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**STANDING COMMITTEE  
ON EXTERNAL AFFAIRS  
(2009-2010)**

**FIFTEENTH LOK SABHA**

**MINISTRY OF OVERSEAS INDIAN AFFAIRS**

**DEMANDS FOR GRANTS  
(2010-2011)**

**THIRD REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 2010/Chaitra, 1932 (Saka)*

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(2009-2010)**

**(FIFTEENTH LOK SABHA)**

**MINISTRY OF OVERSEAS INDIAN AFFAIRS**

**DEMANDS FOR GRANTS  
(2010-2011)**

Presented to Lok Sabha on 20<sup>th</sup> April, 2010  
Laid in Rajya Sabha on 20<sup>th</sup> April, 2010



**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 2010/Chaitra, 1932 (Saka)*

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**STANDING COMMITTEE ON EXTERNAL AFFAIRS  
(2009-2010)**

**Chairman**

Shri Yashwant Sinha\*

**MEMBERS**

**Lok Sabha**

2. Shri S. Alagiri (Cuddalore)
3. Shri Anto Antony
4. Shri Devidhan Besra
5. Shri T.K.S. Elangovan
6. Shri Vishwa Mohan Kumar
7. Shri Pradeep Majhi
8. Shri Pinaki Misra
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10. Shri Rajendrasinh Rana
11. Shri Digvijay Singh
12. Kunwar Rewati Raman Singh
13. Smt. Supriya Sule
14. Smt. Sushma Swaraj
15. Shri Janardhana Swamy
16. Shri Takam Sanjoy
17. Shri Bhisma Shankar alias Kushal Tiwari
18. Shri Shivkumar Udasi
19. Vacant
20. Vacant
21. Vacant

**Rajya Sabha**

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23. Dr. (Smt.) Najma A. Heptulla
24. Shri Shreegopal Vyas
25. Smt. Jaya Bachchan
26. Shri Shivanand Tiwari
27. Shri Bharkumar Raut
28. Shri Arjun Kumar Sengupta
29. Dr. (Smt.) Kapila Vatsyayan
30. Shri H.K. Dua \$
31. Vacant@

**Secretariat**

- |    |                   |   |                         |
|----|-------------------|---|-------------------------|
| 1. | Shri U.S. Saxena  | - | Joint Secretary         |
| 2. | Shri R.K. Jain    | - | Director                |
| 3. | Dr. Ram Raj Rai   | - | Additional Director     |
| 4. | Shri K.C. Pandey  | - | Committee Officer       |
| 5. | Shri Manoj Pahuja | - | Sr. Executive Assistant |

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\* Shri Yashwant Sinha has been nominated as a Member and appointed as Chairman of the Committee w.e.f. 6.1.2010 vice Smt. Sushma Swaraj resigned from the Chairpersonship of the Committee w.e.f. 1.1.2010.

\$ Nominated w.e.f. 2.3.2010 vice Shri Shivraj V. Patil ceased to be the Member of the Committee due to his resignation w.e.f.21.1.2010

@ Shri Ashwani Kumar ceased to be Member of the Committee consequent upon his retirement from Rajya Sabha w.e.f. 9.4.2010

## INTRODUCTION

I, the Chairman of the Standing Committee on External Affairs, having been authorized by the Committee to present the Report on their behalf, present this Third Report of the Standing Committee on External Affairs (2009-10) on Demands for Grants of the Ministry of Overseas Indian Affairs for the year 2010-11.

2. The Committee took oral evidence of the representatives of the Ministry of Overseas Indian Affairs on 31.03.2010.

3. The Committee considered and adopted this Report at their sitting held on 15.04.2010. Minutes of the sittings of the Committee held on 31.03.2010 and 15.04.2010 are given in Annexure I and II to this Report.

4. The Committee wish to express their thanks to the Ministry of Overseas Indian Affairs for placing before them the material and information which they desired in connection with examination of the Demands for Grants (2010-11). The Committee also wish to express their thanks in particular to the representatives of the Ministry of Overseas Indian Affairs appearing before the Committee and placing their considered views before them.

**NEW DELHI**  
**15<sup>th</sup> April, 2010**  
**25 Chaitra, 1932 (Saka)**

***Yashwant Sinha,***  
***Chairman,***  
***Standing Committee on External Affairs***

**PART - I**  
**BACKGROUND ANALYSIS**

**I. IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS**

The 1<sup>st</sup> Report of the Standing Committee on External Affairs on "Demands for Grants of the Ministry of Overseas Indian Affairs for the year 2009-2010 was presented/laid in the Parliament on 3<sup>rd</sup> December 2009. The Report contained 17 recommendations/observations.

1.2 In compliance of the Direction 73-A of the Directions by the Speaker, the Minister of Overseas Indian Affairs has to make a statement in the House giving the status of the implementation of various recommendations/ observations made by the Committee in their 1<sup>st</sup> Report within six months from the date of presentation of the Report.

1.3 The Action Taken Replies on the recommendations contained in the 1<sup>st</sup> Report (15<sup>th</sup> Lok Sabha) have been received from the Ministry and the Action Taken Report on the same is being prepared.

1.4 During the course of evidence on Demands for Grants of the Ministry of Overseas Indian Affairs for the year 2010-11, the Secretary, MOIA submitted a general view about implementation of the recommendations of the Committee and stated as under:

"The suggestions of the Committees was not only well received but it has been acted upon and we have been benefited immensely from that direction on the student mobility. Similarly, in the past also, very valuable suggestions have been made in the Committee and our Ministry has attempted to implement them as far as practical."

## PART-II

### II. OVERALL BUDGETARY PROPOSALS

#### A. Budgetary Allocation and Utilization

The Ministry of Overseas Indian Affairs, established in September 2004, comprises the erstwhile Emigration Division of the Ministry of Labour & Employment and the NRI Division of the Ministry of External Affairs, which now functions as the Diaspora Division. In addition, a new division called the Financial Services and Emigration Policy Division was established. The objective behind establishing the Ministry was to create a focal point interface for Overseas Indians including Persons of Indian Origin and to give them mainstream attention. Over the last six years, to fulfill its mandate, the Ministry has formulated several Schemes and Programmes designed to meet the wide ranging needs and expectations of the Overseas Indian Community. The Budget of the Ministry is fully on the Non-Plan side.

2.2 The year 2010-2011 is the seventh Budget year of this Ministry, The Minister of Overseas Indian Affairs laid on the Table of the Lok Sabha the detailed Demands for Grants 2010-11 on 11.03.2010, the Budget Estimates for the Ministry of Overseas Indian Affairs is Rs. 81 crores. The Budget allocations under Revenue and Capital Sections in BE 2009-10, RE 2009-10 and BE 2010-11 are as under:

**(Rs. In crores)**

	<b>BE 2009-10</b>	<b>RE 2009-10</b>	<b>BE 2010-11</b>
Revenue Section	59	57.77	71.80
Capital Section	21	2.23	9.20
Total	80	60	81

2.3 The following table shows the Budget Estimates, Revised Estimates and Actuals along with shortfall in utilization over BE for the year 2006-07, 2007-08, 2008-09 and 2009-10 and BE for the year 2010-11:



(Rs. in crores)

Year	BE	RE	Actuals	Shortfall in utilization (over BE)
2006-2007	38	26	22	16.00
2007-2008	50	40	39.23	10.77
2008-2009	65	45	44.55	20.45
2009-2010	80	60	27.75 (upto Jan.10)	52.25
2010-2011	81	-	-	-

2.4 On being asked to furnish details regarding actual expenditure during the year 2009-2010, the Ministry in its reply stated:

“The anticipated expenditure during the year 2009-10, head wise and programme/scheme wise is expected to be as follows:

	(Rs. In crores)		
Major Head	BE	RE	Anticipated expenditure
2052	21.00	20.07	19.24
2061	38.00	37.70	37.75
4059(capital)	21.00	2.23	2.00
<b>Total</b>	<b>80.00</b>	<b>60.00</b>	<b>58.99</b>

2.5 The Committee observed that under utilization of funds has become a trend in the Ministry. As against the BE of 80 crores during 2009-10, the allocation was reduced to Rs.60 crores and out of this Revised Estimates, only Rs.27.75 crores (46.25%) of total allocation has been utilized upto 31<sup>st</sup> January, 2010.

2.6 The Committee asked as to how the Ministry would be able to utilize the remaining Rs. 32.25 crores (53.75%) of the total allocated amount in the last two months of the current fiscal and what steps had been taken/were proposed to be taken by the Ministry to ensure full and appropriate utilization of the budgeted allocation and stop the current trend of under utilization, the Ministry in its reply stated:

“The Ministry has been able to utilize most of the funds allocated to it in the Revised Estimates. As against the RE of Rs. 60 crores the actual expenditure is expected to be Rs.58.99 crores. Except for non-utilization of the budget allocation of Rs. 21 crores under the capital head of account due to delays in approval to the Pravasi Bharatiya Kendra and a savings of Rs. 1 crore in salaries due to a large number of vacancies in POE offices, the budget allotted stands fully utilized. Since there are different implementing agencies the actual expenditure will get reflected in the final accounts only after the close of the financial year.

Incidentally it is stated that under the revenue heads, there will be very little savings. The savings have been under the Capital Head as the scheme for construction of the Pravasi Bhartiya Kendra has not so far been approved by the CNE. The Ministry will be reviewing the expenditure at the highest level from time to time to ensure full and appropriate utilization of the budgeted allocation.”

2.7 During evidence, the Committee pointed out that the Ministry was consistently surrendering funds every year instead of fully utilizing them and desired to know about such under performance of the Ministry with regard to budget estimate and also about the construction of Pravasi Bhartiya Kendra, the Secretary, MOIA has stated:

‘On the non-performance of this Ministry, I admit we have failed on the capital side. We have failed on its one project which should have started three years ago. We are all aware of it. It is the Pravasi Bharatiya Kendra. You are right to point out. You wanted to know the key reasons for this delay. There are three key reasons.

The first was the change in land use of plots. This is a foreign mission plot as originally envisaged being part of Chanakyapuri. It took us 22 months to get that permission, to change the land use there are L&DO. The approvals of buildings, plans and drawings from NDMC alone, it took 16 months and now we are stuck with CPWD. The CNE approval, the Committee on Non-Plan Expenditure has taken 11 months to convene a meeting and six months have passed and we have not received the minutes despite taking it up at all levels. I have now requested the Additional Secretary and Financial Advisor in the MEA since he handled CPWD and Finance Ministry on an ongoing basis and he has agreed, next week itself he is calling a meeting with CPWD, NDMC to at least get the plans passed. Then, inform because the Ministry of Finance says that unless the plans are passed, we will not approve the CNE approval but we are hoping that it would now get done, a large part of it now ready, plans are ready, the architecture is ready, detailed engineering is ready, all of

it is ready and we are hoping that we would be able to do. The moment that comes into place, immediately our non-plan expenditure will jump, I mean, the capital expenditure will jump. The moment you take capital expenditure out, look at other part, we virtually have 95 per cent average use of the money made available to us.”

2.8 During the course of evidence while going into the details of the Budget 2010-11 of the Ministry, the Secretary, MOIA informed the Committee as under:

“We have basically two major Heads of Accounts on the Revenue Section and one major Head on the Capital Section. The Budget is a total of Rs.81 crores which is 71.80 crores on the Revenue Section and Rs.9.20 crores on the Capital Section. We had asked for Rs.155 crores and Rs. 116.80 crores had been agreed in the Budget meeting and finally we got Rs. 81 crores which is an increase over the previous year’s Revised Estimate of Rs.60 crores.”

2.9 The Committee asked again as to whether the Ministry thought that the proposed outlay was sufficient for achieving the goal? The Ministry in its reply stated:

“The Ministry strongly feels that the allocation is not sufficient to achieve its goal. The Ministry had proposed a BE of Rs. 155 crores comprising Rs.115 crores on the Revenue account and Rs. 40 crores on the capital account. The Ministry of Finance however has allocated Rs. 81 crores comprising Rs.71.80 crores on the Revenue account and Rs. 9.20 crores on the capital account. We have been advised to seek additional allocations during supplementary estimates. If the Construction of Pravasi Bhartiya Kendra is approved, there will be requirement of around Rs. 40 Crore for this scheme in the year 2010-11 instead of Rs.9 crore Budgeted for.”

2.10 The Ministry has submitted the following details about the last Five years budget allocation and actual utilization:

**(Rs. in crores)**

Sl No	Year	BE	RE	Actual
1	2005-06	35.00	19.10	17.46
2	2006-07	38.00	26.00	22.00
3	2007-08	50.00	40.00	35.40
4	2008-09	65.00	45.00	44.55
5	2009-10	80.00	60.00	58.99(provisional)

The utilization of the budget was poor during 2005-06 & 2006-07 because the Ministry was new and was in the process of expanding the various schemes. The non-utilization from 2007-08 onwards is mainly due to pending approval of Pravasi Bharatiya Kendra (PBK) in capital section.”

2.11 Allocation under Capital Section for the year 2010-11 has been brought down to Rs. 9.20 crores from 21 crores during 2009-10. On being asked about the reasons for reducing expenditure under this Head and the system being exercised by the Ministry to ensure effective implementation and monitoring of the schemes/programmes to take timely corrective steps, the Ministry in its reply stated:

“Under Capital Section for the year 2010-11, the allocation has been reduced in respect of Pravasi .Bhartiya .Kendra (PBK) project . The project has not commenced because of delays in approvals of building plans by statutory authorities and approval of the project by the competent authority. No project under the Capital Section is proposed to be dropped. On receipt of approval, Ministry of Finance will be requested for supplementary grants on the capital account.

To ensure effective implementation and monitoring of the schemes/programmes, review meetings with the implementing agency(ies) are taken at the appropriate levels periodically. During the course of meetings, progress in terms of funds released, expenditure incurred etc. under the schemes is also reviewed.”

2.12 The Committee further desired to know as to how many such meetings with implementing agencies were held during the last six months and what was the outcome of review of progress in terms of funds released, expenditure incurred etc. The Committee also desired to know whether the reviews had helped in improvement of utilization of funds allocated to Ministry. The Ministry replied as under:

“Quarterly review meetings are taken up with the implementing agencies in the Ministry at the appropriate level. A total of six meeting were held during the last six months.

