working on foreign contracts	194	121	43	26
<b>ii) Investment Income</b>				
Interest received on loans to non-residents	316	40	70	9
Dividend received by Indians on foreign investment	18	34	4	7
Profit received by Indians on foreign investment	44	7	10	2
Reinvested Earning	1121	1153	250	250
Interest received on debentures, FRNs, CPs, fixed deposits and funds held abroad by ADs out of foreign currency loans/export proceeds	226	158	50	34
Interest received on overdraft of VOSTRO accounts of foreign correspondents/branches by the ADs	111	831	25	179
Payment of taxes by the non-residents/ refund of taxes by foreign governments to Indians	333	224	74	49
Interest/discount etc. earnings on RBI investment	3087	3498	688	758
Interest/remuneration on SDR holdings	13	18	3	4
<b>TOTAL</b>	<b>5269</b>	<b>5963</b>	<b>1174</b>	<b>1292</b>

Items	(Rs. crore)		(US \$ million)	
	Apr-Jun 04	July-Sept 04	Apr-Jun 04	July-Sept 04
<b>a) SERVICES</b>				
<b>i) TRAVEL ACCOUNT</b>				
Business	2947	3094	656	670
Health Related	14	12	3	3
Education Related	311	1026	69	222
Basic travel quota ( BTQ)	1390	1328	310	288
Pilgrimage	20	6	5	1
Others	444	493	99	107
<b>TOTAL</b>	<b>5126</b>	<b>5959</b>	<b>1142</b>	<b>1291</b>
<b>ii) TRANSPORTATION ACCOUNT</b>				
a. Sea Transport				
Surplus remitted by Foreign companies operating in India	934	1209	208	262
Operating expenses of Indian companies abroad	195	303	43	66
Charter hire charges	122	60	27	13
Freight on imports	1528	1292	340	280
Remittance of passage booking abroad	14	16	3	3
b. Air Transport				
Surplus remitted by Foreign companies operating in India	778	1552	173	336
Operating expenses of Indian companies abroad	116	112	26	24
Charter hire charges	33	51	7	11
Freight on imports	313	149	70	32
Remittance of passage booking abroad	4	55	1	12
c. Others	246	124	56	28
<b>TOTAL</b>	<b>4283</b>	<b>4923</b>	<b>954</b>	<b>1067</b>
<b>iii) INSURANCE ACCOUNT</b>				
a. Premium				
Life	12	9	3	2
Non-life	1033	93	230	20
Reinsurance	252	425	56	92
b. Commission on Business	15	19	3	4
c. Others	35	76	8	17
<b>TOTAL</b>	<b>1347</b>	<b>622</b>	<b>300</b>	<b>135</b>
<b>iv) GOVERNMENT NOT INCLUDED ELSEWHERE</b>				
a. Maintenance of Indian embassies and diplomatic missions abroad	260	185	58	40
b. Remittances by foreign embassies and missions in India	36	84	8	18
<b>TOTAL</b>	<b>296</b>	<b>269</b>	<b>66</b>	<b>58</b>
<b>v) MISCELLANEOUS ACCOUNT</b>				
Communication services	153	282	34	61
Construction services	402	499	90	108
Financial services	857	715	191	155
Software services	563	576	125	125
News agency services	105	114	23	25
Royalties, copyright and license fees	453	429	101	93
Management services	458	545	102	118
Other Business services	7626	8585	1699	1860
Personal, Cultural & Recreational services	55	103	12	22
Refunds/rebates on accounts of imports, bidding process etc.	2292	1582	511	343
Other services	9305	8103	2072	1755
<b>TOTAL</b>	<b>22269</b>	<b>21533</b>	<b>4960</b>	<b>4665</b>

Items	(Rs. crore)		(US \$ million)	
	Apr-Jun 04	July-Sept 04	Apr-Jun 04	July-Sept 04
<b>b) TRANSFERS</b>				
<b>i) OFFICIAL TRANSFERS</b>				
Grants/donations from official sector	33	9	7	2
<b>TOTAL</b>	<b>33</b>	<b>9</b>	<b>7</b>	<b>2</b>
<b>ii) PRIVATE TRANSFERS</b>				
Remittance by non-residents towards family maintenance and savings	281	282	63	61
Remittance towards personal gifts and donations	88	217	20	47
Remittance towards donations to religious and charitable institutions abroad	1	1	0	0
Remittance towards grants and donations to other governments and charitable institutions established by the governments.	2	5	0	1
<b>TOTAL</b>	<b>372</b>	<b>505</b>	<b>83</b>	<b>109</b>
<b>c) INCOME</b>				
<b>i) COMPENSATION OF EMPLOYEES</b>				
Payment of wages/salary to Non-residents working in India	1070	1172	238	254
<b>TOTAL</b>	<b>1070</b>	<b>1172</b>	<b>238</b>	<b>254</b>
<b>ii) INVESTMENT INCOME</b>				
Payment of interest on non-resident deposits	1588	1468	353	319
Payment of interest on loans from non-residents	3486	2017	776	437
Payment of dividend to non-resident share holder	45	370	10	80
Payment of profit to non-resident share holder	1161	2478	259	537
Reinvested Earning	2038	2095	454	454
Payment of interest on debentures, FRNs, CPs, fixed deposits, Government securities etc.	233	236	52	51
Charges on SDRs	19	19	4	4
Interest paid on overdraft on NOSTRO Account	196	375	44	81
Payment of taxes by the Indians/refund of taxes by government to non-residents	121	85	27	18
<b>TOTAL</b>	<b>8887</b>	<b>9143</b>	<b>1979</b>	<b>1981</b>