

**24**

**STANDING COMMITTEE  
ON EXTERNAL AFFAIRS  
(2013-2014)**

**FIFTEENTH LOK SABHA**

**MINISTRY OF OVERSEAS INDIAN AFFAIRS**

[Action Taken on the recommendations contained in the Nineteenth Report  
(15<sup>th</sup> Lok Sabha) on Demands for Grants of the Ministry of  
Overseas Indian Affairs for the year 2013-14]

**TWENTY-FOURTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

***February, 2014/Magha, 1935 (Saka)***

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**(2013-2014)**

**(FIFTEENTH LOK SABHA)**

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[Action Taken on the recommendations contained in the Nineteenth Report  
(15<sup>th</sup> Lok Sabha) on Demands for Grants of the Ministry of  
Overseas Indian Affairs for the year 2013-14]

*Presented to Lok Sabha on 20<sup>th</sup> February, 2014*

*Laid in Rajya Sabha on 20<sup>th</sup> February, 2014*



**LOK SABHA SECRETARIAT**  
**NEW DELHI**  
*February, 2014/Magha, 1934 (Saka)*

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## **COMPOSITION OF THE COMMITTEE ON EXTERNAL AFFAIRS (2013-2014)**

- | <b>Sl. No.</b> | <b>Name of Member</b>        |
|----------------|------------------------------|
| 1.             | Shri Ananth Kumar - Chairman |

### **Lok Sabha**

- |     |                                     |
|-----|-------------------------------------|
| 2.  | Shri Sultan Ahmed                   |
| 3.  | Shri Anto Antony                    |
| 4.  | Shri Sansuma Khunggur Bwiswmuthiary |
| 5.  | Shri Bhudeo Choudhary               |
| 6.  | Shri Bhakta Charan Das              |
| 7.  | Dr. C.P. Joshi#                     |
| 8.  | Shri Suresh Kalmadi                 |
| 9.  | Shri Pradeep Kumar Majhi            |
| 10. | Shri Jose K. Mani                   |
| 11. | Shri Inder Singh Namdhari           |
| 12. | Shri Gobinda Chandra Naskar         |
| 13. | Shri Rakesh Pandey                  |
| 14. | Shri J. Ramesh                      |
| 15. | Shri Rajendrasinh Rana              |
| 16. | Shri Elangovan T.K.S.               |
| 17. | Shri Francisco Sardinha             |
| 18. | Dr. Bhola Singh                     |
| 19. | Shri Janardhana Swamy               |
| 20. | Vacant                              |
| 21. | Vacant                              |

### **Rajya Sabha**

- |     |                       |
|-----|-----------------------|
| 22. | Smt. Jaya Bachchan    |
| 23. | Shri Murli Deora      |
| 24. | Shri H.K. Dua         |
| 25. | Dr. Najma A. Heptulla |
| 26. | Shri Balbir Punj      |
| 27. | Dr. K.P. Ramalingam   |
| 28. | Dr. Karan Singh       |
| 29. | Shri N.K. Singh       |
| 30. | Smt. Ambika Soni      |
| 31. | Shri D. P. Tripathi   |

# Dr. C.P. Joshi has been nominated to the Committee on External Affairs w.e.f. 06.01.2014.

**SECRETARIAT**

1. Shri U. S. Saxena - Joint Secretary
2. Dr. Ram Raj Rai - Director
3. Shri Janmesh Singh - Committee Officer

## INTRODUCTION

I, the Chairman, Standing Committee on External Affairs (2013-14) having been authorized by the Committee to present the Report on their behalf, present this 24<sup>th</sup> Report (15<sup>th</sup> Lok Sabha) on Action Taken by the Government on the recommendations contained in the 19<sup>th</sup> Report (15<sup>th</sup> Lok Sabha) of the Committee on Demands for Grants of the Ministry of Overseas Indian Affairs for the year 2013-14.

2. The 19<sup>th</sup> Report was presented to the Parliament on 26<sup>th</sup> April, 2013. The Action Taken Replies of the Government on all the recommendations/observations contained in the Report were received on 31<sup>st</sup> January, 2014.

3. The Committee considered and adopted this Action Taken Report at their sitting held on 18<sup>th</sup> February, 2014. The Minutes of the sitting of the Committee have been given at Appendix-I to the Report.

4. An analysis of the Action Taken by Government on the recommendations contained in the 19<sup>th</sup> Report of the Standing Committee on External Affairs (15<sup>th</sup> Lok Sabha) is given at Appendix-II.

**NEW DELHI**  
**18<sup>th</sup> Febraury, 2014**  
**29 Magha, 1935 (Saka)**

**ANANTH KUMAR,**  
**Chairman,**  
**Standing Committee on External Affairs**

## **CHAPTER – I**

### **REPORT**

This Report of the Standing Committee on External Affairs deals with the Action Taken by the Government on the recommendations\observations contained in their Nineteenth Report on Demands for Grants (2013-14) of the Ministry of Overseas Indian Affairs which was presented to Lok Sabha and laid in Rajya Sabha on 26<sup>th</sup> April, 2013.

2. The Action taken notes have been received from the Ministry of Overseas Indian Affairs on all the observations/recommendations contained in the report. These have been categorized as follows: -

**(i) Recommendations/Observations, which have been accepted by the Government.**

Recommendation Nos. 1, 3, 6, 7, 10, 11 & 15 (Total -07)

**(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies.**

NIL (Total- 00)

**(iii) Recommendations/Observations in respect of which reply of Government have not been accepted by the Committee and require reiteration.**

Recommendation Nos. 2 & 9 (Total -02)

**(iv) Recommendations/Observations in respect of which final replies of Government are still awaited.**

Recommendation Nos. 4,5,8,12,13 & 14. (Total -06)

3. **The Committee desire that final replies to the recommendations/observations for which only interim replies have been given by the government should be furnished within three months of the presentation of this Report.**

4. The Committee will now deal with the action taken by the Government on some of their observations/recommendations.

**(Recommendation No. 1)**

5. The Committee had observed that the Ministry of Overseas Indian Affairs had once again failed in utilizing the allocation made at the Budget Estimates (BE) stage during the year 2012-13, and also on the front of maintaining the even expenditure during each quarter of the year. The allocation made to MOIA at BE stage was Rs. 114.77 crores which was reduced to Rs. 85 crores at RE stage and the anticipated final utilization was only Rs. 81.28 crores out of which Rs. 31.29 crores was spent during the last quarter of the year. The Committee found that perhaps due to similar trend of expenditure, the MOIA had not been able to develop any faith in getting the desired funds of the Ministry of Finance during the year 2013-14 also and it had been kept almost at the same level of Rs. 115.79 crores as that of the last financial year against their projected demand of Rs. 186.94 crores.

The Committee had a clear view that if MOIA was not able to improve such trend of expenditure on various schemes of the Ministry, they might not be able to obtain any fund at Revised Estimates (RE) stage also. The Committee had, therefore, reiterated that MOIA should improve their spending mechanism by instituting strict monitoring of each and every scheme so that the Budget allocated for the year 2013-14 was evenly spent and properly utilized during each quarter of the year and they could be in a better position to convince the Ministry of Finance while seeking the additional funds at Revised Estimates (RE) stage.

6. In their action taken reply, the Ministry of Overseas Indian Affairs have stated as under:

"The recommendations of the Committee are noted."

7. **The Committee had strongly stressed upon the Ministry, the need to improve its spending mechanism by instituting strict monitoring of each and every scheme. The Report on the Demands for Grants of the Ministry of Overseas Indian Affairs for 2013-14 was forwarded to the Ministry in April, 2013. However, the Ministry has taken an inordinate**

long time in furnishing action taken replies and as the same were furnished in January, 2014, last quarter of the financial year 2013-14 is going on. The Committee believe that certain changes would definitely have been made in the Ministry's budget at the Revised Estimate (RE) stage and it is quiet perplexing for the Committee to note that the Ministry has failed to furnish any updates on the same in their action taken replies. The Committee are further displeased to note the silence of the Ministry as it has only replied that the recommendations of the Committee have been noted. By not clearly delineating steps taken so far to improve its spending pattern, the Ministry have clearly shown lack of seriousness in dealing with the issues at hand. The financial year is almost drawing to a close and the Committee have reasons to believe that the Ministry must have acquired data related to funds utilized head-wise and quarter-wise by this time and the same should have been made available to the Committee. This would have enabled the Committee to judge whether the Ministry has actually made serious efforts to improve their spending mechanism or not? The Committee therefore, strongly reiterate that the Ministry should dissuade from giving incomplete information to the Committee and furnish the replies containing the complete and latest information to show its efforts and sincerity on such an important issue. The Committee would also like to know the results of their efforts to improve the spending mechanism during each quarter of the year and also whether they could be able to get additional funds at RE stage by convincing the Ministry of Finance through their performance.