The funds were released as per the progress of the projects handled by these agencies which resulted in the optimum utilization of funds available.

These reviews have very much helped in improvement of utilization of funds allocated to Ministry. The Overseas Indian Facilitation Centre(OIFC), Indian Council of Overseas Employment (ICOE) and India Development Foundation of Overseas Indians(IDF-OI) have been able to implement their annual action plan due to these reviews effectively.”

2.13 Regarding enquiry about construction of Pravasi Bhartiya Kendra (PBK) by the Committee during the examination of Demands for Grants for the year 2008-09, the Ministry had stated that it would be completed before the commonwealth games. Further during examination of Demands for Grants for the year 2009-10, the Ministry informed that the construction of the building would start in the third quarter of the current financial year and the project is likely to be completed by the end of year 2011. On being asked about the reasons for shifting the targets again and again in this regard, the Ministry in its reply stated:

“There has been mainly three reasons resulting in shifting the targets of completion of the PBK –

(i) Change of land use of the allotted plots : For granting the permission of land use change, the Ministry of Urban Development, through Delhi Development Authority(DDA)had to call for the suggestions/objections from the general public. After calling for objections/suggestions from the general public by the DDA on behalf of the Urban Development Ministry and considering the same, a notification changing the land use from “Residential (Foreign Mission) to “Public & Semi-Public Facilities(socio-cultural) was issued by the Ministry of Urban Development only on 19<sup>th</sup> February, 2009.

(ii) Seeking approval of the Committee on Non-Plan Expenditure (CNE) : As a part of simultaneous action, MoIA, based on the Detailed-Project Report (DPR) prepared by the NBCC, (the Turn-key-Consultant of the Project), and after consulting the Ministry of Urban Development, :moved a proposal (in September, 2008] to the Ministry of Finance (Department of Expenditure) for approval of the Project by the CNE.

The CNE meeting was held on 6.8.2009. The CNE, recommended the proposal at an estimated cost of Rs.107.22 crore inter-alia subject to review of the cost estimation in consultation with the CPWD. The matter is being pursued for early clearance by the CPWD and seeking approval of the competent authority accordingly.

(iii) Seeking Approval of the design/drawings of the Project by the statutory authorities: As a part of simultaneous action, the drawings were prepared by the Architect, NBCC and submitted to the NDMC for vetting/approval. After the issuance of the notification in February, 2009 by the Ministry of Urban Development regarding change of land use, the matter was constantly followed up with the NDMC. The NDMC, after due scrutiny/vetting, has since forwarded the drawings to the Delhi Fire Service (DFS) as well as Delhi Urban Arts Commission (DUAC). The drawings are required to be cleared first by the Delhi Fire Service and thereafter, by the DUAC. As per the NBCC, it is expected that by the end of May, 2010, the drawings would be cleared by the statutory authorities.

Further, concerted efforts are also made to obtain the approval of the CNE expeditiously. As regards inviting tenders, the NBCC Consultant have already completed the requisite formalities (viz: testing of soil, preparation of Bill of Quantities) and tenders are expected to be floated in the second week of April, 2010. The work contract is likely to be awarded by 31<sup>st</sup> July, 2010 and the construction will be started immediately thereafter. As per the revised time frame, the building is expected to be completed by 30<sup>th</sup> May, 2012. Detailed schedule of completion for proposed Pravasi Bhartiya Kendra is as follows:

S. NO.	ACTIVITIES	PREDECESSOR SL. NO.	PERIOD OF COMPLETION	DATE	
				STARTING	COMPLETION
1.	SIGNING OF MOU	-	-	-	18.12.2007
2.	SUMMISSION OF CONCEPT	1	-	-	15.02.2008
3.	APPROVAL OF CONCEPT BY MOIA	2	11 days	15.02.2008	25.02.2008
4.	SUBMISSION MUNICIPAL DRAWINGS	3	45 days	26.02.2008	09.04.2008
5.	APPROVAL FROM STATUTORY AUTHORITIES AS PER MOU DATED 23.11.2007	4	841 days (28 months)	10.04.2008	31.05.2010
6.	COMPLETION OF DETAILED WORKING DRAWINGS	5	15 days	01.06.2010	15.06.2010
7.	APPOINTMENT OF CONTRACTOR (S)	6	45 days	16.06.2010	30.07.2010
8.	COMPLETION OF ACTUAL CONSTRUCTION	7	670 days (22 months)	31.07.2010	30.05.2012
9.	OBTAINING COMPLETION CERTIFICATE FROM LOCAL BODIES	8	62 days (2 months)	31.05.2012	31.07.2012
10.	FINALIZATION OF ALL ACCOUNTS	8	62 days (2 months)	31.05.2012	31.07.2012

**B. Vacancies in the MOIA/PoE**

2.14 It was observed from the establishment strength shown in the Demands for Grants (2010-11) document that as many as 40 posts in Group B, C and D were still lying vacant. The total number of posts in the Ministry are shown as 195 and the total number of employees in position are 155. On being asked as to what were the reasons for keeping those posts vacant and what efforts had been made to fill up those posts in time bound manner and how soon were those vacancies expected to be filled up, the Ministry in its reply stated as under:

“The posts in the Ministry are borne on the cadre of the Ministry of Home Affairs, Ministry of External Affairs and some posts have to be filled up by providing the manpower by the Department of the Official Language. The concerned Secretaries of the Ministry of Home Affairs, the Ministry of External Affairs and Department of Official Language have been requested by the Secretary, Ministry of Overseas Indian Affairs to provide the manpower to fill up the vacant posts. These vacancies will be filled up as soon as manpower is provided by the concerned Ministries. Incidentally, it is stated that the Department of Official Language has provided two officers and one of the Officer has already joined.

As regards the POE’s offices, the posts are filled up on loan basis by calling applications from the various Ministries/ Departments. LDC is a dying cadre. Hence, sufficient applications are not received to fill up the posts of the LDC’s. Some of the posts in the POE’s are expected to be filled up as selection process is to be completed shortly.”

2.15 The Secretary, MOIA during the course of evidence further clarified the position as under:

“We have just about 180 posts, out of which incidentally about 40 are lying vacant, including those at a very high level. Since July, 2009, we have been functioning without a Protector-General of Emigrants and Joint Secretary for Diaspora Services, but we are doing our bit.

The issue was raised as to why are we not able to fill up the staff, out of 180, there are 40 plus vacancies. This is across the Ministries and everybody has shortage because of the whole recruitment process, procedure involved in doing that. The Government has now permitted us to do contractual employment on short term basis, we have been able to get a fair amount of staff, of course, it is not the same having permanent staff and regular staff. We have been able to fill this.”

2.16 Further, the Committee referred to the observation of the Ministry about performance of outsourced staff and wanted to know what was the basis of declaring their services as satisfactory. They further enquired about the number of staff outsourced in MOIA and PoE Offices and on what terms and conditions was their engagement and the expenditure being made for that purpose, the Ministry replied as under:

“Outsourced staffs are deployed in the Ministry at the level of Data Entry Operators and messengers. They merely assist their officers in file movement, typing work, diary & dispatch and upkeep of records etc. This enables the functioning of an officer smooth and speedy with the facilitation provided by these outsourced staff. This has led to the conclusion that performance of outsource staff is satisfactory.

The outer ceiling of deploying outsourced staffs in the Ministry is the total number of vacancies at a particular time. This keeps on varying because of number of vacancy as well as on the availability of outsourced staff. At present, we have 32 outsourced staff in the Ministry and 15 in the eight PoE offices.

The staffs are outsourced through a registered placement agency who has been selected after inviting tenders. The details of expenditure incurred for the purpose during the last three years is as under:

<b><u>Year</u></b>	<b><u>Expenditure incurred (Rs. in lakhs)</u></b>
<b>2007-08</b>	<b>35.65</b>
<b>2008-09</b>	<b>37.33</b>
<b>2009-10</b>	<b>29.57</b>

2.17 The Committee observed that the proposals for creation of posts were under process with DOP&T and Ministry of Finance and asked as to how many posts had been proposed and in which cadre, whether it would be additional posts or within the sanctioned strength of the Ministry and what was the response of the DOP&T and the Ministry of Finance in that regard, the Ministry in its reply has stated as under:

“The proposal for creation of posts was for setting up of 05 new POEs offices. The Ministry of Finance has agreed to the creation of the posts. The details of the posts proposed and agreed to for each POE office are follows:



<b>S.No.</b>	<b>Name of the Post</b>	<b>No. of proposed</b>	<b>Total No. of posts agreed</b>
1.	DS	01	-
2.	US		01
3.	SO	01	01
4.	Assistant	01	01
5.	UDCs	03	02
6.	LDCs	02	-
7.	Group D	02	-
	<b>Total</b>	<b>10</b>	<b>05</b>

For five POEs offices, the number of posts proposed were 50. The posts sanctioned are 25.

These are additional posts over and above the sanctioned strength of the Ministry.”

2.18 Further, the Committee asked whether the creation of posts agreed to by the Ministry of Finance are sufficient for setting up new PoE Offices and what is the current status and time frame for setting up of new PoE offices, The Ministry replied as under:

“PoE offices have now been computerized. Initially, 5 posts sanctioned in each new PoE office would be sufficient because of the fact that new PoE offices of comparatively smaller territorial jurisdiction will be carved out from the existing larger areas. If need for additional staff will be felt subsequently, the matter will be taken up for creation of posts.

The setting up of new PoE offices are presently held in abeyance till a decision on new Emigration Management Bill is taken.”

**C. Construction /Purchase of Land for PoE Offices**

2.19 The process of emigration clearance is currently being done through the eight offices of Protectors of Emigrants (POEs). All these offices are currently functioning from rented premises. The Committee asked about the efforts made so far by the

Ministry to purchase land/construct buildings for POE offices to avoid huge rental outgo, the Ministry in its reply stated:

“The concern of the Hon’ble Standing Committee is justified. In the past, the state governments were requested to allot land for constructing the building for POE offices. However, the response of the state governments was not enthusiastic. An internal committee has been constituted in the Ministry under the Chairmanship of Secretary to identify the space requirements for the POE offices.”

2.20 On being asked as to whether there is any proposal to set up new POE Offices in other States of the country, the Ministry stated as under:

“Yes, sir. The internal committee constituted under the Chairmanship of Secretary will also look into the proposals for setting up new POE offices in other states.”

2.21 On being asked whether the proposal for allotment of suitable government land for the POE offices has been taken up with the concerned State Governments during the year 2009-10, the Ministry replied in negative.

2.22 When asked to furnish the justification for nil expenditure against the BE of 1 crore for the purpose of construction/purchase of buildings for PGE/PoEs, the Ministry replied as under:

“Since the efforts of this Ministry for getting the land allotted did not find encouraging response from the state governments, the expenditure could not be incurred.”

2.23 The Committee also asked whether the allocation of Rs. 20 lakhs under the Capital Outlay is sufficient to meet the requirements. The Ministry replied as under:

“At this stage, there is no immediate proposal before this Ministry for the purchase of land. As and when the Ministry finalizes any proposal to purchase the land from the state governments, the request shall be made for increasing the allocation under the capital outlay at the RE stage.”

2.24 The Ministry was asked about the steps taken to convince State Governments to get the lands allotted for construction of PoE Offices, the Ministry replied as under:

“The PGE had pursued with the state governments directly and through POEs for providing government buildings or allotting land for construction of POE offices. However, the state governments have not responded to such requests. As a result, the POE offices continue to function in private buildings or housing board buildings on rental basis, except in Delhi, Kolkata & Chandigarh. An internal committee has now been constituted in the Ministry under the Chairmanship of Secretary which will identify the space requirements for the POE offices and will determine the strategy for procuring land or government buildings for the POE offices.”

**D. Overseas Workers Resource Centre (OWRC)**

2.25 An allocation of Rs.24 lakh was made in 2009-10 for Overseas Workers Resource Centre (OWRC) and the allocation made for this Centre in BE 2010-11 has been increased to Rs.50 lakh which is more than double as compared to BE 2009-10. The Committee asked the Ministry to furnish the reasons for such increase in the allocation for 2010-11, the number of complains registered, responded and monitored by OWRC since its inception. The Committee further asked whether there was any proposal to expand the activities of OWRC and making the Helpline more efficient by adding information in some more Indian languages and how OWRC was successful in redressing grievances of Overseas Indian Workers and potential migrants, the Ministry replied as under:

“The increased allocation has been kept in view of various factors including additional services to be made part of the OWRC purview and making the OWRC helpline a State of the Art Resource Centre by increasing its scope of work. This enhanced scope of work will enable the Centre to facilitate and provide support services to workers who intend to go abroad for employment by an interactive web-site. The Centre shall also act as a single point window source for registering, responding and monitoring complaints, collection and dissemination of information on matters relating to emigration, grievance redressal forum and a knowledge centre. The Centre will also prepare a strategy along with implementation plan for awareness campaign about the role and activities of OWRC. Since the activities covered by the OWRC will be enhanced, the provision had been increased.

The Ministry is already in the process of finalization of the new service provider for management of the centre covering the above activities.

Since its inception in January, 2008 till mid February'10, the Centre received a total of 33,917 calls. These include 32,348 enquiries, 371 complaints with complete details and 1198 complaints with incomplete details. Out of the 371 complaints with complete details, 299 complaints have been resolved.

The toll-free helpline which is part of the Centre provides round the clock support services seven days a week in eight languages viz. Hindi, Punjabi, English, Tamil, Telugu, Malayalam, Kannada and Bengali.

The complaints received by the Centre mainly pertain to those against the recruiting agents for not giving promised Job & retaining passport & Visa. The enquiries mainly centered on authenticity of the recruiting agent, foreign employer, procedure to go abroad. The number of calls received and the nature of complaints or the matter being referred to in the calls received shows that the Centre is gaining in popularity and the relevance of such a Centre is slowly but surely established. The Centre has been able to practically educate the emigrants about emigration procedures and update them about the status of the recruiting agents i.e. whether such an agent is registered etc.

