

# Indians in UK face salary cuts

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**NEW DELHI:** The fall in the British pound after the United Kingdom (UK) decided to leave the European Union (EU) has hit thousands of Indian expatriates working in the country as a component of their salaries are pegged to the pound but paid in India in rupees.

The effect could be as high as 11%. The British pound, which was over ₹100 barely two weeks ago, ended at ₹89.76 on Monday, down ₹3.37.

"A component of the salaries are deposited in Indian accounts and the exchange rate on which the transfer is made is decided on the day of debiting the salary," said an analyst with a multina-

## A COMPONENT OF THE PAY PACKAGES OF INDIAN CITIZENS IS DEBITED INTO THEIR INDIAN BANK ACCOUNTS

tional bank. So, typically a person who was earning ₹1 lakh in India before Brexit and getting paid in India, could witness her salary drop to as low as ₹90,000. Around 800 Indian companies employ 110,000 people in UK.

"The uncertainty over the process of exit of the UK from the EU will further have an impact on the pound," DK Joshi, Crisil's chief economist told HT.

The further weakening of the pound and the uncertainty over

the situation is creating more problems for the expats. UK is expected to face stiff challenges in successfully negotiate its exit from the EU.

"This has been a bit of shocker as the general expectation was it will remain. This has created uncertainty for Indians working there and most companies are studying the exact fallout, this somber mood and uncertainty is expected to carry on for three to six months," Ronesh Puri, managing director of headhunting firm Executive Access (India) said.

Meanwhile, Indian companies such as Tata Motors, TCS and Infosys among others will also reevaluate their strategies and investment patterns as UK will no more offer access to the unified market across the EU.