**(Recommendation No. 2)**

8. The Committee had observed that the e-Migrate Project had been considerably delayed due to non-achievement of several milestones in time. The allocation for that project was reduced from Rs. 22.00 crores to Rs. 2.19 crores at RE stage and only Rs. 1.26 crores was spent on the project during the year 2012-13. During 2013-14 the project had been allocated a fund of Rs. 3.40 crores only which did not seem sufficient for development and implementation of the project in a timely manner. The Committee had also observed that the e-Migrate project was planned to be implemented in a phased manner over three years and as per contract with TCS, 'Go-Live' of the project was expected on 9<sup>th</sup> February, 2012. However, 'Go-Live' of the project had been delayed and the project was then supposed to be completed by the end of August, 2013 at the earliest as committed by MOIA during oral evidence. The Committee had, therefore,

desired that the Ministry must ensure to meet its new deadline for the completion of major milestones of the e-Migrate of the project such as Disaster Recovery Centre (DRC) and Wide Area Network (WAN) and establish 'Go-Live' on time by obtaining the desired fund at Revised Estimates (RE) stage so that the project was rolled out at the earliest without any further delay particularly due to paucity of funds.

9. In their action taken reply, the Ministry of Overseas Indian Affairs have stated as under:

"The 'Go-Live' date is now fixed for March,2014. Funds will be obtained at RE stage, if required."

10. **The Committee had expressed their anguish at the continuous delay in the launch of e-migrate project by shifting deadlines. The Committee believe that the project has the potential to change the entire landscape of migration in the country by facilitating the process at various stages. However, due to one reason or the other, the project had witnessed inordinate delays in its final roll out. As per the information furnished by the Ministry, the 'Go-Live' date has now been fixed for March, 2014 and the Committee can now expect that the deadline is adhered to. Further, the Committee are aghast to note that the Ministry simply informed the Committee about the change in deadline for the 'Go-Live' date and no other details of their commitment to roll out the project has been furnished. The Ministry has not furnished any reasons for another shifting of deadline for the project. The Ministry's two line reply is not acceptable to the Committee, given the enormity of the issue at hand. The Ministry has again failed to furnish details of the funds allocated to the project at the Revised Estimate (RE). The Committee take a serious note of such casual approach of the Ministry and desire that concerted efforts should be made to complete and roll out e-migrate project on time without any further shift in deadlines. The Committee would like to be apprised of the progress made in this regard on a quarterly basis.**

**(Recommendation No. 3)**

11. The Committee had observed that the amount of Rs. 1.00 crore was allocated to the Ministry under the sub-head 'International Conferences/Meetings' including expenditure for entertainment of dignitaries and facilitate policy formulation on various issues related to Ministry. But only Rs. 21.79 lakhs were spent by the Ministry on conferences and Rs. 9.50 lakhs

for entertainment/hospitality purposes during the year 2012-13. The Ministry had also failed to organize the scheduled Conference and spent only 30 percent the allocation made at Revised Estimates (RE) stage under that head. All that showed the lack of foresightedness and sensibility on the part of the Ministry in chalking out the schedule of conferences/meetings on the issues which require review/detailed discussion of the schemes/programme of the Ministry in the light of international situation. The Committee had, therefore, desired that Ministry should prepare a programme schedule of such seminars/conference to be organized during a financial year well in advance with pronounced objectives and make the expenditure accordingly. The Committee further desired that the Ministry should also ensure that the expenditure on such activities was justified and outcomes of these deliberations were proportionate to the amount spent on these seminars/conferences.

12. In their action taken reply, the Ministry of Overseas Indian Affairs have stated as under:

"Noted"

13. **The Committee had *interalia* recommended that the Ministry should prepare a detailed programme schedule incorporating the estimated expenditure on scheduled seminars/conferences to be held during the year. It appears to the Committee that the Ministry has not heeded to the recommendation of the Committee as it has furnished just a one word reply, without giving the revised estimates allocations and the spending made under the head so far or the details of the seminars/conferences held/planned to be held during the year 2013-14. The Committee further desire that the Ministry should convey the tangible outcomes of the various seminars/conferences on which money has already been spent or is proposed to be spent in order to enable the Committee to establish the proportionality of cost and benefits.**

**(Recommendation No. 4)**

14. The Committee had noted that the deadline for construction of Pravasi Bhartiya Kendra (PBK) had then been extended from April, 2013 to December, 2013. The Committee had expected that the Ministry would stick to the new deadline, as the civil work had already been completed and finishing work like flooring, false ceiling etc. was in progress. However, the Committee had not been informed about the development made so far in the direction of

establishment of Pravasi Bhartiya Bhawans (PBB) in States. The Committee had strongly favored the concept, but were not satisfied with the efforts being made by the Government in that regard.

The Committee had, therefore, reiterated that the Ministry should come out with a clear cut objective and policy regarding establishment of PBBs in States and should impress upon the Diaspora specific States for their participation in the project through an allotment of land for that purpose. An early completion of the PBBs in the states that would not only commemorate the landmark events / ideals and glorious past of the community / society emitting from that very soil highlighting the importance of the specific culture and language of the State but would also accrue financial and material benefits from the willing NRIs and PIOs and would open new grounds for reinforcing bonds with their grassroots and the new generation.

15. In their action taken reply, the Ministry of Overseas Indian Affairs have stated as under:

"The Ministry is in the process of preparing a scheme to promote setting up of Pravasi Bharitya Bhavans in the States. This will require consultation with stakeholders and approvals of the respective competent authorities. After such approval is obtained, the scheme shall be notified."

16. **The Committee had urged the Ministry to expedite the setting up of Pravasi Bharitya Kendra (PBK) in Delhi and Pravasi Bhartiya Bhawans (PBBs) in various States. The Pravasi Bharti Kendra (PBK) was scheduled to be inaugurated in December, 2013, but the Committee are surprised to note that the Ministry has not found it necessary to furnish any details about the status of PBK.**

**Further, the Ministry has submitted that they are in the process of preparing a scheme to promote setting up of Pravasi Bhartiya Bhawans (PBBs) in the States and that it will require consultations with stake holders and approvals of the respective competent authorities. Regretfully, the Ministry has not furnished any details of the policy in this regard and the blue print of the scheme to the Committee, which should have been conceptualized and publicized by now. The Committee believe that satisfactory response from the State Governments can only be evinced when the contours of the broad policy outlines are clearly delineated to them in this regard. The Committee, therefore, desire that**

**MOIA should pronounce the policy and pursue the matter with concerned States for an early notification of the scheme.**

**(Recommendation No. 5)**

17. The Committee had observed that the PoE offices at Chennai, Hyderabad and Jaipur were housed in a rented building owned by the State Governments. PoE office, Thiruvananthapuram had recently got its office space of its own but PoE, Mumbai and PoE, Cochin were still functioning from private buildings. The new PoE offices at Jaipur, Rai Bareilly and Guwahati were also on the anvil but without office premises of their own. Surprisingly, 'no allocation' was made during the year 2012-13 for the purpose of establishing/shifting the PoE offices, and it was status-quo again during 2013-14.