The helpline has been successful by providing the requisite information and solving the problems of the intending emigrant workers and information schemes.”

#### **E. Overseas Citizenship of India (OCI) Cards**

2.26 The Committee noted that the allocation made towards scheme has been reduced from Rs.1.86 crore to Rs.1.77 crore as compared to 2009-10. On being asked to give the reasons for reduction in allocation towards this scheme during the current financial year, the reasons for issuing only 1,50,477 cards so far as against target of 2 lakh cards during 2009-10 and the revenue generated through this scheme during the previous years, the Ministry in its reply stated:

- “ (i) There was one outstanding bill to be settled to NICSI to the tune of Rs. 9.6 lakhs towards providing manpower for implementation of the OCI Scheme (01 programmer + 01 Assistant Programmer) for the period February 2006 to March 2008. The bill remained pending for want of some clarifications from NICSI, and could be paid only in the financial

year 2009-2010. Hence the allocation in 2009-2010 was more than the allocation of funds sought for 2010-2011.

- (ii) OCI applications are received and processed by our Missions/Posts abroad and OCI documents (OCI registration certificate and U-visa sticker) are issued on the basis of data received electronically in the OCI Cell of MHA/MOIA from the Indian Missions/Posts abroad. MHA also processes OCI applications received from a small number of applicants in India. This Ministry is concerned with facilitating the printing of OCI documents only.
  
- (iii) The fees charged for issue of OCI documents is US\$ 275/- or equivalent in currencies of the countries where the Indian Mission/Post is located or in Indian Rupees in case of applications processed in MHA, New Delhi or FRROs at Chennai, Delhi, Kolkata or Mumbai. The proceeds in respect of fees collected for issue of OCI documents in the Indian Missions/Posts are credited to the appropriate revenue head of account of MEA and the proceeds in respect of fees collected in India are credited to the account of the Ministry of Home Affairs. No revenue in respect of the OCI Scheme is credited to the account of Ministry of Overseas Indian Affairs. The revenue credited to the MEA Account head 00.70.60.102 is as follows:

2006 – 2007	Rs. 72.98 Crores
2007-2008	Rs. 113.17 crores
2008-2009	Rs. 170.01 crores
2009-2010(Upto Jan. 2010)	Rs. 141.48 crores

2.27 Also on being asked as to whether the Ministry had made any assessment of the number of Registered Overseas Citizens eligible for OCI Cards, other benefits the Ministry proposed to extend to registered OCIs apart from the existing ones, the Ministry in its reply stated:

“In the absence of appropriate tools and a reliable mechanism for an authentic survey, the Ministry has not made any assessment of the number of Persons of Indian Origin (PIOs) eligible for OCI Cards.

The Ministry proposes to pursue the implementation of the benefits notified in January, 2009 regarding OCIs practicing their professions in India as the follow up action by the administrative Ministries has not been done as yet.”

2.28 When asked about the expenditure incurred on the OCI Scheme, the Ministry submitted the following details:

“The following expenditure has been incurred on the OCI Scheme by the Ministry of Overseas Indian Affairs since the Scheme was made operational in December, 2005:

2005-2006	Rs.10,48,960/-
2006 – 2007	Rs. 42,87,823/-
2007-2008	Rs. 1,78,83,902/- (including Rs.6,85,250/- approx. for hiring of local clerks (8 posts in 8 Indian Missions/Posts abroad for 01-month to clear pending OCI applications. Details of expenditure not received from Missions/Posts abroad,)
2008-2009	Rs. Rs.1,89,21,198/- (including Rs.20,55,000/- approx. for hiring of local clerks (8 posts) by 8 Missions/Posts abroad for 03-month to clear pending OCI applications. Details of expenditure not received from Missions/Posts abroad AND Rs. 21,00,000/- for hiring of local clerks (11 posts) by 7 Indian Missions/Posts abroad for three months to clear pending OCI applications))

2009-2010

Payment made as on date	Rs. 27,01,534/-
Payments to be made till 31.03.2010	Rs.1,31,37,554/-
On hiring local clerks (8 posts) by Indian Missions/Posts (6) abroad for 3 months. (Details of expenditure not received from Missions/Posts abroad)	Rs.15,60,000(approx.)
Expected Total Expenditure	Rs. 1,73,99,088/-
Grand Total of Expenditure incurred so far.	Rs.5,96,40,971/-

The expenditure on procuring OCI registration certificates and visa stickers from India Security Press, Nashik is borne by the Ministry of Home Affairs. OCI applications are processed by MHA and Indian Missions/Posts abroad, expenditure for which is incurred by them.”

2.29 When asked about the number of pending OCI applications, the Ministry submitted as under:

“As of date, a total number of 5,81,160 Persons of Indian Origin have applied online for registration as OCIs. This number includes applicants who have registered online but not submitted their (physical – hard copies of) applications at Indian Mission/Posts abroad/MHA, incomplete applications which would have been returned without processing, applications which are under various stages of processing, etc. Out of the above, 5,69,732 have been issued with OCI documents.”

2.30 The Committee observed that in absence of appropriate tools and reliable mechanism for an authentic survey no assessment has been made about the exact number of persons of Indian origin eligible for OCI cards and wanted to know the views of the Ministry in this regard, the Ministry of Overseas Indian Affairs clarified the position as under:

“It is estimated that there are around 25 million overseas Indians, out of which 15 million are Persons of Indian Origin (PIOs). Most of these are second/third/fourth/ fifth generation PIOs. Out of these, the second and third generation PIOs would be eligible for registration as OCIs if they meet the prescribed eligibility criteria. PIOs are essentially citizens of foreign countries. To have a survey made through our Missions/Posts to find out how many of the PIOs would stand qualified for registration as OCIs could be difficult, given the sensitivities involved and the need to respect the sovereignty of the host countries.

PIOs are essentially citizens of foreign countries they belong to. Many of these governments do not have or provide statistics pertaining to a particular section of the population, classified by ethnicity or country of origin. To have a survey made through our Missions/Posts to find out how many of the PIOs would stand qualified for registration as OCIs could be difficult, given the sensitivities involved and the need to respect the sovereignty of the host countries.”

2.31 When the Committee wanted to know implementation status of the benefits of the Notification made on 5<sup>th</sup> January, 2009 regarding practicing their professions in India, the Ministry submitted the following details:

“After issue of the notification dated 5<sup>th</sup> January, 2009, the Ministry has pursued consistently with the Ministries/Departments which are concerned administratively about each benefit notified. Details of benefits to OCIs notified and the their status of implementation, are given below :

S.No.	Ministry/Department concerned	Item notified	Present status
01	Ministry of Culture	Parity with NRIs in entry fees for visiting the national monuments, historical sites and museums in India	Despite taking up the matter at various levels, including at the level of the Minister, no action has been taken as yet by the Ministry of Culture to issue necessary executive instructions
02	Ministry of Health and Family Welfare	<p>(ii) Permission to practice in India as doctors, dentists, nurses and pharmacists</p> <p>(ii) Entitlement to appear for the All India Pre-Medical Test or such other tests to make OCIs eligible for admission in pursuance of the provisions contained in the relevant Acts.</p>	<p>(ii) The Medical Council of India (MCI) has made necessary amendments in its Rules whereby OCI doctors are now permitted to appear in the screening test for the purpose of registration with the Medical Council of India. vide its notification dated 25<sup>th</sup> September, 2009.</p> <p>No information regarding practice of OCIs in India as dentists, nurses and pharmacists has been conveyed to this Ministry as yet.</p> <p>(ii) The Ministry of Health and Family Welfare has informed that work is underway to amend the MCI Act.</p>



03	Ministry of Law and Justice	Permission to practice in India advocates	The matter was not pursued with the Ministry of Law and Justice as a reply was received from that Ministry conveying their disagreement to the proposal after the issue of the notification and stating that the matter is sub-judice.
04	Ministry of Human Resource Development	Permission to practice in India as Architects	It has been communicated to this Ministry recently that Architects Act is being amended.
05	Ministry of Corporate Affairs	Permission to practice in India as Chartered Accountants	The Ministry of Corporate Affairs conveyed that OCI chartered accountants could practise in India provided they have a Certificate of Practice from the Institution of Chartered Accountants of India (ICAI) and comply with the requirements of local laws. A professional address in India is also an essential criteria for practising in India or abroad. The matter has been taken up again to exclude OCI Chartered Accounts from the above condition as they would already have qualified the above exams or equivalent ones.

## **F. Know India Programme**

2.32 The allocations for Know India Programme (KIP) has been raised from Rs.1.25 crore in 2009-10 to Rs.1.44 crore in 2010-11. The Committee observed that 64 applications have been received by the Ministry for the 14th KIP. On being asked about the criteria for selection of participants and selection process for this programme and as to whether the remaining desirous applicants were given priority at the time of selection of participants for next KIP, the Ministry in its reply stated:

“The Participants are selected under the following broad guidelines.

- (i) The participant should have distinguished himself/herself in a particular field, should have abiding interest in India and links with India through parentage.
- (ii) The Programme is open to youth of Indian Origin (excluding NRIs) in the age group of 18-26 years as on the first day of the month in which the programme is expected to start. It is open to PIOs from all over the world..
- (iii) The selection is to have a good mix of boys and girls
- (iv) The participant should not have participated in any previous KIP or Internship Programme for Diaspora Youth
- (v) The candidates should either be studying in the under-graduate level or should have completed under-graduation or equivalent and should be able to converse in English
- (vi) The total number of participants in any of the Programme may not exceed 40.

Missions/Posts are asked to give wide publicity to the program. The participants are shortlisted and recommended by the Head of Missions/posts abroad on the basis of the information given in the application form. Thereafter an internal committee of officers is constituted to select 40 candidates representing as many countries possible. Some candidates are also kept in the reserve list to be selected against the dropouts. The combined list of candidates in select and reserve list is then approved by the Minister.

The remaining desirous candidates are considered for selection in the next KIP if they want to be considered and also fulfill the laid down eligibility criteria of age etc.”

2.33 During the course of evidence, the Committee desired to know whether during the Know India Programme, the Ministry proposed to expose the participants to whole India because the roots of India lay in the villages of India, in the crafts and in those people who ensured the continuity of Indian traditions. The Secretary, MOIA in reply thereto as under:

“We also note some of the suggestions that have come, such as, when we bring in students here for study India Programme or Know India Programme, we should take them more to villages and crafts. We do a bit of it and your suggestion is well taken and we would build it into the Study India Programme itself.”

2.34 The Committee desired to know about the objectives of Know India Programme and asked that what type of exposure was given to the participants to make aware and educate them about Indian culture and traditions in general. The Committee asked if any participant showed interest in particular field, then how did the Ministry propose to facilitate to pursue his/her interest in future, the Ministry replied as under:

“The Ministry of Overseas Indian Affairs has been organizing the Know India Programme (KIP), earlier known as the Internship Programme for Diaspora Youth (IPDY), with the aim of creating awareness about the phenomenal transformation taking place in India and the country’s progress from just a destination for culture, heritage and art to an emerging powerhouse in the global economic system. These are conducted in partnership with one or two State Governments. Different state Governments are requested to take part in the successive Know India Programmes which gives it an all India concept. Details of participation of State Governments are as follows.

Sl. No.	Programme	Partner States
1.	1 <sup>st</sup> IPDY	Delhi
2.	2 <sup>nd</sup> IPDY	Maharashtra and Andhra Pradesh
3.	3 <sup>rd</sup> IPDY	Uttaranchal
4.	4 <sup>th</sup> IPDY	Karnataka & Andhra Pradesh
5.	5 <sup>th</sup> IPDY	Himachal Pradesh
6.	6 <sup>th</sup> KIP (Group 1)	Kerala
7.	6 <sup>th</sup> KIP (Group 2)	Rajasthan
8.	7 <sup>th</sup> KIP	Goa
9.	8 <sup>th</sup> KIP	Tamil Nadu
10.	9 <sup>th</sup> KIP	Gujarat & Uttar Pradesh
11.	10 <sup>th</sup> KIP	Madhya Pradesh & Chennai
12.	11 <sup>th</sup> KIP	Orissa & Punjab
13.	12 <sup>th</sup> KIP	Karnataka & Himachal Pradesh
14.	13 <sup>th</sup> KIP	Kerala & Rajasthan
15.	14 <sup>th</sup> KIP	Maharashtra & Haryana

Know India Programme (KIP) of the Ministry is a three-week orientation programme for diaspora youth. They are taken to various places to make them aware about the cultural diversity of India. Visit to historical monuments, famous religious and tourist attractions are included in their itinerary besides organizing cultural programme for them and lectures on Indian culture, Yoga, Heritage and tradition. They are also taken to Villages to participate in their cultural activities and learn about our rich cultural heritage. They are also exposed to our village panchayat system.

If any participant shows interest in a particular field, Ministry will take it up with the concerned authorities in the country to enable them to pursue their interest.”

#### **G. Scholarship Programme for Diaspora Children (SPDC)**

2.35 The Scholarship Programme for Diaspora Children (SPDC) scheme seeks to make higher education in India accessible to the children of Overseas Indians and promote India as an education hub. Under the scheme, the Ministry provides 100 scholarships for undergraduate courses to partially fund the tuition and hostel fee each year from 2006-07. It has been observed that at present 268 NRIs/ PIOs are studying in India under SPDC. An outlay for 2009-10 was Rs. 3.50 crore and the same has been increased to Rs.5.38 crore for the year 2010-11. To the enquiry about the basis and the quantum of allocation decided for this purpose, criteria for selection of children to award the scholarships and status of utilization of these 100 scholarships available during the last two years, the Ministry in its reply stated:

“The quantum of allocation is decided on the basis of following factors :

- (a) Amount of scholarship offered, which is 75% of the Institutional Economic Cost (tuition fees, hostel fee and other institutional charges), subject to a ceiling of US\$ 3600/- per student per year (equivalent amount in Indian rupees at SBI TT buying rate)
- (b) The number of students, who are studying under the Scheme in India.
- (c) The type of courses pursued by the students and the fee charged by educational institutions where they are studying.
- (d) Performance of students.