The Committee had failed to understand the approach of the Ministry in that matter when in their replies they had asserted that they were making all possible efforts to purchase space for accommodating the existing PoE offices but on the other hand not a single rupee had been allocated for the purposes of construction/shifting of PoE offices. The Committee did not approve the approach of the Ministry in the matter and had desired that the matter must be diligently taken up with the authorities concerned, such as the Minister of Civil Aviation/Urban Development Minister and concerned Chief Ministers and finalize the proposals of land or space purchase or lease for accommodating these PoE offices on priority basis during the year in 2013-14. MOIA might have also coordinated with MEA to locate/open their PoE offices in or near RPOs so as to facilitate people for not running to faraway places. Without showing the progress in getting the space or land, they might not have been able to augment sufficient funds for the same at the Revised Estimates (RE) stage also. The Committee were also aware that a significant number of Posts were lying vacant in the PoE offices and had desired that fresh initiatives should be taken to fill all the vacant posts in the old as well as the new PoE offices in the shortest possible time.

18. In their action taken reply, the Ministry of Overseas Indian Affairs have stated as under:

"The status of action taken on the Standing Committee's recommendation, POE-wise, is as under: -

### POE, CHENNAI

For the space Secretary, MOIA and written letter to Secretary, Urban Development on 4<sup>th</sup> April, 2011. Subsequently Hon'ble Minister of Overseas Indian Affairs also addressed a letter to Hon'ble Minister of Urban Development on 20<sup>th</sup> December, 2011 to provide the space for the office of POE, Chennai. Space in TRANSIDCO building at Guindy, Chennai has been identified, and efforts are on to have it allotted for POE office in Chennai. Secretary, MOIA has addressed the Chief Secretary, Government of Tamil Nadu vide letter dated 25<sup>th</sup> March, 2013 and the Protector General of Emigrants has requested the Chairman & Managing Director, TRANSIDCO vide letter dated 28<sup>th</sup> March, 2013. "

### POE, HYDERABAD

Secretary, MOIA on 29.04.2011 has written to the Chief Secretary, Government of Andhra Pradesh for allotting a piece of land measuring about 1000 sq.m. at Hyderabad for constructing its own building to accommodate its field offices functioning in Hyderabad. In response the Principal Secretary (Revenue), Government of Andhra Pradesh has requested the Collector of Hyderabad for examining the proposal. Further, Secretary, MOIA also took up the matter with Secretary, Ministry of Urban Development on 12.07.2011 for providing space for accommodation for POE office in the Government buildings under the control of Estate office at Hyderabad. The matter has further been taken up with the State Government of Andhra Pradesh at the level of Protector General of Emigrants.

### POE, JAIPUR

Allotment of building was received for POE, Jaipur, and Ministry has furnished the office, and made it functional since 7<sup>th</sup> January, 2011.

### POE, THIRUVANANTHPURAM

With pursuance, Ministry has been able to convince the State Government to give POE office, Trivandrum in Norka Central, Thycaud, Trivandrum. The

space has been accepted and civil/furnishing work is in progress. It is expected that the office of POE, Trivandrum would shift to the premises by February, 2014.

#### POE, MUMBAI

The matter was taken up with the Ministry of External Affairs on 30.12.2010 for providing accommodation to house the POE office at Mumbai in its newly constructed building for RPO at Bandra Kurla Complex. MEA on 20.01.2011 informed that the completion of the construction of the new building is likely to take three more years and that the decision of allotting space will be taken after the RPO office is shifted to the newly constructed building. Further, the Secretary, MOIA on 29.04.2011 has also written to the Chief Secretary, Government of Maharashtra, but no response has been received so far. Secretary also took up the matter with Secretary, Ministry of Urban Development on 12.07.2011 for providing space for accommodation for POE office in the Government buildings under the control of Estate office at Mumbai.

Subsequently, the Hon'ble Minister of Overseas Indian Affairs took up the matter with the Hon'ble Minister of Urban Development and Hon'ble Chief Minister, Government of Maharashtra vide letter dated 20-11-2011. The Protector General of Emigrants has also requested Urban Development Department, Government of Maharashtra vide letter dated 6<sup>th</sup> December, 2012.

#### POE, COCHIN

The matter has been taken up at the level of Secretary, MOIA with Chief Secretary and Government of Kerala for allotting a plot of land measuring 1000 sq.m. in Cochin to house its POE office. Further, Secretary also took up the matter with Secretary, Ministry of Urban Development on 12.07.2011 for providing space for accommodation for POE office in the Government buildings under the control of Estate office at Cochin. The Hon'ble Chief Minister, Government of Kerala vide letter dated 19-06-2012 informed that the District Collection, Ernakulum has been directed to locate a suitable space for the office of POE, Cochin and the matter has been taken up with him.

### POE, RAE BARELI

POE office at Rae Bareli has been inaugurated on 15<sup>th</sup> May, 20-13 and the matter will be taken up with the Ministry of urban Development/State Government to provide space for the office.

### POE, GUWAHATI

The Finance Division has approved opening of POE office Guwahati on 4<sup>th</sup> January, 2012. DS (Admn) has written to Dy. Commissioner, Guwahati on 28<sup>th</sup> September, 2011 and Secretary, MOIA to Chief Secretary, Assam on 18<sup>th</sup> May, 2012 for the office space.

The Minister for Overseas Indian Affairs had also addressed a letter on 23<sup>rd</sup> July, 2013 to the Minister of Urban Development and Parliamentary Affairs for providing 5000 sq. ft. of space in Central Government owned buildings located at Mumbai, Hyderabad, Cochin, Chennai, Trivandrum and Rae Bareilly for the POE offices. Minister of Urban Development and Parliamentary Affairs on 7<sup>th</sup> Nov., 2013 had replied that there is no General Pool Office Accommodation available at all the above mentioned locations. However, the requirement of office space for POE has been noted and will be considered along with other pending requests for General Pool Office Accommodation as and when GPOA becomes available at these locations.

So far as the allocation of funds is concerned, in case suitable land is made available at any point of time during the year 2013-14, required funds will be sought by way of submission of Revised Estimates.

With regard to the recommendation to coordinate with MEA to locate/open POE offices in or near RPOs it may be noted that the emigration clearance process as stipulated under section 22 of the Emigration Act, 1983 read with rule 15 of emigration ( amendment) Rules, 2009 involves the verification of the employment related documents, viz., the employment contract, demand letter and power of Attorney to the recruiting Agents by the POEs from the foreign employers or the Indian Missions to satisfy himself about the correctness of the

documents. This takes a considerable time before the applicant is asked to submit his passport for emigration clearance. As such POEs offices should ideally be located in the central place of the city limits easily accessible by the public transport. However, the MEA will be requested to provide space as per requirement.

The posts in different POE offices are filled up by inviting nominations from Central Secretariat Services (CSS) and Central Secretariat Clerical Services (CSCS) of different Ministries/ Departments. Since adequate numbers of applications are not being received these vacancies continue to exist though Ministry has again circulated these vacancies by calling nominations. The shortage of staff in POE offices has affected functioning of POE offices to a great extent. Against the vacant posts, however, in order to mitigate the problems of staff shortage against the vacant posts in MOIA and O/o POE outsourcing work is resorted to."

**19. The Committee had taken note of the fact that a number of PoE offices were being run from rented premises and had urged the Ministry to renew efforts to procure their own land/building. The Committee are anguished to note that the Ministry has failed to achieve credible progress in getting suitable office space for its various PoE offices across the country. As per the replies furnished by the Ministry, the process of having land space of its own has shown very little progress vis-à-vis last year in the case of PoE, Chennai and PoE, Cochin. No credible progress has been made with regard to the office space at PoE, Hyderabad and PoE, Mumbai. Despite the fact that PoE Office at Rae Bareilly was inaugurated on 15<sup>th</sup> May, 2013, the Ministry is yet to pursue the matter with the agencies concerned in the matter of allotment of office space. The Ministry has also failed to submit details of the funds allotted for the scheme at the Revised Estimates stage. The Committee believe that with this pace the Ministry may not be able to procure office premises for its various PoE offices and therefore, they strongly urge the Ministry to initiate urgent steps towards the same and inform the Committee about the progress made in this regard. The Committee are dismayed to note that the Ministry has also not provided any updates of the consultations held with the Ministry of External Affairs in this regard. The MOIA should**