Till 2009-10 the Common Entrance Test (CET) was conducted by EdCIL (India) Limited in Indian Missions/Posts abroad for the award of scholarship. Since the large number of scholarships remains unutilized and the number of PIO candidates selected for the scholarship was abysmally low, it has been decided to do away with the CET w.e.f. 2010-11 and the candidates will now be selected on the basis of their performance in the qualifying examination by the selection committee constituted by MOIA.

The hundred scholarships available was not fully utilised during the last two years. Till 2009-10, 100 scholarships under SPDC are awarded to PIOs/NRIs based on a merit list prepared by Educational Consultants India Limited (Ed.CIL), after conducting an entrance examination for the eligible candidates. To ensure maximum utilisation of seats, 126 candidates were declared successful (63 PIOs and 63 NRIs) on the basis of the results of Common Entrance Test for SPDC-2009-10. However only 70 candidates are presently pursuing their courses. In order to ensure maximum utilisation of scholarship by the wards of persons of Indian origin, the entrance examination conducted by Ed. CIL has been done away with w.e.f. SPDC 2010. Now the selection would be on the basis of performance of the candidates in the qualifying examination.”

2.36 The Committee also desired to know as to whether the relationship between India and young overseas community had improved with the introduction of SPDC Scheme/Programme and also wanted to know about the details of the steps taken by the Ministry to spread awareness about the scholarship among the target beneficiaries. In their reply, the Ministry stated as under:

“The relationship between India and young overseas community has improved with the introduction of scholarship scheme. The actual effect of such improvement would be seen when the students, who have studied under the scheme pass out from the institutes and return to their countries as our brand ambassadors. Since most of the undergraduate courses under the scheme is of four years and the SPDC is introduced only in 2006-07 the effect of such improvement will be clearly perceptible in the coming years.

The scheme is publicized by our Missions/Posts abroad through their websites and amongst Indian Associations. The Programme is also publicized on the websites of this Ministry and EdCIL (India) Limited. All the Missions/Posts have been specifically requested this year to also publicise the Scheme in ethnic magazines/Newspapers.”

2.37 According to Outcome Budget 2010-11, one of the projected outcomes of Scholarship Programme for Diaspora Children (SPDC) Scheme was that the students selected for such scholarship would become brand ambassador for India and its educational institutions and accelerate the development and recognition of India globally as a sought after educational hub. This would also help deepening the relationship between India and the Overseas Indian Community. On being asked as to how the students selected for such scholarships would become brand ambassadors for India and its Institutions, how these scholarships would accelerate the development and recognition of India globally as a sought after educational hub and how that would help in deepening the relationship between India and the Overseas Indian Community, the Ministry in its reply stated:

“The children who study in India under the SPDC is expected to benefit out of the educational system in India and the Indian values and culture, which they might spread in their countries of residence or wherever they work or live.

The educational system in India, particularly the higher education is of high standard and quality which is available at a very competitive fees. It is expected that the students who have benefited under the SPDC would spread word about India and its educational system.

Since the scholarships are offered to children of PIOs and NRIs, the overseas Indian community would feel that the Government of India is taking care of educational requirements of their children and thus remain connected to the country of ancestors.”

#### **H. Overseas Indians Facilitation Centre(OIFC)**

2.38 An Overseas Indian Facilitation Centre (OIFC) has been established in Gurgaon as a not-for-profit trust, in partnership with CII to serve as a ‘one stop shop’ for all investment and business related services for potential Overseas Indian investors. During Pravasi Bhartiya Divas (PBD) 2010, OIFC organized a market place in which many one-on-one meeting and presentations were reported to have been organized. The Committee desired to know about the outcome of the meetings and presentations organized by OIFC during PBD 2010, the areas in which potential overseas Indian investors are expected to invest and about the achievement of the OIFC in promoting

investment in India by Overseas Indians. The Committee also desired to know whether it had succeeded in getting overseas Indians investment in the infrastructure and social sectors in any Indian States and whether the Ministry had come up with any new Scheme/incentives to attract investment in India by Overseas Indians. The Committee also asked whether any assessment had been made of the potential and pattern of investments by Overseas Indians, the Ministry in its reply stated:

“Overseas Indian Facilitation Centre (OIFC) has been set up with the objectives of promoting overseas Indian investment into India and facilitate business partnership by giving authentic and real time information. It functions as a clearing house for all investment related information. This is done by processing information in consultation with the knowledge partners appointed by the OIFC. The online platform is to provide end to end updated information on the various sectors where the investor wants to invest. OIFC is also organizing one to one meeting with the prospective investors at the Market Place organized during the PBD. While the OIFC provides the requisite information to prospective investors it does not have any mechanism to monitor investments made by the overseas Indians.

2.39 On being asked about further schedule for investor meets by the OIFC, the Ministry stated as under:

“Four investor meets have been planned by the OIFC during 2010-11 as per the following schedule:

- (i) UK – May 2010
- (ii) Malaysia – August 2010
- (iii) South Africa – during the mini PBD in Sept/Oct 2010
- (iv) During PBD-2011 at New Delhi”

2.40 During the course of evidence, the Committee wanted to know about the achievements of the MOIA in the issue of Overseas investment, the Secretary, MOIA elaborate as under:

“The issue of overseas investment has been correctly flagged by you. It is the mandate of this Ministry to try and bring in the resources of overseas Indians towards this end. We are addressing this at two levels. One is, as the hon. Members are aware, India today has the highest remittance anywhere in the world. Last year the remittance was 52 billion dollars, the largest anywhere in the world by any country including China.

Remittance is coming back in funds to India through the normal banking channels and remittance through the Reserve Bank of India to their families. It is basically going towards consumption expenditure. This is not investment. The only capital end of that investment is some of the properties that they would buy. So, some amount does go into the real estate area but otherwise it is not really into investments. Therefore, this is the reason that we have come up with the concept of NRI infrastructure bond. Our attempt is to convert some of the savings into investment. We believe in giving an instrument through which small amounts of saving, as low as 5000 dollars, can be made. Investment does not necessarily mean that you have to buy a whole new company and set up a power plant.

Investment is also equity investment, it is private equity investment in bonds which can be used for investment purposes. So, we believe at the lower end of that scale, there is tremendous opportunity available. I would greatly appreciate if we could get support from the hon. Members and the Committee in helping us focus and push forward this instrument because I believe it will provide a window under which the NRIs and our workers abroad and our professionals abroad can find the better connect with India and also have investment opportunity which the Government can then use for the infrastructure which is greatly require all such funding.

So far as the other investment is concerned, we through the Overseas Indian Facilitation Centre setting up business to business website and have been attempting to draw in also having these shows which we do, PBD as well as road shows that we do for overseas Indians. There is a lot of interest and whether that interest actually converts into investment. Unfortunately such investment is not directly and separately tagged in the data that comes into the country. But we do know that we are having some amount of success from the kind of interest that we have been getting. In the last two occasions were an Investor Meet that we had done in the Gulf and another was in the Pravasi Bhartiya Diwas in India and tremendous response from, of course, individual professionals who had visited there in being interested about it and wanting to know the whole range of taxation and other issues on how they would connect. It is a point that we need to be more focussed on it and your suggestions will be noted on that also. But to measure this kind of investment sometimes becomes a little difficult. But you are right in the reverse brain drain which is now happening this needs to be focussed on even more so.”



## **I. NRI Infrastructure Bonds**

2.41 During the course of evidence, while referring to the proposal of issuance of NRI Infrastructure Bonds, the Committee wanted to know the latest status in this regard, the Secretary, MOIA informed as under:

“We have set up a small committee that is working on the modalities of this bond. We are working with the State Bank of India and UTI. We are also working with IIFCL through which we will try and issue this because I believe two connects which these infrastructure bond give – one is that different from the earlier Millennium Bonds which were done by the State Bank of India, this will give a focus to the NRI to think that his contributions are contributing to the country’s infrastructure. That was the purpose of focusing on that. We are trying to keep it as long term. We are trying to keep it for 7 to 10 years so that it can be actually used in infrastructure.”

2.42 The Ministry further clarified the position on various issues relating to NRI Infrastructure bonds as under:

- (i) The Ministry of Overseas Indian Affairs is of the view that Overseas Indians may be tapped successfully for raising funds. The Ministry of Overseas Indian Affairs (MOIA) is in a position to raise over \$ 5 billion from global Indians and FIIs for an infrastructure fund.

The IIB could be issued as quasi-sovereign bonds and guaranteed by the Government of India. The bonds could be denominated in Us Dollar, UK Pound and Euros and could be offered to Non-Resident Indians (NRI) and Overseas Corporate Bodies (OCB).

The launch of IIB would meet three main objectives. First, funds would be raised for financing the crucial infrastructure projects; second the cost of funds would be low as compared to other instruments, finally, funds would be readily available for core sector projects.

### **(ii) NRI- IIB Structure**

The size of the bond to be issued should be large enough to contribute to the development of the domestic bond market. IIB are denominated in foreign currency i.e. US Dollar (USD)/ Pound Sterling (GBP)/ EURO and Interest & Principal will paid in the currency in which the IIB is denominated. IIB would carry a fixed rate of Interest. Certain other features could be added in IIB such as on maturity after 5 years, a

convertibility option into equity shares could be provided to NRIs with the overall exposure in a company conforms to the existing FIPB / RBI norms. This would entail separate companies being incorporated for each infrastructure project that would later go public and traded on a stock exchange. Furthermore, IIB could be structures as a Perpetual Bond with buyback clause. Perpetual Bond have no maturity date. In addition, these bonds could also be securitized. And Features of Structure Deposits could also be added to the IIB on the subscribers consent. "Structured Deposits" link time deposits and options. The interest accrued from the IIB could be invested in options (derivatives). "Structured Deposits" may be denominated in USD/GBP/EURO.

### **Tenure**

The tenure of the IIB could be for a period 10 years or more. Minimum Subscription to these Bonds could be in the denomination of USD 2000; Pound Sterling 2000; Euro 2000 with a upper limit beyond the total limits for NRI investment in India. In order to make IIBs attractive to investors, the coupon rates should be 25 basis points higher than the rates for FCCBs as well as FCNR deposits. Furthermore, allowing exit option with a minimum penalty and lock in period of not more than 1 or 2 years will also be an added attraction. Further, a differential coupon rate could be applied for pre-mature redemption. In order to make these bonds attractive, interest payments on these bonds could be made every quarter or these interest payments could be cumulated / compounded for higher returns. Further, on maturity after 5 years, a convertibility option into equity shares could be provided to NRIs provided the overall exposure in a company conforms to the existing FIPB / RBI norms.

### **(iii)Rating**

The IIB could be issued as quasi-sovereign debt. Government of India should back borrowings under IIB. This could provide a better rating for IIB and will boost subscriber's interest in this issue. IIB issue could be rated by Fitch, Moody's or Standard & Poor's.

### **Interest on Application Money**

The application money in respect of the IIB could carry interest at the rates (to be calculated) from the date of receipt of the application by the designated collecting bank, if complete in all respects, to the date immediately preceding the date of allotment, excluding a processing.

### **(iv)Repatriability**

The principal amount of the instrument and the interest thereon could be fully repatriable in respect of non-resident holders.

### **(v) Payment of Interest**

These IIBs could carry interest at the rates (to be calculated) payable quarterly, either on a cumulative or a non-cumulative basis, at the option of the investor. Interest in the case of cumulative IIBs could be compounded quarterly and paid in the currency in which the IIB is

denominated, i.e. USD/GBP/EURO, as the case may be, together with the principal on maturity. Interest on non-cumulative IIB could be paid likewise quarterly; the first payment could be made on the expiry of first quarter from the date of allotment. If a holder of the IIBs (“holder”) becomes a resident in India before maturity of the IIBs, he has, if eligible, the option of receiving the interest payment in USD/GBP/EURO, as the case may be, by credit to a Resident Foreign Currency (RFC) account or in non-repatriable Indian rupees. (Issuer could issue the interest warrants only in USD/GBP/EURO, as the case may be, which maybe encashed in rupees by the holder, with his bank, at their ruling rate of exchange). However, in case of ‘survivor’ or ‘donee’ who is a resident in India, while interest will be paid in USD/GBP/EURO, as the case may be, in terms of the existing exchange control regulations in India, the warrants will have to be encashed in rupees by the holder, with his bank at their ruling rate of exchange.

#### **(vi) Repayment of Maturity**

The principal amount of the IIB and the interest earned thereon (last quarter interest in the case of non-cumulative IIBs) could be paid in USD/GBP/EURO, as the case may be, on the expiry of five years from the date of allotment if the holder is an NRI & OCB. If the holder becomes a resident in India before maturity of the IIB, he has, if eligible, the option of receiving the entire principal amount of the IIBs, on maturity, and the interest earned thereon in USD/GBP/EURO, as the case may be by credit to a Resident Foreign Currency (RFC) account, or in non-repatriable Indian rupees. However, Issuer could issue the repayment warrants only in USD/GBP/EURO, as the case may be, which maybe encashed in rupees by the holder, with his bank, at their ruling rate of exchange. In case of a ‘survivor’ or ‘donee’ who is a resident in India, on maturity, the entire principal amount of the IIBs and the interest earned thereon (the last quarter in case of non-cumulative IIBs) will be paid in non-repatriable Indian rupees at the Issuer’s bank Telegraphic Transfer (TT) buying rate for USD/GBP/EURO, as the case may be, prevailing on the date of maturity of the IIBs.

#### **(vi) Who Could Apply**

Non-Resident individuals of Indian Nationality or origin (NRIs) & Overseas Corporate Bodies (OCBs), could apply for the IIBs.

#### **Joint Holdings**

- a) IIBs could be held in joint names of NRIs (not more than two in number) in the form of “Former or Survivor”
- b) IIBs could also be held similarly, i.e. in the form of “Former or Survivor” by an NRI jointly with any resident Indian. In such cases, the NRI should be the first holder.
- c) Interest and maturity proceeds should be paid only to the first holder and to the survivor in case of demise of the first holder.

### **(viii)Exit Option**

Option with a minimum penalty and lock in period of not more than 1 or 2 years could be given to subscribers.

#### **Gifts/Transfers**

The IIBs could be gifted by NRIs (except minors)/ OCBs/ Banks acting in a fiduciary capacity, once only, to any person resident in India or to any Charitable Trust recognized under the Income Tax Act, 1961 in India. All the benefits under the IIBs could be passed on to the donee as well, including the facility for premature encashment, except that resident donees could not be eligible to transfer the IIBs. IIBs could be transferred, by endorsement and delivery, from NRI /OCB/Banks acting in fiduciary capacity on behalf of NRIs/OCBs to a resident Indian or Charitable Trust in India, through gift only.

### **(ix)Tax Treatment**

Income on the IIBs could be exempt in the hands of the subscriber from Indian Income Tax. The IIBs should also be free from Wealth Tax and Gift Tax in India. The tax concessions could be available to the donee and transferee also. The tax concessions could be available till the maturity of the IIBs to the NRI holders/ donees/ transferees if they return to India before maturity of the IIBs and also to resident donees. In case of premature encashment of the IIBs in non repatriable Indian rupees by holders/ donees/ survivors, the proceeds in the hands of the holders/ donees/ survivors will be free from any tax in India. In regard to tax implications outside India, including the USA/UK/Germany, interest on the IIBs and sale or gift of the IIBs may be subject to taxation laws of the respective countries. The applicants should also note that the levels and basis of taxation in the countries outside India might change.

### **(x) Loans & Advances**

Non-Resident holders, resident holders (first holder in case of joint holders) as well as third parties who are resident in India could get loans in non repatriable Indian rupees from authorized dealers in India, at their discretion, against collateral of the IIBs, in accordance with the guidelines to be issued by the Reserve Bank of India in this regard.

#### **Maximum Deposit**

**(xi)**NRIs/OCBs may subscribe to any number of IIBs subject to the FIPB/RBI norms.

### **(xii)Jurisdiction of Courts**

Courts in India and UK (for GBP series), India and Germany (for DEM series) and India (for USD series) only could have jurisdiction in respect of all matters of disputes about the IIBs.

### **(xiii)Applicable laws**

The terms of Offer and the IIBs should be governed by and construed in accordance with Indian Law.

**(xiv)Risk**

Issuer of IIB could face Forex Loss at the time of Redemption because Interest & Principal will be paid in the currency in which the IIB is denominated.”

**J. Overseas Indian Centres (OICs)**

2.43 At present, the OIC are working at Indian Embassy Abu Dhabi and Indian Embassy Washington. The activities of the Overseas Indian Centres are to provide services to the workers regarding the attestation of work permits, implementing the general policies of the Ministry of Overseas Indian Affairs pertaining to the Community Welfare, coordination with the local authority regarding welfare of the workers, interacting with the Indian Community organizations etc. On being asked about existing Overseas Indian Centres (OICs) and the proposal to open more OICs, the Ministry stated in its reply as under:

“At present, the OIC are working at Indian Embassy Abu Dhabi and Indian Embassy Washington. The details of the activities of the Overseas Indian Centres are given below:

**OIC Abu Dhabi:-**

The centre at Abu Dhabi has started functioning from June 2009. The centre is at present providing the services to the workers regarding the attestation of work permits, implementing the general policies of the Ministry of Overseas Indian Affairs pertaining to the Community Welfare, coordination with the local authority regarding welfare of the workers, interacting with the Indian Community organisations etc.

**OIC Washington**

OIC Washington is providing assistance for the preparation of OCI Cards, implementing the schemes of the Ministry of Overseas Indian Affairs and close co-ordination with the Indian Community. Two professionals in the fields of Community Welfare and legal field have also been appointed. They are providing necessary assistance to the Indians in the USA in their respective fields.

The Government has also approved the OIC Kuala Lumpur. It has not started functioning so far. Since the OIC’s have started functioning recently, based on the experience of these offices, extension of these services to other countries will be considered.”

## **K. Indian Council of Overseas Employment (ICOE)**

2.44 An allocation of Rs.3 crore was made for ICOE in RE 2009-10 and it has been increased to Rs.4 crore in BE 2010-11. On being asked about the reasons for increase in allocation this year as compared to RE 2009-10, the actual expenditure during 2008-09 and 2009-10, details regarding study conducted by ICOE on impact assessment of recession on Indian migrants in GCC countries and about Overseas workers welfare fund to alleviate the distress of overseas Indian migrant workers, the Ministry stated as under:

“2009-2010 was the first year in which ICOE become fully functional and the expenditure was marginal. BE 2009-10 was also fixed at Rs. 4.0 Crores. However, at the RE stage, the amount was reduced to Rs. 3.0 crores whereas the allocation for 2010-11 has been fixed at Rs. 4.0 crores. This is because many of the plans and programmes of the ICOE like Scheme for Research Internship, operationalisation of the MOU signed between ICOE and EUI, as well as between ICOE and HMPI, activities under the India-EU Scientific Working Group (SWG) on Mobility Partnership, study by IOM on LMA in the European countries, operationalisation of R&RF etc. that were planned and partially implemented in 2009-10 are likely to be completed in subsequent year. Also many a new plans and programmes may be implemented in 2010-2011 including on a more substantive research plan and expansion of activities with regard to positioning of India as a supplier of skilled and trained manpower.

The figures for expenditure for the year 2008-09 and 2009-2010 are Rs. 89,835/- (actual) and Rs. 2.5 crores (anticipated) respectively.

A study has been got conducted by ICOE on impact assessment of recession on Indian migrants in GCC Countries and Malaysia. The report of the study conducted by KPMG on Overseas Workers Welfare Fund (OWWF) has been conducted in order to alleviate the distress of overseas migrant workers returning to India on account of premature termination of their employment.”

2.45 The Committee asked as to whether the ICOE had succeeded in its objective so far and when would the annual conference be organized. The Committee also asked that when would the study by the IOM on Labour Market Assessment be completed and whether any schedule had been made by the Ministry for the conference of prominent employers of Overseas Indians in GCC countries and Malaysia. The Ministry stated as under:

“Set up by the mandate of the Union Cabinet and registered as a not-for-profit Society under the Societies Registration Act in 2008 by Ministry of Overseas Indian Affairs, ICOE became fully operational from first year of its existence during 2009-2010. The ICOE has begun to actualize its objectives as a policy think tank and provide strategic inputs for promotion of overseas employment of Indians. ICOE has started Scheme for Research Internship, organized debate in St. Stephens College, DU, concluded MOU with European University Institute (EUI), Florence, set up India-EU Scientific Working Group (SWG) on Mobility Partnership, signed an agreement with IOM on Labour Market Assessment in developed countries and has awarded study projects to private agencies on overseas market, impact of recession on Indian Migrant Workers and other welfare aspects of returned workers.

The proposed annual conference will be organized this year.

The commencement of the study by the IOM on Labour Market Assessment is expected from April/May, 2010 and will be completed by Feb. 2011.

No such schedule has been made yet by the Ministry.”

2.46 When asked about the aims/objectives and composition of ICOE and the extent upto which they had been successful as a policy ‘Think-tank’ and in providing strategic inputs for promotion of Overseas employment Indians, the Ministry submitted the following details:

“The responsibilities of ICOE, as a think-tank for MOIA, inter alia, are study of emerging overseas employment opportunities, provide an institutional mechanism for promotion of overseas employment for Indians, better protection and welfare of overseas Indian workers, creating awareness about growing needs of international employment market in India, identifying opportunities in international labour market for Indians, devising strategies to respond to market dynamics of labour, helping emigrants reap the demographic dividends of globalization, maintaining a database on emerging sector-specific employment opportunities in various countries, coordination with State Governments, State manpower corporations, foreign employers and manpower suppliers and devising pre-departure orientation programmes as well as programmes for skill development and skill upgradation. Essentially, it has an advisory role, based on research, for MOIA.

Secretary, MOIA is the ex-officio Chairman of ICOE as well as that of its Governing Council (GC). JS(FS) is a Member of the GC as nominee of Secretary, MOIA, whereas PGE is the ex-officio Treasurer and CEO acts as Member-Secretary of the GC, GC also includes Secretaries from MEA, MSME, DEA, ML&E or their nominees, three Secretaries nominated by State Governments by rotation (at present, Kerala, Punjab and AP), two experts from India (Prof. Binod Khadria, a Professor of Economics at JNU and an expert on migration and Shri M.M. Hassan, former Chairman of NORKA and a former Minister in Government of Kerala) and two experts from abroad (Shri Mohamad Ali from Oman and Shri M.G. Pushpakaran from UAE, both industrialists).

The Council has begun to function as a policy think tank and provide strategic inputs for promotion of overseas employment of Indians.”

2.47 According to Outcome Budget 2010-11, one of the objectives of ICOE is positioning India as a supplier of skilled and trained man-power. When the Committee enquired about the progress made so far in this direction, the Ministry replied as under:

“Initiatives taken with regard to positioning India as a supplier of skilled and trained manpower are as follows:

- (a) As per the MoU signed between ICOE and EUI, an annual conference is to be organized alternately in India and Europe, to be co-anchored by the two institutions.
- (b) India EU Scientific Working Group on Mobility Cooperation has been set up which has the objective to recommend a framework and elements of India – EU Mobility Cooperation and foster Research through a network of academic institutions.
- (c) A study by the IOM on Labour Market Assessment in France, Denmark, Sweden, Romania, Poland and Czech Republic European is underway. The project is intended to provide MOIA with recommendations to work towards mobility cooperation with a view to ensure whether better demand supply match and ensuring migrant protection.
- (d) A Conference of prominent employers of overseas Indians in GCC Countries and Malaysia is to be organized shortly.”



## **L. Emigration Management Bill**

2.48 The Ministry has been for years together, time and again, admitting to the need of the overhauling of Emigration Act and Emigration Rules. However, till date, no concrete action in this direction is visible. On being asked as to whether the Ministry had drawn up any blue print/plan of action to fructify the revision of Emigration Act and Emigration Rules to bring them in tune with the present requirements and what were the constraints/hindrances faced by the Ministry in carrying out necessary amendments in the Act/Rules, the Ministry submitted the following explanation:

“The Ministry of Overseas Affairs proposed to introduce a new Emigration Management Bill, in the Parliament to replace the existing Emigration Act, 1983 with an aim to make the emigration process simple, transparent, economic and humane. The new bill will also facilitate legal migration, prevent illegal migration and human smuggling, enable ethical recruitment practices and enhance the protection and welfare of emigrants. The proposed bill also includes management of student mobility and regulation of enrolment agencies sending Indian students for study in foreign institutions abroad. The proposal, after the vetting and concurrence of the Ministry of Law, has been submitted to the Cabinet on 15.03.2010 for consideration and approval.

Besides, the Ministry has recently notified the Emigration (Amendment) Rules, 2009 vide GSR No. 511-E OF 2009 dated 09.07.2009. By amending the Rules, the bank guarantee for recruiting agents has been increased from Rs. 10 lakh to Rs. 20 lakh, the application fee from Rs. 5000/- to Rs. 25000/- and the maximum service charges to be collected by the agents from Rs 10,000 to an equivalent of 45 days wages subject to a maximum of Rs. 20,000/-. Besides, educational criteria of bachelor’s degree or two years diploma or equivalent have been stipulated for registration of recruiting agents. The recruiting agents as well as the foreign employers have been entrusted with additional duties and responsibilities with an aim to enhance protection of emigrants from the exploitation.”

2.49 On being asked whether the matter has been listed for Cabinet meeting and will the new Emigration Management Bill be introduced in Parliament during the current Budget Session, the Ministry stated as under:

“The proposal for introduction of the Emigration Management Bill, 2010, in the current session of the Parliament is still under submission to the Cabinet for consideration and approval.”

## **M. Recruiting Agents**

2.50 According to the Ministry, complaints are received from various quarters, regarding non-payment/delayed payment of wages, unilateral changes in the contracts of workers, changing the jobs arbitrarily etc. In extreme cases, the workers are not given any employment at all and are left in the lurch in the foreign country. In such instances, the Protector-General of Emigrants (PGE) steps in and asks the concerned Recruiting Agent to get the workers repatriated at his expense. If he fails to do so, his Bank Guarantee is forfeited and the amount utilized to pay for the repatriation expenses. When asked about the procedure being followed by the Ministry in handling the matter relating to Recruiting Agents, the Ministry submitted the following details:

“Complaints are received from emigrant workers regarding non-payment or delay in payment of wages, denial of contractual facilities by the employer, non-grant of leave or leave salary, alteration or substitution of contract, retention of passport, poor working and living conditions etc. Sometimes, complaints are received about harassment, ill-treatment, exploitation and physical abuse also. Workers in the informal sector are most vulnerable for abuse and exploitation particularly the women who migrate as Household Service Workers (HSW). The unscrupulous recruiting agents exploit the emigrants by cheating them or charging exorbitant service charges.

Action is taken under the Emigration Act 1983 by the Protector General of Emigrants against the recruiting agents and the foreign employers indulging in malpractices. It is the responsibility of the recruiting agent to ensure that the foreign employer complies with the terms of contract. If the recruiting agent does not get the matter resolved, his registration certificate is suspended/cancelled. The recalcitrant employer is black-listed. The illegal recruiters are prosecuted with the help of the State Police.

The Indian Mission in the host country plays an important role in resolution of the problem. Proceedings in the labour courts are initiated against the employer if the conciliation efforts fail. The Indian Mission provides humanitarian support to the distressed workers and arranges his repatriation. The Indian community lends a helping hand too in carrying out these tasks. Recently, the Ministry has established Indian Community Welfare Funds in the Indian Missions in the ECR countries for undertaking on-site welfare activities for the distressed or standard emigrant workers.”