**also sincerely explore possibilities in this regard and apprise the Committee about the outcome thereof.**

**The Ministry has further submitted that it is resorting to outsourcing some of its work in order to mitigate the problems of staff shortage, but the Ministry has failed to provide any details of the outsourcing work carried out and its suggested impact on the workload. In view of the severe manpower crunch in various PoE offices in the country, the Committee, desire that the Ministry should review job requirements, eligibility criteria and emoluments in order to attract suitable number of eligible persons to the nominated posts. The Committee further desire to be apprised about the same during the action taken stage.**

**(Recommendation No.8)**

20. The Committee has noted that the Ministry had launched the Scholarship Programme for Diaspora Children (SPDC) to make higher education in India accessible to the Overseas Indian Children along with a vision to popularize India as a better and affordable education destination. The Scheme was launched in the year 2006-07 and 100 scholarships upto US \$ 4000 per annum were granted to PIO and NRI students. A total of 568 candidates had availed of scholarships since inception of the scheme. The Budget under the scheme had been enhanced with an objective of increase in number and amount. The Committee, however, were disappointed to note that the scholarship amount under the scheme which was enhanced to US \$ 5000 last year had been reduced to US \$ 4000. The Committee, therefore, had strongly recommended that the matter of enhancement of the scholarship amount per annum should be considered particularly in view of the rising fee structure and cost of board and lodging at the educational premises. The Committee had also reiterated their earlier recommendation to increase the number of scholarships to provide more opportunities to the Diaspora children to study in prime institutions of the country. The Committee had found that very few national level Institutions had been incorporated in the list of institutions where these students were admitted. The Committee had, therefore, desired that educational Institutions including institutions of national repute such as Jawaharlal Lal Nehru University, Delhi University, IITs and various IIMs might also be brought under the scheme in order to provide better and holistic higher education facilities to aspiring children of Overseas Indians.

21. In their action taken reply, the Ministry of Overseas Indian Affairs have stated as under:

"Increase of scholarship amount from existing the US\$ 4000 to US\$ 5000 keeping in view of the rising fee structure and cost of board and lodging at the educational premises is under consideration. Since inception of the scheme in 2006-07, the total number of scholarship has remained 100(50-NRIs and 50-PIOs). These days more number of children of overseas Indians are applying for pursuing undergraduate courses in Engineering, Science, Law, Management etc. Keeping in view that since 2010 onwards all the 100 seats are being availed by the candidates, an increase in number of scholarship is under consideration. A proposal to the Ministry of Finance for increasing Budgetary support for BE 2013-14 has been submitted so that the number of the scholarships may be enhanced. Educational Consultants India Limited (Ed.CIL) are the implementing agency for the programme. EdCIL has been requested to incorporate more institutions of national repute like JNU, DU, IITs and various IIMs under the scheme to accommodate the increased number of aspirants for undergraduate courses in Engineering, Science, Law, Management etc. Presently under SPDC scheme, 74 institutions (Arts, Science, Law) having MOUs with EdCIL."

**22. In view of the importance of the matter of awarding scholarships to the diaspora children, the Committee had found it incumbent to stress on increasing the number of seats and the scholarship amount under the Scholarship Programme for Diaspora Children (SPDC). It will not only go a long way in improving educational and career prospects of the diaspora children but will also nurture the mutual bond of Indian identity. The Ministry has informed that proposals to increase the amount and the number of scholarships are under consideration. The Committee desire that decision should be expedited and Committee be apprised about the final decision taken. Similarly, the Committee would like to know about the new institutions incorporated by EdCIL in the list of institutions where the scholarships are awarded in order to expand the ambit of the scheme. The Committee desire that this objective should be achieved at the earliest through consultations with the Ministry of Human Resource Development (MHRD), if desired.**

**(Recommendation No.9)**

23. The Committee were aware that the Overseas Indian Facilitation Centre (OIFC), a public private partnership of Ministry of Overseas Indian Affairs (MOIA) and Confederation of Indian Industry (CII), had been established with the objective to facilitate and connect India with the Indian Diaspora by promoting overseas Indian investment in India and facilitating business – to - business partnership between Indian businesses and Indians residing overseas. The Committee were also happy that the OIFC provided a wide range of consultative and advisory services in key focus areas like Real Estate, Wealth Management, Taxation, legal and Consular etc. and provided a host of advisory services to persons of Indian origin (PIOs) and non-resident Indians (NRIs). But the Committee had observed that only one centre of OIFC had been set up in Delhi and no other Chapters of the same were envisaged in the Prominent States or abroad. In Committee's view the objectives of the OIFC Trust was not getting the right impetus for garnering momentum for facilitating large scale foreign Investments by Overseas Indians in the near future. The Committee, therefore, did not want the OIFC to only work like an information centre for PIOs/NRIs but also justify their presence by accessibility and maintaining the details of flow of NRI investments in the country by working as a national single window agency for Diaspora investment. The Committee, therefore, desired that the Ministry should also work out the possibilities of opening an OIFC Chapter either in USA or in the UK or in both and few OIFC Offices in the Prominent States which are non-Delhi centric.

24. In their action taken reply, the Ministry of Overseas Indian Affairs have stated as under:

"OIFC carries out, as per its mandate, not only the dissemination of information through its business networking portal which has 6 lakh unique visitors, and e-newsletter that has around 15,000 subscribers; it also reaches out to the Diaspora associations from various parts of the world to promote economic engagement of Diaspora in India. OIFC has State partners and it works through the Industry department of the State Governments as well as chapters of Confederation of Indian Industry (CII) in such States. The investment regime in India with respect to PIO/NRI investment is fairly liberal. The investments are automatic in most of the sectors. Since this work is possible by electronic means, opening of offices abroad may not be necessary and would entail considerable expenditure."

**25. The Committee are not satisfied with the justification given by the Ministry for not opening other centres of Overseas Indian Facilitation Centre (OIFC). It is the considered view of the Committee that the mandate of OIFC may not be entirely served with just one centre at Delhi and through online facilitation alone, in view of the varied needs of the diaspora. The Committee understand that the investment regime in India with respect to PIO/NRI investment may have been fairly liberalized but the actual procedures in various States are still cumbersome and therefore, they need to be sufficiently facilitated. The Committee opine that NRIs/PIOs are not aware of various intricate steps/procedures to be followed in various States and they cannot be expected to directly approach the State Governments/ CII local chapters for facilitating their investment needs. In this scenario, the Committee find it indispensable to have a single window system in the form of OIFC offices in selected States which account for a high proportion of PIO/NRI exodus. The Committee therefore, reiterate that the Ministry must explore the possibility of opening OIFC offices in certain prominent States, in consultation with these State Governments and also expedite the opening of OIFC Chapters in specific Countries/Regions having substantial PIO/NRI population.**

**(Recommendation No.10)**

26. The Committee had noted that the India Center for Migration is a 'not for profit' Society established by MOIA for carrying out research in International Immigration etc. It also envisages to lead 'evidence based' work on international migration to support informed policy making and enable strategic interventions for a coherent and harmonised response to the transnational movement of people. The Committee had also noted that a two year project initiative had been undertaken with European Union and Center also planned to work with other organizations such as International Organization for Migration (IOM) on Migration Management with International Labour Organization (ILO) on labour market information and protection and also with UN Women on addressing issues concerning women migrants. The Committee, however had, strongly recommended that all the research findings of ICM projects must be converted into workable action plans for the direct benefit of the common Indian workers/professionals, irrespective of gender so that the migration of a qualitative labour force from India takes place all over the world. The Committee had also desired that the

findings/results of all migration related research must be catered to the multitude of technical institutions such Polytechniques, ITIs, IITs and other technology up-gradation institutions so that the actual skill/ technology requirement of the world market are interpolated with the theoretical content of these Institutions for providing a successful careers to the semi-skilled and fully-skilled workers that they would generate over years in future.

27. In their action taken reply, the Ministry of Overseas Indian Affairs have stated as under:  
"The recommendations of Hon'ble Committee are noted for compliance."

28. **With a view to improve the quality of manpower being sent by India abroad the Committee had recommended that the research findings of the India Centre for Migration (ICM) should be converted into workable action plans. While noting the recommendations of the Committee for compliance, the Ministry has not furnished any information on the steps taken to comply with the Committee's recommendation in this regard. The Committee are displeased to note the silence of the Ministry in the matter. With more than six months elapsing since the recommendations were made, the Ministry can be justifiably expected to prepare workable action plans for better targeting of the immigration of qualitative labour force from India. The Ministry has also failed to furnish details of action taken with regard to the Committee's recommendation of synergizing the research findings of ICM with the course structure/syllabi of various technical institutions such as polytechnics, ITIs, IITs in India. The Committee, therefore, strongly urge the Ministry to take suitable steps in the above direction and to immediately apprise them about the same.**

**(Recommendation No.11)**

29. The Committee had noted that the Indian Community Welfare Fund (ICWF) that is operated by the Indian Missions for safeguarding the welfare and protection especially of Indian Workers going abroad for providing on-site emergency assistance for the Overseas Indian Citizens who are in distress. The Committee were surprised to note that only Rs. 84.16 lakhs had been spent during 2012-13 under this scheme and a small amount of Rs. 5.00 crores had been allocated in BE 2013-14. Such a small relief to a huge number of Diaspora itself was an evidence of poor management and unenthusiastic approach of the Ministry towards Overseas Indian Workers. The Committee were quite sure that with such a big size of Overseas Indian Workers,

the number of workers in distress would definitely be high which were left unattended and unaddressed. The Committee, therefore, felt that such a meagre amount was insufficient to meet the objectives specified by the Ministry in the scheme and therefore had, strongly recommended that the funds under this scheme should be enhanced appropriately. The Committee were deeply concerned about the naturalization policy (Nitaqat) of the Kingdom of Saudi Arabia, wherein, Out of ten Indian workers one will be substituted by Saudi Arabian Worker, targeting to root out all 'illegal workers' and extra immigrant workers out of the Kingdom of Saudi Arabia. The Committee felt that if such trend continues in the whole of the Gulf Region and later in other parts of the globe, the Ministry with such low allocation will be under extreme pressure. The Committee had, therefore, recommended that all possible efforts should be made by the Ministry to not only provide easy passage to all the distressed migrant workers found in the Kingdom of Saudi Arabia, but also to all other Indian workers from the other Middle East country as well. The Committee had also desired that the Ministry shall coordinate with the State Governments of Punjab, Kerala, Tamil Nadu, Andhra Pradesh and Karnataka in bringing back such migrant workers from Kingdom of Saudi Arabia.

30. In their action taken reply, the Ministry of Overseas Indian Affairs have stated as under:

"The Indian Community Welfare Fund (ICWF) has been established in all the Indian Missions for on-site welfare of emigrants which includes boarding and lodging for distressed Overseas Indian workers in household/domestic sectors and unskilled labourers; extending emergency medical care to the Overseas Indians in need; providing air passage to stranded Overseas Indians in need; providing initial legal assistance to the Overseas Indians in deserving cases; expenditure on incidentals and for airlifting the mortal remains to India or local cremation/ burial of the deceased Overseas Indians in such cases where the sponsor is unable or unwilling to do so as per the contract and the family is unable to meet the cost; providing the payment of penalties in respect of Indian nationals for illegal stay in the host country where prima facie the worker is not at fault; providing the payment of small fines/penalties for the release of Indian nationals in jail/ detention centre; providing support to local Overseas Indian Associations to establish Overseas Indian community Centers in countries that have population of Overseas Indians exceeding 1,00,000; and providing support to start and run

Overseas Indian Community based student welfare centers in countries that have more than 20,000 Indian students presence.

2. Sources of funds for the ICWF are:

(a) Ministry of Overseas Indian Affairs provides budgetary support for setting the ICWF to the extent of Rs. 5 lakh. The MOIA contribution is initially for three years or till the period the fund becomes self sustaining, whichever is earlier.

(b) Funds raised by the Indian Missions by levying a service charge of Rs. 100 on specified services.

(c) Voluntary contribution by the Indian community.

3. Therefore, assistance to Indian workers is not from, nor limited to, the budgetary provision. The assistance provided is from the "Fund" collected by various Indian Missions, where the total current balance (as on 31/03/2013) is Rs. 154 Crores. The ICWF has so far helped out 28,000 emigrants to the tune of Rs. 39 Crores approximately."

**31. The Committee are constrained to note that while providing the details of the Indian Community Welfare Fund (ICWF), the Ministry has not provided any information detailing the 28,000 beneficiary emigrants and the amount spent mission/country/region-wise and the type of assistance rendered to the beneficiaries and other relevant spending made under ICWF. The Committee further note that the Ministry has also not provided details of the type and level of assistance provided for easy passage of distressed migrant workers affected by 'Nitaqat' and similar policies across various kingdoms of Middle East and has also not furnished any details of the coordination with the State Governments and assistance provided to the distressed workers returning to various States of the country due to such emergent situation. The Ministry has also failed to give a proper account of the Indian Community Welfare Fund (ICWF) spending and the nature of assistance rendered to Indian citizen in these countries. The Committee, therefore, strongly urge the Ministry to provide an updated and comprehensive reply on the subject showing complete picture of their role in the matter.**

**(Recommendation No.12)**

32. The Committee had understood that MOIA had as part of its mandate taken up Labour Mobility Partnerships Agreements with various prominent labour importing countries in a phased manner. MOIA is also taking steps to build the Human Resource Mobility Partnerships (HRMPs) with key countries of destination in European Union. Such mobility partnerships have been signed with Denmark, negotiations with similar partnership agreements with Netherlands, Australia, France, Poland, the Czech Republic, Norway, Switzerland, Hungary, Sweden, Belgium, Romania, Mauritius and EU are at different stages of conclusion. During the year 2012-13 no HRMPs could be concluded. The Committee, however, were not satisfied with the pace of negotiations and progress made in this regard. The Committee, therefore, desired that these negotiations should be undertaken as per a particular time-frame and should not linger on for several years because these are associated with the welfare of Indian Diaspora. The Committee also desired that on conclusion of such HRMPs these should be made public via print/electronic media for the benefit of all the Indian workers. Partnership country-wise booklets should also be prepared for circulation amongst the migrating work force of India.

33. In their action taken reply, the Ministry of Overseas Indian Affairs have stated as under:

"Memorandum of Understanding on Human Resource Mobility Partnership (HRMP) was signed with Denmark in September, 2009. Negotiations on HRMP have been completed with the Netherlands and required approvals for signing the MoU have been sought. Negotiations are in progress with EU, France and Poland. Draft MoU has been exchanged with Australia, Sweden and Switzerland. While Australia and Sweden have subsequently given their own draft Agreement for discussions, Switzerland has made significant changes to the draft. Draft MoU was also forwarded to Belgium, the Czech Republic, Mauritius, Norway and Romania. Belgium and the Czech Republic have not responded. Discussions with Mauritius are in progress. Norway has indicated that such an Agreement is not needed. Negotiations with Romania also have not been constructive. HRMP with Denmark is available on the website of the Ministry".

34. **The Committee had recommended that Human Resource Mobility Partnerships (HRMPs) with various countries should be undertaken in a time bound manner. The Committee are constrained to note that the pace of inking Human Resource Mobility Partnerships (HRMPs) with various countries has not shown significant improvement and as on date mobility partnership agreements have been signed only with Denmark and negotiations have been completed with Netherlands. Given immense benefits of these mobility partnerships, they need to be suitably expedited with a renewed vigor. The Committee are dismayed to note the slow pace of negotiations and desire that the matter should be seriously looked into particularly the cases where action is pending on our part and in the cases where further action is pending on the part of the other party and should be taken up at the highest level in that country for an early conclusion of the negotiations.**

**(Recommendation No.13)**

35. The Committee had noted that remittances by the Indian Diaspora were amongst the highest in the world. The foreign exchange reserve of the country is growing every year due to high remittance rate by Overseas Indians and the highest contribution in these remittances comes from unskilled and semi-skilled Indian Workers employed in Gulf countries and Malaysia. The Committee were astonished to know that MOIA had no idea about the quantum of non-banking remittances made by the Indian people despite a large number of remittances were being done through these non-banking financial institutions only. The remittance fees of such outside institutions are considerably low as compared to regular banking institutions. Such strange situation clearly reflected the invisibles in the balance of payments with Reserve Bank of India (RBI). Those kind of transactions were indirectly encouraging Hawala transactions also. The Committee had also observed that the cost of remittance through regular banking channels were not uniform across various countries and exponentially high which could vary from 2 to 21% in some of the middle east countries. The Committee had, therefore, strongly recommended that the Ministry should consult with Reserve Bank of India (RBI) for reducing the cost of remittance and should also devise methods for encouraging remittances through regular banking channels. At the same time, the Committee were of the view that the Ministry should make earnest efforts to collect the data of overall remittances made by Overseas Indians including through non-banking institutions.