2.51 It has been stated that the complaints against Recruiting Agents (RAs) are enquired into with the help of POEs and the concerned Indian Missions and appropriate action is taken in each case in accordance with the provisions of the Emigration Act, 1983 and Rules framed thereunder. Complaints against foreign employers are taken up with the Indian Missions and if need be the employer is blacklisted. When the Committee enquired about the number of complaints received during the last two years against Recruiting agents and foreign employers and the action taken by POE thereon, the Ministry submitted the following details:

“The position with regard to the complaints received against the Recruiting Agents and action taken against them during the last two years is as follows:

<b>Year</b>	<b>No. of complaints</b>	<b>Show Cause Notices issued</b>	<b>No. of Registration Certificates Suspended/ cancelled</b>	<b>No. of Complaints dropped/ resolved</b>	<b>Cases pending which are being followed up</b>
2008	118	118	29	89	0
2009	158	158	46	29	83
2010 (upto 28-02-2010)	38	38	06	01	31

During the last two years, in 04 cases, bank guarantees submitted by the Recruiting Agents have been forfeited while during the current year (upto February, 2010, bank guarantees in the case of two Recruiting Agents have been forfeited.

So far as the complaints against foreign employers are concerned, whenever Indian emigrants face any problem from their foreign employer, they contact the Indian Mission to complain against the foreign employers and request for redressal of their grievances.

- a. Such complaints basically relate to non-payment/reduced payment of salaries, non-availability of promised jobs, adverse working conditions or exploitation etc.
- b. Immediately on receipt of a complaint, the Mission takes up the matter with the foreign employer, Indian emigrants as well as local authorities to settle the matter amicably. And in deserving situations, they try to

get the workers repatriated by coordinating with concerned Recruiting Agents and the Protector General of Emigrants.

- c. Indian Missions and posts abroad have standing instructions to immediately take up such cases with the relevant local authorities / foreign sponsors with a view to expediting the process of law, and obtaining due justice.
- d. Indian Missions also recommend inclusion of such foreign employer in the Prior Approval Category (Black list) based on the seriousness of the case. On the basis of such recommendation, this Ministry places the concerned foreign company in the Prior Approval Category. A foreign company, when included in the Prior Approval Category list, is no longer allowed to recruit workers from India.
- e. Presently, **383** foreign companies are in the Prior Approval Category list. The country-wise break up is as follows:

**BLACKLISTED FOREIGN EMPLOYERS (PAC) LIST COUNTRY-WISE BREAK UP (As on February, 2010).**

<b>SL.No.</b>	<b>NAME OF THE COUNTRY</b>	<b>No. OF FEs PLACED IN PAC</b>
1	AZERBAIJAN	1
2	BAHRAIN	30
3	BRUNEI	2
4	JORDAN	8
5	KENYA	4
6	KUWAIT	28
7	LIBYA	2
8	MALAYSIA	128
9	MALTA	2
10	MAURITIUS	1
11	NIGERIA	1
12	OMAN	51
13	QATAR	19
14	SAUDI ARABIA	72
15	UGANDA	2
16	UKRAINE	10
17	UAE	18
18	WEST INDIES	1
19	YEMEN	2
20	U.S.A	1
	<b>TOTAL</b>	<b>383</b>

2.52 Further, on being enquired about the 83 cases which were pending in 2009 and 31 cases which are pending in 2010 (upto 28.2.2010) and as on when these pending cases are likely to be resolved, the Ministry submitted as under:

“Most of the cases are pending completion of procedural formalities such as the response of the complainants to the replies of the recruiting agents that were forwarded to the complainants or response from the Indian Missions abroad. As these responses are very important towards finally deciding the complaints several reminders are issued and on receipt of the response a decision is taken whether to proceed against the recruiting agent or close the complaint. However, in cases where no replies are forthcoming from the concerned quarter despite several reminders a decision is taken based on the facts on file. The pending cases will be disposed off as quickly as possible.”

2.53 The Committee desired to know whether the list of such companies had been displayed in each Indian Mission as well as at PoE Offices in India and whether those lists had been circulated to all the District Headquarters, Nyay Panchayats, MLAs and MPs to spread awareness among aspiring Indian Emigrants in order to avoid any further problem faced by them, the Ministry responded as under:

The lists are available with the Indian Missions and Protectors of Emigrants. However, it is not feasible to display them because they change frequently. The lists are available on Ministry’s website and are regularly updated.

The Prior Approval Category (PAC) List is a constantly changing list with additions or deletions going on all the time. Hence it is appropriate to have this posted on the Ministry’s website. The fact that the Prior Approval Category List is available on Ministry’s website will be disseminated to the public through on-going advertisements.”

#### **N. Pravasi Bhartiya Bima Yojana (PBBY)**

2.54 The PBBY, 2003 has been upgraded as the Pravasi Bhartiya Bima Yojana, 2006 to provide broader coverage to the emigrant workers. The PBBY, 2006 has been notified on 25.01.2006 and it has come into effect from 01.02.2006. The emigrant workers now get a minimum insurance cover of Rs. 5 lakhs (instead of Rs. 2 lakhs) and the policy is for the entire period of employment contract. An additional cover of Rs. 25,000/- for the legal expenses incurred by the emigrants in connection with their employment has also been included.

2.55 When asked about the number of beneficiaries under the Pravasi Bhartiya Bima Yojana, 2006 during each of the last three years, year-wise and what is the number of beneficiaries under the scheme in the fiscal 2009-10, the Ministry furnished the information as under: -

**(In Rupees)**

<b>Information required</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>
Number of beneficiaries insured under PBBY 2006 during last 3 years, year-wise.	557965	776338	791046

404008 (upto September, 2009). The insurance companies have been requested to supply the requisite information upto 28.02.2010 and the same will be placed before the Hon'ble Standing Committee."

2.56 On being asked to furnish the details of the premium collected during each of the last three fiscals and till February 2010, the Ministry furnished the information as under:

**(In Rupees)**

<b>Information required</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>2009-2010 (upto 30.09.2009)</b>
Premium collected during each of the last three fiscals and till February, 2010	269903741	237666668	218007491	107534049

2.57 Following information about the number of claims and amount of claim received during the same period has been furnished by the Ministry: -

<b>Information required</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>2009-2010 (upto 30.09.2009)</b>
Number of claims received	202	287	343	249
Amount of claims received	34434227	63809827	89006039	99690291

**O. Social Security System Agreements(SSSA)**

2.58 During the examination of Demands for Grants for the year 2009-10, the Committee had noted that most countries had an umbrella social security system mandated by Law. India had also entered into an agreement on social security system with the Kingdom of Belgium. When asked about the role of MOIA in Social Security System Agreements (SSSA), the Ministry clarified their position as under:

“As per the allocation of Business Rules, the work relating to totalization of Social Security falls within the purview of the Ministry of Overseas Indian Affairs. Bilateral social security arrangements (SSA) on a reciprocal basis, protect the interests of workers by exempting the posted workers from social security contribution under the host country legislation for a certain period of time (provided the worker continues to pay his contribution under the home country system during the period of detachment) and by providing for portability of pension in case of those who have to contribute under the host country legislation. In order to prevent loss of contribution on account of the minimum contribution period, the SSAs provide for totalization of contribution periods covered under the two legislations. Such agreements also make companies of both contracting States more competitive since exemption from social security contribution in respect of their employees substantially reduces costs.”

2.59 About the status of the Social Security System Agreements (SSSA), the Ministry submitted the following details:

<b>SSA ALREADY SIGNED</b>	<b>NEGOTIATIONS COMPLETED BUT SSA TO BE SIGNED.</b>	<b>NEGOTIATIONS UNDER PROCESS.</b>	<b>NEGOTIATIONS PROPOSED BUT NO RESPONSE RECEIVED</b>
1. Belgium 2. France 3. Germany 4. Switzerland 5. Luxembourg 6. Netherlands 7. Hungary 8. Denmark	1. Canada 2. Czech Republic 3. Norway 4. Korea 5. Quebec	1. Sweden 2. Germany(Revised) 3. Australia 4. USA 5. UK 6. Ireland 7. Portugal 8. Greece 9. Spain 10. New Zealand	1. Japan 2. Spain 3. Bulgaria 4. Poland 5. Romania 6. Austria 7. Finland 8. Cyprus 9. Italy 10. South Africa 11. Libya

2.60 During the course of evidence, on the issue of Social Security System Agreements (SSSA), the Committee specifically enquired about status of SSSA with US, the Secretary, MOIA responded in this regard as under:

“We continue to sign the social security agreements even with those countries with which we have the economic agreements, as with Thailand and Korea. We are still proposing to sign the social security agreement because our law requires us to do that. We will continue to focus with Europe, Canada and US. You wanted to know about the US. It is very important that we are able to sign the social security agreement with them. They have been hesitant and they have not accepted some of the positions we have taken in terms of the social security system that operates in India. We are doing two things for that. One, we are signing more of those agreements with other European countries including with Australia and China which will put pressure on the US that those countries have accepted a similar agreement why not the US. The second thing we have done is we have approached both the Ministry of Commerce as well as the Ministry of Finance that in negotiating any other agreement with the US this agreement must also be put on the front-burner. They have agreed to do that. So, every time there is a joint working group meeting between Commerce Ministry and Finance Ministry this agenda is flagged there because we feel that unless this is agreed to we are missing out. As is correctly said, literally billions of dollars are getting lost over the years on Indian professionals that work there and we hope that we are able to move forward on it.”

2.61 On being asked about basic objectives and features of the Social Security Agreements signed with other countries, the Ministry replied as under:

“The basic objective/ benefits of Social Security Agreements signed with other countries are (a) avoidance of double social security contribution by the detached Indian workers in host countries. (b) portability of contributions at the time of relocation and (c) totalization of the periods of contribution for determining eligibility to a benefit. It protects the interest of Indian professionals working abroad as per provisions of Indian labour laws in harmony with labour laws of the host country.”

2.62 When asked whether the matter had been taken further with the countries with whom negotiations had been completed but SSA to be signed and from whom no response was received, the Ministry stated as under:

“Two rounds of exploratory talks have been held. But, matter being consistently pursued by Ministry of Overseas Indian Affairs through EO, Washington, the U S Social Security Administration has proposed March 22-23 2010 as convenient dates for the visit of the delegation from Govt. of India.



These suggested dates were not found feasible on account of on-going parliament session. Now a team from Ministry of Overseas Indian Affairs would be visiting the US during 19-20 May, 2010 to interact with the US Social Security Administration.

As regards Australia, first round of negotiations on SSA were held with Australian side at New Delhi during 30<sup>th</sup> March – 3<sup>rd</sup> April, 2009. Presently it is expected that agreements will be concluded by the end of this calendar year.

Students doing some part time job in these countries are not considered for such coverage.

With reference to countries with whom negotiations have been completed but SSA to be signed it, is expected that agreement will be concluded by the end of this calendar year. The matter for negotiations with such countries from where no response have been received is being pursued further.”

**P. Indian Community Welfare Fund (ICWF)**

2.63 Indian Community Welfare Fund (ICWF) have been established in 18 important destination countries. The fund enables the Indian Missions to provide welfare services including food, shelter, air passage, legal assistance and counseling etc. to the distressed or stranded emigrants. The ICWF is placed at the disposal of the Indian Ambassador concerned. In response to the query about the corpus amount of the Welfare Fund and the criterion to determine eligibility of beneficiary workers, amount allocated to each 18 Indian Missions for the purpose and the actual expenditure during the last two years, the Ministry submitted the following details:

“As per the scheme approved by the Cabinet, there is no corpus amount of the Welfare Fund. The Indian Community Welfare Fund is aimed to provide on –site welfare and emergency assistance to distressed Overseas Indian workers, Household/domestic sectors and unskilled labourers, Extending emergency medical care to the overseas Indians in need, providing initial legal assistance to the overseas Indians in deserving cases. Expenditure on airlifting of mortal remains etc. on a means tested basis in the most deserving cases. This will mostly benefit the workers duped by unscrupulous intermediaries in the host countries, runaway house maids, deserted spouses, Overseas Indians in distress etc.

The scheme will be funded through levying of service charges by the Indian Missions on consular services @ Rs. 100 per document for Passport, Visa, OCI, PIO cards, attestation of employment documents and attestation of other documents. This rate of the service charges may be revised from time to

time. The Indian community can also contribute to the fund. In such cases, the proper receipt is issued by the Missions. The financial assistance to the Missions has been restricted to Rs. 15 lakhs each to Kingdom of Saudi Arabia, Oman, Qatar, Kuwait, United Arab Emirates, Bahrain and Malaysia and Rs. 5 lakhs each to Libya, Jordan Yemen, Sudan, Afghanistan, Indonesia, Syria, Lebanon, Thailand, Iraq and the Maldives. The scheme has commenced from this financial year only. Hence no expenditure was incurred during the last financial year. The detail of actual expenditure in the current financial years is not available at present.”

2.64 Further, on being asked about the number of requests received for providing funding support by the Indian Missions, the quantum of assistance provided so far, the system of monitoring and control exercised by the Ministry in this regard and future plan to extend the support to other Missions, the Ministry in its reply stated:

“The details of the support received by the Indian Mission and the quantum of assistance provided so far are not available. However, the Missions are providing full support to the Indian needing assistance. The control is exercised by the Missions.

A request has been received for extending the support from the Indian Mission in Australia and the same is being considered.”

**Q. Celebration of Pravasi Bhartiya Divas (PBD)**

2.65 The Committee take note of the fact that a total of 8 Pravasi Bhartiya Divas (PBD) have been organized so far. The objective is to provide a common platform to the vast Indian Diaspora for interaction among themselves and bring their knowledge, expertise and skills on a common platform for mutual benefit. During the course of evidence, the Committee expressed that the organization of latest Pravasi Bharatiya Divas was not upto the mark because there was a drastic difference in the impact made in the first year and the impact made now. On this, the Secretary, MOIA responded as under:

“Coming then to the PBD which some of the hon. Members feel is a flagship event which is dwindling in its impact. I will react to that with three comments, if you permit me. Comment number one is that it has become a global brand. Overseas Indians anywhere in different parts of the world now feel that they have one event which happens every year on the 9<sup>th</sup> January, the day that

Mahatma Gandhiji returned back to India which is the reason why we are all aware it has been chosen. So, they know that there is one event for them. In terms of running of the event, possibly there is always a way to improve the whole handling of it. I believe there are two points that we need to look at. First area is the logistics of the event. In the last PBD, we did try to improve the logistics. We have as much of on line registration and we have instant pass issued and security taken care of, food and arrangements in a particular manner, handling of different sessions in as professional a manner as possible in the Vigyan Bhawan. I believe we were able to do a slightly better job and we did get a lot of kudos from the people who attended that this was organised extremely well. But the more important point is the content. These can be of use to us only if the content is good. We had, therefore, decided to focus more on content for the next PBD. We tried an experiment this time. For the first time, other than the general sessions that we hold during PBD, we had a number of conference workshop. We did one on property related issues and another on nano-technology. The response was tremendous. For the first time, on the property related, we had almost 200 people that came before the conference to take part in it because a lot of people had these property related issues. We brought lawyers there and we brought State Governments there. For the first time, an open discussion had taken place on this matter. We are now trying to work on because we find that the Punjab has a very good model under which they are being offered this and we are trying to now ask other State Governments to try and replicate the Punjab model.

Nano-technology, for the first time we asked the Department of Science and Technology to help us. It was a full session from morning 9 o'clock till almost 6.30 in the evening, so much debate and so much sharing of knowledge with each other. We believe that this kind of content of bringing these important issues upfront and sharing with the professionals abroad and professionals in India, we would be able to improve the content of PBD.

The third comment that I will make is that, Sir, I agree with you the PBD cannot just be the same PBD every year. We, therefore, had a separate session on the future of PBD and ask the participants and associations abroad who were represented in the session what do you think needs to be done. We got the whole host of recommendations from them which we are in the process of sifting through and trying to implement for the next one. But the more important point that I would like to leave with you and ask for your comments and recommendations on, I believe we are celebrating Pravasi Bharatiya Diwas as one event, one conference. I believe that is not the only way we can handle it. It is after all a 'Diwas'. It is a day. It should be celebrated all across. It should not be only one conference and therefore, we propose on experimental basis that we ask our Missions where there are a large number of overseas Indians to organise on the same day some local functions. We are also asking the State Governments which have a large NRI population, would they consider organising something in the State

Government because it should be celebrated as a day for the whole country and for all Indians. Why should it only be one conference? This is a new idea that we have come up with. We will experiment it with a few countries and a few State Governments and if it does well, maybe we can expand the meaning of PBD from what it actually should be rather than what it turned out to be as a single conference.”

2.66 Further, on being enquired about how many Pravasi Bhartiya Diwas (PBD) events have been organized so far and with what objectives and achievements, the criteria for selection of participants and number of participants who joined each PBD, what are the major suggestions made by NRIs during the recently concluded PBD held in Delhi and what action is being taken by the Government on those suggestions, the Ministry stated as under:

“A total number of 8 Pravasi Bharatiya Divas (PBD) conventions have been organized till now. The objective is to provide a common platform to the vast Indian Diaspora for interaction among themselves and bring their knowledge, expertise and skills on a common platform for mutual benefit. The delegates to the conventions are required to register themselves on the PBD website for a registration fee. The speakers and Pravasi Bharatiya Samman Awardees are invited to attend the PBD. PBD-2010 had over 900 registered delegates.

The transcripts of the proceedings of the various sessions of the 8<sup>th</sup> PBD (PBD-2010), which was held in New Delhi in January 2010 are being compiled. Suggestions made by the delegates would be extracted from the transcripts and acted upon.”

### PART-III

#### RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE

The Committee note that the Budget allocation of the Ministry of Overseas Indian Affairs for the year 2010-11 is Rs. 81 crores comprising Revenue section as Rs. 71.80 crores and Rs. 9.20 crores as Capital Section. The Budget Estimates for the year 2009-10 stood at Rs. 80 crores which was reduced to Rs. 60 crores at Revised Estimates (RE) stage and upto January 2010 the actual expenditure of the Ministry was Rs. 27.75 crores only. The remaining amount of Rs. 32.25 crores was to be spent in the last two months of the financial year. The Committee are constrained to observe that MOIA has not shown any improvement in the trend of under-utilization of funds since 2006-07. The Committee do not hesitate in observing that the Ministry, which was created in the year 2004 with certain very important objectives cannot achieve its goal with such trend of expenditure of the allocated Budget. Perhaps due to unrealistic projections and poor utilization of funds in the past years, the Ministry could not get the approval of their proposed requirement of Rs. 155 crores and they have got only Rs. 81 crores with an advice to seek additional allocation during supplementary estimates. The Committee are of the view that the Ministry have not been able to make realistic projections of their budgetary requirements since its inception and they have not been able to spend even the heavily Revised Estimates. The Committee, therefore, strongly recommend the Ministry must review the schemes/programmes,

planning/monitoring system to make the projections more realistic and ensure proper and judicious utilization of funds within the allocation.

2. The Committee observe that during 2009-10, the major non-utilization of Budget allocation was of Rs. 21 crores under the Capital Head of account due to delays in approval to the Pravasi Bhartiya Kendra (PBK). The Committee are not satisfied with the efforts made by MOIA for starting the project relating to construction of PBK. Though, the Ministry has furnished a programme/schedule for starting construction on the project but the Committee are of the opinion that unless concrete efforts are made in this direction, the schedule will remain on paper. The Committee, therefore, desire that the Government should now take up the matter relating to approvals from the concerned agencies at the highest level so that the project may see the light of the day as per schedule fixed by the Ministry i.e. by 31.7.2012. The Committee want to be informed of the progress made in this regard at regular intervals.

3. The Committee express their concern over the huge number of vacant posts in the Ministry of Overseas Indian Affairs in each grade for the last several years. The Ministry has shown a saving of Rs. 1 crore due to large number of vacancies in PoE Offices. At present, as against the sanctioned strength of 195 persons, the Ministry is having only 155 persons. In the absence of adequate manpower, the Ministry will not be able to handle the ambitious projects in an effective manner. The Committee regret to observe that even after 6 years of its creation, the Ministry still does not have any cadre staff of its own and for the lower level staff it has to depend on the Ministry of External Affairs and the

**Ministry of Home Affairs. These Ministries are also facing shortage of staff. Therefore, it does not seem possible for them to provide more staff to MOIA. The Committee, therefore, desire that the Ministry should make all possible efforts including creation of a separate cadre for the Ministry to ensure that vacancies are filled up at the earliest. Simultaneously, they may do contractual employment on short term basis so that the work relating to execution of various schemes/projects undertaken by them does not suffer more.**

**4. The Committee observe that the process of emigration clearance is currently being done through the eight offices of Protector of Emigrants (PoEs). All these offices are functioning from rented premises. During 2007-08, Rs. 27.16 lakhs were spent on rent for PoE Offices which went upto 70.61 lakhs in 2008-09 and during 2009-10, they have paid Rs. 1.01 crores as rent for these offices. The Committee express their concern over the approach of the Ministry in the matter. They are paying huge amount as rent but the matter relating to purchase of land/construction of PoE Offices has been put in abeyance because the concerned State Governments are not enthusiastic. More surprisingly, during 2009-10, no initiative was taken in this direction showing nil expenditure during the whole financial year. An allocation of a meager sum of Rs. 20 lakhs for 2010-11 for this purpose shows the reluctance on the part of the Government. The Committee, therefore, strongly recommend that the Government should finalize the proposals to purchase the lands in consultation with concerned State Governments and construction work should start without delay by obtaining more allocation under the Capital Outlay at RE stage. The Committee also want**

to express their desire that if the Ministry finds it difficult to convince the State Governments for allocation of land, then they should explore the possibility of acquiring built up properties to house the PoE Offices to avoid huge rental outgo. The Committee also desire to be apprised of the action taken in the matter and response of the Ministry of Finance in this regard.

5. The Committee welcome the proposal of the Ministry to enhance the activities covered by Overseas Workers Resource Centre (OWRC), including additional services to be made part of the OWRC purview and making the OWRC helpline a State of Art Resource Centre by increasing its scope of work. It is important to note that this enhanced scope of work will enable the Centre to facilitate and provide support services to workers who intend to go abroad for employment by an interactive web-site. The Committee hope that the Centre shall also act as a single window source for registering, responding and monitoring complaints, collection and dissemination of information on matters relating to emigration, grievance redressal forum and a knowledge centre. The Committee also desire that all the proposed activities should be enhanced in a definite timeframe. The Ministry should provide all possible assistance to OWRC to enable them to provide all necessary support services to workers who intend to go abroad for employment and try to make the Helpline more efficient and responsive by extending services in some more Indian languages including Marathi and Gujarati. The Committee also desire that a time frame should be fixed for solving the problems of different nature.



6. The Committee note that the Overseas Citizenship of India (OCI) Scheme was made operational in December 2005. The scheme envisages issue of OCI documents consisting of OCI registration certificate and universal visa stickers to Persons of Indian Origin. As an estimate there are around 25 million Overseas Indians, out of which 15 millions are Persons of Indian Origin (PIOs). A registered OCI is granted multiple entry, multi-purpose, life long visa for visiting India and is exempted from registration with Foreigners Regional Registration Office for any length of stay in India.

The Committee observe that there are delays in processing of OCI applications particularly in the Missions of the countries where large number of applications are received every day. The Ministry has no appropriate tools and reliable mechanism for an authentic survey and this is why they have not made any assessment of the number of PIOs eligible for OCI Cards so far. Moreover, no separate staff has been provided to Missions exclusively to handle OCI work. The Committee, therefore, recommend that MOIA should take up the matter with MEA to post exclusive and dedicated staff to handle the OCI work particularly in the Missions where more OCI applications are received on daily basis. The Committee, expect that the Ministry will evolve a suitable mechanism by engaging appropriate agency to assess the number of PIOs eligible for OCI cards for flawless issuance of OCI Cards to them in a planned and time bound manner.

7. The Committee note that several benefits notified in January, 2009 regarding OCI card holders practising their professions in India have not been implemented so far. Ministry of Culture has not issued executive instructions regarding parity with NRIs in entry fees for visiting the national monuments, historical sites and museums in India, Ministry of Health and Family Welfare has not taken any decision regarding OCI card holders to practice in India as dentists, nurses and pharmacists and permitting them to appear for All India Pre-medical Test or such other tests. Similarly, Ministry of Law has to grant permission to advocates to practice in India. Permission to architects and Chartered Accountants to practice in India is pending with the Ministry of HRD and Ministry of Corporate Affairs respectively. The Committee, therefore, desire that the Ministry of Overseas Indian Affairs should pursue vigorously with the Ministries/Departments which are concerned administratively for an early implementation of all the notified benefits.

8. The Committee note that the Ministry is organizing Know India Programme (KIP) with the aim of creating awareness about the phenomenal transformation taking place in India and the country's progress from just a destination for culture, heritage and art to an emerging powerhouse in the global economic system. These programmes are conducted in partnership with one or two State Governments. Under this programme, participants are taken to various places to make them aware about the cultural diversity of India. Visit to historical monuments, famous religious and tourist attractions are included in their itinerary besides organizing cultural programme for them and lectures on Indian

culture, Yoga, Heritage and tradition. They are also taken to villages to participate in their cultural activities and learn about our rich cultural heritage and are also exposed to our village panchayat system. The Committee are of the view that these programmes should be more village and craft oriented because India is rooted in its villages and hope that more avenues will be added in this programme such as folklores, craftsmanship and social systems and many more. The Committee also hope that with an all India concept of the programme, the participants will also be able to learn positiveness of Indian culture, heritage and tradition and prove themselves as brand ambassadors of India's soft power. The Committee also recommend that the Ministry should facilitate the participants to pursue their interest with the support of the Indian Government, if they show interest in a particular field. Apart from this the participant should also be taken to world class prime academic and technical institutions/organizations situated within the country.

9. The Committee note that under the Scholarship Programme for Diaspora Children (SPDC), the Ministry has been providing 100 scholarships every year for undergraduate courses to partially fund the tuition and hostel fee each year from 2006-07 with the objective to make higher education in India accessible to the children of overseas Indians and publicise India as an education hub. It has been observed that at present, 268 NRIs/PIOs are studying in India under this Programme. In 2008-09, the Ministry proposed to prepare a reserve list to ensure that the higher number of scholarships are availed. The Committee regret to note that available scholarships were not fully utilized during the last two years.

Moreover, during 2009-10, 126 candidates were declared successful (63 PIOs and 63 NRIs) but only 70 candidates are presently pursuing their courses. The Committee take note of the fact that instead of having an entrance examination, now, the Ministry has decided to select the candidates on the basis of performance of the candidates in the qualifying examination. This is a welcome step but the Committee want that the Ministry should evolve such a system through which at least all the scholarships are utilized every year.

The Committee also desire that the scholarship scheme should be widely publicised to bring greater awareness about the scheme among the Diaspora population. The Committee further desire that the students who are selected under the scheme should be offered the technical/professional courses so that they may present an impressive picture of India and its educational system in their countries of residence or wherever they work or live.

10. The Committee welcome the establishment of Overseas Indians Facilitation Centre (OIFC) in Gurgaon as a not for profit trust in partnership with CII to serve as a 'one stop shop' for all investment and business related services for potential Overseas Indian Investors. The Ministry has accepted that NRIs have shown a lot of interest in investment related issues during road shows and PBD meetings but the Ministry is not sure whether these interests are converted into investment or not. Moreover, the Committee regret to observe that neither OIFC have any mechanism to monitor investments made by the Overseas Indians nor it has been devised by the Ministry so far. The Committee are of the view that a mechanism must be in place to monitor investment made by the Overseas Indians. The

Committee desire that the compendium on policies, incentives and investment opportunities for Overseas Indians and the Handbook for Overseas Indians providing information on investment opportunities should be brought out and made available to all State Governments. The Committee recommend that the Ministry should develop and come up with new schemes/initiatives to attract investment in India by Overseas Indians. The Committee further desire that the Ministry should identify the regions and chalk out schedules well in advance to organize investor meets every year across the globe. The Ministry should also publicise these programmes amongst target groups for a better success rate.