36. In their action taken reply, the Ministry of Overseas Indian Affairs have stated as under:

"Noted. As indicated during the examination, a study on remittances carried out by the India Centre for Migration (ICM), an organization of this Ministry, has since been received. The report addresses the following four major issues:

- (a) Volume of total remittances;
- (b) Cost of remittances transfer;
- (c) Components of the cost; and
- (d) Banking and non banking channels involved.

2. The important conclusions of the Report are as follows:

- (a) That the cost of remittances has decreased due to emerging competition in the remittances market. In fact, remittances cost from the UAE to India are amongst the cheapest for the region.
- (b) The cost depends on factors that pertain to the country from which the remittances is being sent, as the cost of transfer depends on factors such as the up-front fee, the exchange rate applied, fee collected at the recipient's end, if any etc.
- (c) The cost of remittances is also affected by the mode of transfer- whether it is by SWIFT (Society for Worldwide Interbank Financial Telecommunications) electronic, a draft, cheque etc.
- (d) A number of financial institutions, specially the so called exchange houses in the GCC countries, are playing an important role in the remittances market.
- (e) An estimated USD 401 billion was sent in form of remittances to the developing world, with India being the largest recipient at USD 69 billion in the calendar year 2012.

(f) India is followed by China (USD 60 Billion), Philippines (USD 24 Billion), and Mexico (USD 23 Billion). Other countries in South Asia in the Top ten recipients including Pakistan & Bangladesh, each receiving USD 14 billion in 2012.

3. Year-wise remittances have been as follows:

<b>S.No.</b>	<b>Year</b>	<b>Remittances/Private Transfers (in USD Million)</b>	<b>Private Transfer as a percentage of Current Account Deficit (CAD).</b>
1	2006-07	30,835	
2	2007-08	43,508	
3	2008-09	46,903	168.0
4	2009-10	53,636	140.5
5	2010-11	55,618	121.1
6	2011-12	66,129	84.6

4. Country or Origin-wise remittances are as follows:

<b>Rank</b>	<b>Country</b>	<b>Amount Remitted to India (2012) in Million USD</b>
1	United Arab Emirates	14,255
2	United States	10,844
3	Saudi Arabia	7,621
4	United Kingdom	3,904
5	Bangladesh	3,716
6	Canada	3,145
7	Nepal	2,934
8	Kuwait	2,673
9	Oman	2,373

10	Qatar	2,084
11	Sri Lanka	1,283
12	Australia	1,245
13	Singapore	1,113
14	Bahrain	690
15	Malaysia	493

5. Some of the prominent means of remittances are as follows:

- (a) Transfer of an Indian Bank through Correspondent Bank (CB) overseas.
- (b) Through the SWIFT network.
- (c) Through Exchange Houses (EH)
- (d) Money transfer Service Scheme (MTSS).
- (e) Transfer through Rupee Drawing Arrangement (RDA).

6. Other than the factors mentioned in para 2(b) above, the components of cost of remittances are (a) technology used in the transfer (it in turn affects the time taken and get reflected in cost); (b) number of financial institutions involved in the remittance market in a given country, or in given corridor, as this competition pushes down costs; and the legislations governing them; © administrative and other operational costs; (d) banking and other financial regulations in both origin and destination countries; (e) remitter's preferences and urgency; (f) legal status of the remitter; (g) the larger the chain of agents & sub agents, the costlier is the transfer (especially in the MTO (Money Transfer Operators) market). Interestingly in this mode, the cost is high because the transfer is almost instant.

7. Comparative cost of remittances in some countries is enclosed as Annexure 1 to 3.

8. During the examination, “non banking channels” was erroneously understood by the Secretary as referring to non formal or “Hawala” channels. As can be seen from the above, if by non banking channels, it was meant alternative to formal banks as such, then a number of such channels do exist.

9. As desired by the Committee, the issue of collecting better statistics country-wise specially from middle-east, has been taken up with the Governor, Reserve Bank of India (RBI)."

**37. With a view to reduce the cost of remittances, the Committee had stressed to hold negotiations with the Reserve Bank of India (RBI) and the Ministry were also asked to desire methods for encouraging remittances through regular banking channels. The Committee are constrained to note that Ministry has not taken any specific initiatives/ action on their specific recommendation in this regard. The Committee are not satisfied with the Ministry's reply which is of too general nature only referring the findings of the Report submitted by the Indian Centre for Migration (ICM) about remittances. The breakup in percentage of various modes of sending remittances is also not available. The Committee further reiterate that the Ministry should hold consultations with Reserve Bank of India (RBI) to obtain better statistics country- wise and update the Committee about the same and after studying the percentage of sending remittances from each country through various modes they should take initiatives to encourage the remittances through regular banking channels. The Committee also have a strong view that the Ministry should enter into a tie up with some of the Indian Banks in order to ensure that Indian workers abroad can transfer money through Indian Banking Channels or through their Correspondence Bank (CB) in a hassle free manner.**

**(Recommendation No.14)**

38. The Committee had noted that the Financial Service Division (FSD) of the Ministry was the nodal point for facilitating NRI investment. The Committee were dismayed to note that it had no mandate in bringing more investments into India, and the only job of MOIA in promoting NRI investment had been limited to dissemination of information and advisory. The Committee are also surprised to note that the Ministry had no data whatsoever of NRI investments facilitated

through Overseas Indian Facilitation Centre (OIFC). The Committee had, therefore, recommended that although there were various other institution which promoted and kept track of NRI investments in India like Foreign Investment Promotion Board (FIPB) but the Ministry should work it out with the Ministry of Finance to establish such an institution under the Ministry which could work on the lines of FIPB or become the external wing/branch of FIPB outside India and it must work in coordination with FIPB to en-route the NRI investments in India through FIPB. The Committee had also recommended that the Ministry must publicize the incentives and benefits available to the NRI investors at a large scale throughout the year via various channels in foreign countries and must establish a single window system for all the queries related to NRI investment.

39. In their action taken reply, the Ministry of Overseas Indian Affairs have stated as under:

"The matter was taken up with the concerned Ministries. The situation that emerges is as follows:

(i) The current allocation of Business Rule do not envisages a great role for MOIA in foreign investments including NRI investments, and wants and for enhancing the role of MOIA, amendment to the allocation of Business Roles would be required.

(ii) FIPB does not keep a track on NRI investments almost 87% of foreign investments is under direct route, and it is not come under FIPB at all. Data of total foreign investments is maintained by RBI.

The above position will be further expanded upon and up-dated, once information is received from the other concerned Ministry also."

**(Recommendation No.15)**

40. The Committee were also disappointed to note that the powers of the Ministry were circumscribed which diluted benefits of having a separate Ministry. The Ministry might in consultation with the Cabinet Secretariat work out coordination mechanisms which will enable them to play a more empowered role for the fulfillment of the broad aims and objectives of the Ministry, particularly facilitating inward remittances and catalyzing investments by Non-Residents.

41. In their action taken reply, the Ministry of Overseas Indian Affairs have stated as under:

"The recommendation has been noted."

**42. The Committee understand that the mandate of the Ministry is limited as the current Allocation of Business Rules do not envisage a greater role for the Ministry in the matter of NRI investments. But this does not prevent the Ministry from maintenance of data and keeping track of NRI investments by them because it is a major issue regarding welfare of NRIs. If the Ministry feels any limitations, they should first initiate the steps to expand their mandate through amendments in Allocation of Business Rules to enable them to work as single window system to resolve all the queries related to NRI investments. The Committee should also be informed about the conclusion in this regard based on the response and information received from other Ministries. The Committee have a strong view that in light of the rising obligations of ensuring safety and welfare of Indians living and working abroad, the Ministry should get empowered suitably for facilitating their inward remittances and catalysing investments.**

## **CHAPTER II**

### **RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **(Recommendation No. 1)**

The Committee observe that the Ministry of Overseas Indian Affairs has once again failed in utilizing the allocation made at the Budget Estimates (BE) stage during the year 2012-13, and also on the front of maintaining the even expenditure during each quarter of the year. The allocation made to MOIA at BE stage was Rs. 114.77 crores which was reduced to Rs. 85 crores at RE stage and the anticipated final utilization is only Rs. 81.28 crores out of which Rs. 31.29 crores was spent during the last quarter of the year. The Committee find that perhaps due to similar trend of expenditure, the MOIA has not been able to develop any faith in getting the desired funds of the Ministry of Finance during the year 2013-14 also and it has been kept almost at the same level of Rs. 115.79 crores as that of the last financial year against their projected demand of Rs. 186.94 crores. The Committee have a clear view that if MOIA is not able to improve such trend of expenditure on various schemes of the Ministry, they may not be able to obtain any fund at RE stage also. The Committee, therefore, reiterate that MOIA should improve their spending mechanism by instituting strict monitoring of each and every scheme so that the Budget allocated for the year 2013-14 is evenly spent and properly utilized during each quarter of the year and they may be in a better position to convince the Ministry of Finance while seeking the additional funds at RE stage.

#### **Reply of the Government**

The recommendations of the Committee are noted.

[F.NO. H-11021/06/2013-P&C]

**(Recommendation No. 3)**

The Committee observed that the amount of Rs. 1.00 crore was allocated to the Ministry under the sub-head 'International Conferences/Meetings' including expenditure for entertainment of dignitaries and facilitate policy formulation on various issues related to Ministry. But only Rs. 21.79 lakhs were spent by the Ministry on conferences and Rs. 9.50 lakhs for entertainment/hospitality purposes during the year 2012-13. The Ministry failed to organize the scheduled Conference and spent only 30 percent the allocation made at Revised Estimates (RE) stage under this head. All this showed the lack of foresightedness and sensibility on the part of the Ministry in chalking out the schedule of conferences/meetings on the issues which require review/detailed discussion of the schemes/programme of the Ministry in the light of international situation. The Committee, therefore, desired that Ministry should prepare a programme schedule of such seminars/conference to be organized during a financial year well in advance with pronounced objectives and make the expenditure accordingly. The Committee further desired that the Ministry should also ensure that the expenditure on such activities was justified and outcomes of these deliberations were proportionate to the amount spent on these seminars/conferences.

**Reply of the Government**

Noted

[F.NO. H-11021/06/2013-P&C]

**(Recommendation No. 6)**

The Committee are happy to note that Pension Life Insurance Fund (PLIF) has been rechristened as Mahatma Gandhi Pravasi Suraksha Yojna (MGPSY). This has been a noble scheme for unskilled and semi-skilled Overseas Indian Workers who can save certain amount for their pension and resettlement upon their return to their country of birth. However, at the same time the Committee are also dismayed to note that out of 154 registered subscribers during 2012-13 only 45 subscribers were found to be eligible in Kerala where the scheme was launched on Pilot basis. The Committee, therefore, desire that the Ministry should critically analyze the reasons for such low registration and huge rejection including lack of publicity and convincing of the prospective beneficiaries and the stringent norms prescribed to avail the benefits under the new scheme. The Committee also observe that enrollment centres for subscribers are at PoE offices

and selected branches of Bank of Baroda only. The Committee, strongly desire that Ministry should make all possible efforts to make the Overseas Indians aware of the scheme. The Committee further desire that the norms for registration under the scheme should also be relaxed to attract maximum number of subscribers and the number of enrolments centres should be increased considerably. The Committee also observe that an allocation of Rs. 7 crores made for implementation of this scheme on all India basis is insufficient and should be enhanced appropriately at RE stage. The Committee further observe that in view of the changed situation in Gulf countries, a large number of Indian workers are expected to return back to India during the coming months. In view of this urgent need the Ministry should also prepare a contingency plan in consultation with state Governments to help such workers particularly in the state of Kerala.

### **Reply of the Government**

The following action has been initiated by the Ministry to enhance subscriber registration:

1. Currently, there are seven Service Providers appointed by Ministry under MGPSY. This will enable Ministry to rollout MGPSY across India and in ECR countries. The process of appointment of Service Provider has been kept open on an ongoing basis.
2. The emigration data will be shared with the appointed Service Provider to help him to identify, educate and enrol subscriber under MGPSY.
3. The status of passport of ECR category workers gets converted to ECNR on a continued overseas stay for a period of three years. Such emigrants have been made eligible to join MGPSY.
4. A large number of workers were not able to join MGPSY due to non-availability of overseas address proof or KYC documents. Ministry has obtained an exemption from SEBI on KYC requirements. This would help the workers to join the scheme.
5. Subscriber awareness programs across various labour camps in UAE have been conducted. So far around 32 such camps have been organized by the Service Provider in UAE. Ministry has also developed information education and communication (IEC) material in multiple languages towards the publicity and awareness of MGPSY.

The adequacy of the budget allocated to MGPSY is based on the number of enrolment of the overseas Indian worker under the scheme. If there will be need for additional funds, the same

will be sought at the RE stage. A revised estimate may be appropriately submitted by the Ministry at RE stage.

[F.NO. H-11021/06/2013-P&C]

**(Recommendation No. 7)**

The Committee observe that the MOIA has conducted 23 know India programmes so far and a total of 700 Overseas Indian Youth have participated in these programmes. But during the year 2012-13 out of originally planned five KIPs, only three were organized. Surprisingly, there was very poor response in the last two KIPs. The Committee are unable to understand the reasons for failure of the Ministry in attracting more Indian Diaspora Youths in these programmes. It proves that there is an urgent requirement for improvement in KIP and SIP, particularly in terms of programme scheduling, infrastructure and programme content. The Committee, therefore, desire the Ministry should make all efforts in the light of the Impact Study made by CII and their own experience in identifying the interested persons and exploring the possibilities of tapping the sources other than the Missions so that their flagship programme is organized properly to bring the Indian Diaspora Youth closer to the land of their ancestors.

**Reply of the Government**

The Ministry has taken into consideration the Recommendation of the Standing Committee. Based on recommendations of CII on Pre-Arrival, registration, Arrival and departure assistance, programme scheduling, infrastructure and programme content, Ministry has been taking steps to improve the KIP programme. Further, as desired by the Committee, this Ministry is considering writing to Overseas Indian Associations abroad to make the programme more popular for increasing the number of interested participants. Overseas Indian associations functioning abroad will also be involved for publicity of the Know India Programmes (KIPs) among NRIs/PIOs abroad.

38 candidates had applied in the 24<sup>th</sup> KIP and 46 persons for the 25<sup>th</sup> KIP. This shows an improved trend.

[F.NO. H-11021/06/2013-P&C]

### **(Recommendation No.10)**

The Committee note that the India Center for Migration is a 'not for profit' Society established by MOIA for carrying out research in International Immigration etc. It also envisages to lead 'evidence based' work on international migration to support informed policy making and enable strategic interventions for a coherent and harmonised response to the transnational movement of people. The Committee also note that a two year project initiative has been undertaken with European Union and Center also plans to work with other organizations such as International Organization for Migration (IOM) on Migration Management with International Labour Organization (ILO) on labour market information and protection and also with UN Women on addressing issues concerning women migrants. The Committee, however, strongly recommend that all the research findings of ICM projects must be converted into workable action plans for the direct benefit of the common Indian workers/professionals, irrespective of gender so that the migration of a qualitative labour force from India takes place all over the world. The Committee also desire that the findings/results of all migration related research must be catered to the multitude of technical institutions such Polytechniques, ITIs, IITs and other technology up-gradation institutions so that the actual skill/ technology requirement of the world market are interpolated with the theoretical content of these Institutions for providing a successful careers to the semi-skilled and fully-skilled workers that they would generate over years in future.

### **Reply of the Government**

The recommendations of Hon'ble Committee are noted for compliance.