The Committee has also noted that today India has the highest remittance anywhere in the world. But most of the remittance is basically going towards consumption expenditure. The Committee appreciate that the OIFC functions as a clearing house for all investment related information and the same is done by processing information in consultation with the knowledge partners appointed by it. Realising the potential and capacities of Overseas Indians to invest in India, the Committee feel that Overseas Indians are presently investing in India only in a lower proportion of their resources. The Committee, therefore, recommend that the Ministry must commission a study to find ways in which Indians can make greater contribution through investments in India. This study should also analyse the investment pattern of the Overseas Indians in India so that investment promotion policies can also be fine-tuned.

11. The Committee note that the Ministry of Overseas Indian Affairs is considering to raise over \$ 5 billion from global Indians and FIIs for an Infrastructure Fund. The main objectives of launching India Infrastructure Bonds (IIB) are attractive and convincing. As informed by the Ministry, the funds would be raised for financing the crucial infrastructure projects, the cost of funds would be low as compared to other instruments and the funds would be readily available for core sector projects. It is proposed that India Infrastructure Bonds would be issued as quasi sovereign bonds and guaranteed by the Government of India. The Committee desire that the Ministry should be very careful with regard to whole host of issues. Prior to launch, it should be discussed with Reserve Bank of India, State Bank of India and Ministry of Finance and then the nature, duration and rate of interest which is very important should be defined very clearly. The Committee also feel that India is a very attractive destination for investment due to highest interest rates prevailing in the country. Therefore, the Committee recommend that pros and cons of this infrastructure bond should be examined very carefully and cautiously before its issuance.

12. The Committee note that two Overseas Indian Centres (OIC) are working at Indian Embassy, Abu Dhabi and at Indian Embassy, Washington. At present, these Centres are providing services to the workers such as attestation of work permits, implementing the general policies of the Ministry of Overseas Indian Affairs pertaining to Community Welfare, coordination with the local authorities regarding welfare of the workers, interacting with the Indian Community organizations etc. The Committee also note that an OIC at Kualalampur has been

approved by the Government but the same has not started functioning so far. The Ministry has informed that these OICs have started functioning recently and based on the experience of these offices, creation of such offices in other countries would be considered by the Ministry. The Committee consider this as a very important step in the right direction to help the Overseas Indians by way of providing guidance and counseling to them. The Committee desire that the Centres should be adequately managed by persons who are experts in the field of economics, investments and law. The Committee recommend that the Ministry should make appropriate efforts to start OIC at Kuala Lumpur at the earliest. The Committee also recommend that the Ministry should also consider setting up of more OICs at the much required destinations.

13. The Committee note with satisfaction that Indian Council of Overseas Employment (ICOE) has become fully operational from the first year of its existence i.e. 2009-10. The Ministry has furnished various reasons for increase in BE 2010-11 to Rs. 4 crores over RE 2009-10 of Rs. 3 crores. Some of which are like Scheme for Research Internship, operationalisation of the MOU signed between ICOE and European University Institute, as well as between ICOE and Hellenic Migration Policy Institute, activities under the India-EU Scientific Working Group (SWG) on Mobility Partnership, study by International Organization for Migration (IOM) on Labour Mobility Partnership Agreement (LMPA) in the European countries, operationalisation of Returned and Resettlement Fund (R&RF) etc. The Committee note that the study conducted by the ICOE on impact assessment of recession on Indian migrants in GCC

**countries and Malaysia and to alleviate the distress of Overseas migrant workers returning to India on account of pre-mature termination of their employment are very encouraging. The Committee are of the view that the Ministry/ICOE should concentrate on making efforts to fulfill the objective of positioning India as supplier of skilled and trained manpower as assigned to ICOE. The Committee desire that no impediment like paucity of fund etc. should be allowed to occur and the Ministry should be more vigilant over the activities and requirements of the Council. The Committee recommend that the budgetary allocation of the Council should be substantially augmented, keeping in view the expanding activities and new schemes/study which are likely to be undertaken by the ICOE during the year 2010-11 and the enhanced amount should be utilized to support much larger activities.**

**14. The Committee have been repeatedly recommending in their earlier Reports to convert the Emigration Act, 1983 into an effective instrument for prevention of irregular migration and urging the Government to introduce the Amendment Bill in Parliament on priority basis. During the examination of Demands for Grants 2009-10, the Committee were given to understand that instead of amending the Emigration Act, 1983, a new comprehensive Bill namely Emigration Management Bill, 2009 was under finalization. Now, the Ministry has informed that the said Bill after the vetting and concurrence of the Ministry of Law has been submitted to the Cabinet for consideration and approval. The Committee are not satisfied with the pace of progress in introducing the Bill and**



**recommend that all efforts should be made to finalize and introduce the proposed Emigration Management Bill.**

**15. The Committee are concerned to note that Overseas Indian workers are facing numerous problems regarding non-payment/delayed payment of wages, unilateral changes in the contract of workers, changing the job arbitrarily etc. In certain cases, the workers are not given any employment and are left in the lurch in the foreign country. The Committee also observe that disposal of such cases take very long time. During the last two years and upto February 2010 only in 6 cases the bank guarantees submitted by Recruiting Agents (RAs) have been forfeited and in 71 cases Registration Certificates have been suspended or cancelled. As informed by the Ministry 114 cases are still pending since 2009 for completion of procedural formalities including response from the complainants on the replies of RAs. The Committee, therefore, desire that there should be a time-frame for disposal of such cases and Indian Missions should be asked to provide all possible assistance to the complainants to understand and respond to the replies of the recruiting agents because most of them are poor and not well educated. The Ministry should also ensure that if there are more than one complaint against any particular RA, his/her Registration should be suspended immediately so that other persons may not be duped by them during the pendency of such complaints.**

**The Committee also note that there is a need to curb the incidents of integral emigration, large scale exploitation and harassment of prospective emigrants for which spurious RAs are responsible. The Committee recommend**

that respective PoE Offices should hold regular meetings with the police department of the concerned states to follow up the registered cases and to chalk out ways and means for dealing with such spurious RAs. The Committee would also like that the information about black-listed agents (both foreign and Indian) and black-listed foreign employers should be widely circulated to preclude duping of workers seeking emigration.

16. The Committee note that under the Pravasi Bhartiya Bima Yojana (PBBY), 2006 the emigrant workers now get a minimum insurance cover of Rs. 5 lakhs and the policy is for the entire period of employment contract. An additional cover of Rs. 25 thousands for the legal expenses by the emigrants in connection with their employment has also been included. The Committee, however, note that upto September, 2009 , 40,4008 policies have been issued, but there is a huge gap between the number of policies issued vis-à-vis the actual number of emigrant workers. The Committee feel that there are many more potential workers in need of insurance. The Committee, therefore, recommend that the Ministry must sensitize the workers through Missions/Posts and Overseas Indian Centres on the benefits of getting insured. The Committee also desire to review the subscription premium with a view to explore the possibility of reducing it.

17. The Committee note that in the era of globalization, there is huge outflow of professionals and work-force outside the country and protecting economic interest of its citizens is important for any country. The Committee welcome India's entering into Agreement on Social Security with 8 countries namely

**Belgium, France, Germany, Switzerland, Luxembourg, Netherlands, Hungary and Denmark. The Committee also note that negotiations regarding Social Security System Agreements have been completed with 5 countries and the agreements are to be signed, negotiations with 10 countries are under process and negotiations with 11 countries have been proposed but no response has been received from them. The Committee are of the view that these agreements will secure long term economic interest of Indian citizens. In Committee's view all these countries including US, Canada, Germany and Australia are economically and politically very important where Indians are playing a major role. The signing of Social Security Agreements with these countries will go a long way in protecting economic interests of Indian citizens. The Committee, therefore, recommend that the Ministry should expedite the process of signing agreements with countries with whom the negotiations have already been completed or are in progress. The Committee also desire that the Ministry should also pay equal attention to pursue the proposal with those countries from whom no response has been received.**

**18. The Committee note that Indian Community Welfare Fund (ICWF) has been established in 18 important destination countries. The fund enables the Indian Missions to provide welfare services including food, shelter, air passage, legal assistance and counseling etc. to the distressed or stranded emigrants and it has been placed at the disposal of the Indian Missions in all the Emigration Check Required countries. As per the Ministry's own admission, there is no corpus amount of the welfare fund. The scheme is funded by service charges collected**

by Indian Missions for consular services and attestation of documents. The Indian Community could also contribute to the fund. It is also not very clear to the Committee as to how they would obtain the contribution of the Indian Community for this purpose. It is strange that all the responsibilities relating the fund are with the Indian Missions abroad. Even, the Ministry has no information about the receipt/expenditure made through this fund or of its audit etc. The Committee, therefore, desire that the role of MOIA may be defined in the management, control and monitoring of this fund. The Committee also desire that a corpus amount should also be provided for support of this scheme so that the scheme may not face paucity of funds at any point of time.

19. The Committee note that the Pravasi Bhartiya Divas (PBD) Convention is being celebrated every year on 9<sup>th</sup> January with the objective of providing a common platform to the vast Diaspora for interaction among themselves and bring their knowledge, expertise and skills on a common platform for mutual benefit. But, the Committee have noted that celebration of PBD has become a routine affair for the Ministry and questions are being raised about the utility of the event. The Committee desire that the Ministry should assess the impact of PBD Conventions and the extent upto which it has been able to meet its objectives. The Committee also desire that the Ministry should take initiative to make PBD Conventions more theme and content specific with a focus on fruitful discussions on durable mutual benefit programmes which can bring tangible benefits to the target groups. The Committee are also of the view that the focus should not merely be on boosting investment but also in helping the Overseas

Indians to maintain their Indian cultural identity and strengthening their emotional and cultural bonds with India. The Overseas Community should be viewed as country's important links with the world community and not only as mere investors.

The Committee welcome the proposal of the Ministry to celebrate this day (9<sup>th</sup> January) all across the world where there is concentration of Overseas Indians by asking Indian Missions abroad and posts to organize local function on the same day. The Committee desire that the Ministry should go ahead with the proposal to celebrate this as a 'Divas' for the country and for all Indians. The Committee also desire that the proposed celebrations should be focused on the issues relating to Indian Diaspora of specific country and the feedback should also be collected and considered to make these events result oriented.

**NEW DELHI**  
**15<sup>th</sup> April, 2010**  
**06 Chaitra, 1932 (Saka)**

**Yashwant Sinha,**  
**Chairman,**  
**Standing Committee on External Affairs**

**MINUTES OF THE FIFTEENTH SITTING OF THE STANDING  
COMMITTEE ON EXTERNAL AFFAIRS HELD ON 31<sup>st</sup> MARCH, 2010**

The Committee sat from 1100 hrs. to 1315 hrs. in Committee Room 'B',  
Parliament House Annexe.

**Present**

**Shri Yashwant Sinha – Chairman**

**Members  
Lok Sabha**

2. Shri Anto Antony
3. Shri Vishwa Mohan Kumar
4. Shri Pinaki Misra
5. Shri Rajendrasinh Rana
6. Shri Shivkumar Udasi

**Rajya Sabha**

7. Dr. (Smt.) Najma A. Heptulla
8. Shri Shreegopal Vyas
9. Shri Bharatkumar B. Raut
10. Dr. (Smt.) Kapila Vatsyayan

**Secretariat**

1. Shri U.S. Saxena - Joint Secretary
2. Shri R.K. Jain - Director
3. Dr. Ram Raj Rai - Additional Director

## **Representatives of Ministry of Overseas Indian Affairs**

<b><u>Sl. No.</u></b>	<b><u>Name &amp; Designation</u></b>		
1.	Dr. A. Didar Singh	-	Secretary
2.	Shri K.N. Shrivastava	-	AS (FA)
3.	Shri G. Gurucharan	-	Joint Secretary (FS)
3.	Dr. Ranbir Singh	-	PGE
4.	Shri A.K. Chatterji	-	Director (Finance)
5.	Shri Shiv Ratan	-	Director (FS)
6.	Shri N. Balasubramaniyan	-	Director (DS)
7.	Smt. Sandhya Shukla	-	Director
8.	Shri Mithelsh Kumar	-	DS (Admn. &EP)
9.	Shri K.B. Arora	-	Deputy Secretary

2. At the outset, the Chairman welcomed the Members of the Committee and the representatives of the Ministry of Overseas Indian Affairs to the sitting of the Committee. The Chairman then drew attention of the witnesses to Direction 55(I) of the Directions by the Speaker, Lok Sabha.

3. The Committee then took evidence of the representatives of the Ministry of Overseas Indian Affairs in connection with examination of the Demands for Grants of the Ministry of Overseas Indian Affairs for the year 2010-2011 and discussed some important points in detail, arising therefrom.

4. A verbatim record of the proceedings has been kept.

*The Committee then adjourned.*

**MINUTES OF THE SEVENTEENTH SITTING OF THE STANDING  
COMMITTEE ON EXTERNAL AFFAIRS HELD  
ON 15<sup>TH</sup> APRIL, 2010**

The Committee sat from 1500 hrs. to 1530 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

**Present**

**Shri Shreegopal Vyas – in Chair.**

**Members  
Lok Sabha**

2. Shri Anto Antony
3. Shri T.K.S. Elangovan
4. Shri Vishwa Mohan Kumar
5. Shri Pradeep Majhi
6. Shri Pinaki Misra
7. Smt. Supriya Sule
8. Shri Shivkumar Udasi

**Rajya Sabha**

9. Shri Bharatkumar B. Raut
10. Dr. (Smt.) Kapila Vatsyayan

**Secretariat**

1. Shri U.S. Saxena - Joint Secretary
2. Dr. Ram Raj Rai - Additional Director



2. Due to other important Parliamentary engagement in the House, Hon'ble Chairman could not attend the sitting of the Committee. The Committee, therefore, designated Shri Shreegopal Vyas to chair the sitting in terms of Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee then took up for consideration the draft Reports on Demands for Grants of the Ministry of Overseas Indian Affairs and the Ministry of External Affairs for the year 2010-2011 respectively. The Committee adopted both the Reports without any additions/modifications. The Committee also desired that some more time should be given to study and discuss the Reports relating to Demands for Grants in future.

4. The Committee then authorized the Chairman to finalize the Reports and present the same to Parliament.

The Committee then adjourned.