[F.NO. H-11021/06/2013-P&C]

### **(Recommendation No.11)**

The Committee note that the Indian Community Welfare Fund (ICWF) that is operated by the Indian Missions for safeguarding the welfare and protection especially of Indian Workers going abroad for providing on-site emergency assistance for the Overseas Indian Citizens who are in distress. The Committee are surprised to note that only Rs. 84.16 lakhs has been spent during 2012-13 under this scheme and a small amount of Rs. 5.00 crores have been allocated in BE 2013-14. Such a small relief to a huge number of Diaspora itself is an evidence of poor

management and unenthusiastic approach of the Ministry towards Overseas Indian Workers. The Committee are quite sure that with such a big size of Overseas Indian Workers, the number of workers in distress would definitely be high which were left unattended and unaddressed. The Committee, therefore, feels that such a meagre amount is insufficient to meet the objectives specified by the Ministry in the scheme and therefore, strongly recommend that the funds under this scheme should be enhanced appropriately. The Committee are deeply concerned about the naturalization policy (Nitaqat) of the Kingdom of Saudi Arabia, wherein, Out of ten Indian workers one will be substituted by Saudi Arabian Worker, targeting to root out all 'illegal workers' and extra immigrant workers out of the Kingdom of Saudi Arabia. The Committee feels that if such trend continues in the whole of the Gulf Region and later in other parts of the globe, the Ministry with such low allocation will be under extreme pressure. The Committee, therefore, recommend that all possible efforts should be made by the Ministry to not only provide easy passage to all the distressed migrant workers found in the Kingdom of Saudi Arabia, but also to all other Indian workers from the other Middle East country as well. The Committee also desire that the Ministry shall coordinate with the State Governments of Punjab, Kerala, Tamil Nadu, Andhra Pradesh and Karnataka in bringing back such migrant workers from Kingdom of Saudi Arabia.

### **Reply of the Government**

The Indian Community Welfare Fund (ICWF) has been established in all the Indian Missions for on-site welfare of emigrants which includes boarding and lodging for distressed Overseas Indian workers in household/domestic sectors and unskilled labourers; extending emergency medical care to the Overseas Indians in need; providing air passage to stranded Overseas Indians in need; providing initial legal assistance to the Overseas Indians in deserving cases; expenditure on incidentals and for airlifting the mortal remains to India or local cremation/ burial of the deceased Overseas Indians in such cases where the sponsor is unable or unwilling to do so as per the contract and the family is unable to meet the cost; providing the payment of penalties in respect of Indian nationals for illegal stay in the host country where prima facie the worker is not at fault; providing the payment of small fines/penalties for the release of Indian nationals in jail/detention centre; providing support to local Overseas Indian Associations to establish Overseas Indian community Centres in countries that have population of Overseas Indians exceeding

1,00,000; and providing support to start and run Overseas Indian Community based student welfare centers in countries that have more than 20,000 Indian students presence.

[F.NO. H-11021/06/2013-P&C]

**(Recommendation No.15)**

The committee was disappointed to note that the powers of the Ministry are circumscribed which dilutes benefits of having a separate Ministry. The Ministry may in consultation with the Cabinet Secretariat work out coordination mechanisms which will enable them to play a more empowered role for the fulfillment of the broad aims and objectives of the Ministry, particularly facilitating inward remittances and catalyzing investments by Non-Residents.

**Reply of the Government**

The recommendation has been noted.

[F.NO. H-11021/06/2013-P&C]

### **CHAPTER III**

#### **RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES**

-NIL-

## CHAPTER IV

### RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND REQUIRE REITERATION

#### (Recommendation No. 2)

The Committee observe that the e-Migrate Project has been considerably delayed due to non-achievement of several milestones in time. The allocation for this project was reduced from Rs. 22.00 crores to Rs. 2.19 crores at RE stage and only Rs. 1.26 crores was spent on the project during the year 2012-13. During 2013-14 the project has been allocated a fund of Rs. 3.40 crores only which does not seem sufficient for development and implementation of the project in a timely manner. The Committee also observe that the e-Migrate project, was planned to be implemented in a phased manner over three years and as per contract with TCS, 'Go-Live' of the project was expected on 9<sup>th</sup> February, 2012. However, 'Go-Live' of the project has been delayed and the project is now supposed to be completed by the end of August, 2013 at the earliest as Committed by MOIA during oral evidence. The Committee, therefore, desire that the Ministry must ensure to meet its new deadline for the completion of major milestones of the e-Migrate of the project such as Disaster Recovery Centre (DRC) and Wide Area Network (WAN) and establish 'Go-Live' on time by obtaining the desired fund at RE stage so that the project is rolled out at the earliest without any further delay particularly due to paucity of funds.

#### Reply of the Government

The "Go-Live" date is now fixed for March, 2014. Funds will be obtained at RE stage, if required.

[F.NO. H-11021/06/2013-P&C]

#### (Recommendation No.9)

The Committee are aware that the Overseas Indian Facilitation Centre (OIFC), a public private partnership of Ministry of Overseas Indian Affairs (MOIA) and Confederation of Indian Industry (CII), has been established with the objective to facilitate and connect India with the Indian Diaspora by promoting overseas Indian investment in India and facilitating business – to - business partnership between Indian businesses and Indians residing overseas. The Committee

are also happy that the OIFC provides a wide range of consultative and advisory services in key focus areas like Real Estate, Wealth Management, Taxation, legal and Consular etc. and provide a host of advisory services to persons of Indian origin (PIOs) and non-resident Indians (NRIs). But the Committee observe that only one centre of OIFC has been set up in Delhi and no other Chapters of the same are envisaged in the Prominent States or abroad. In Committee's view the objectives of the OIFC Trust is not getting the right impetus for garnering momentum for facilitating large scale foreign Investments by Overseas Indians in the near future. The Committee, therefore, does not want the OIFC to only work like an information centre for PIOs/NRIs but also justify their presence by accessibility and maintaining the details of flow of NRI investments in the country by working as a national single window agency for Diaspora investment. The Committee, therefore, desire that the Ministry should also work out the possibilities of opening an OIFC Chapter either in USA or in the UK or in both and few OIFC Offices in the Prominent States which are non-Delhi centric.

#### **Reply of the Government**

OIFC carries out, as per its mandate, not only the dissemination of information through its business networking portal which has 6 lakh unique visitors, and e-newsletter that has around 15,000 subscribers; it also reaches out to the Diaspora associations from various parts of the world to promote economic engagement of Diaspora in India. OIFC has State partners and it works through the Industry department of the State Governments as well as chapters of Confederation of Indian Industry (CII) in such States. The investment regime in India with respect to PIO/NRI investment is fairly liberal. The investments are automatic in most of the sectors. Since this work is possible by electronic means, opening of offices abroad may not be necessary and would entail considerable expenditure.

[F.NO. H-11021/06/2013-P&C]

## **CHAPTER V**

### **RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED**

#### **(Recommendation No. 4)**

The Committee noted that the deadline for construction of Pravasi Bhartiya Kendra (PBK) had then been extended from April, 2013 to December, 2013. The Committee had expected that the Ministry would stick to the new deadline, as the civil work had already been completed and finishing work like flooring, false ceiling etc. was in progress.

However, the Committee had not been informed about the development made so far in the direction of establishment of Pravasi Bhartiya Bhavans (PBB) in States. The Committee strongly favored the concept, but were not satisfied with the efforts being made by the Government in that regard.

The Committee, therefore, reiterated that the Ministry should come out with a clear cut objective and policy regarding establishment of PBBs in States and should impress upon the Diaspora specific States for their participation in the project through an allotment of land for that purpose. An early completion of the PBBs in the states that would not only commemorate the landmark events / ideals and glorious past of the community / society emitting from that very soil highlighting the importance of the specific culture and language of the State but will also accrue financial and material benefits from the willing NRIs and PIOs and would open new grounds for reinforcing bonds with their grassroots and the new generation.

#### **Reply of the Government**

The Ministry is in the process of preparing a scheme to promote setting up of Pravasi Bharitya Bhavans in the States. This will require consultation with stakeholders and approvals of the respective competent authorities. After such approval is obtained, the scheme shall be notified.

[F.NO. H-11021/06/2013-P&C]

### **(Recommendation No. 5)**

The Committee observed that the PoE offices at Chennai, Hyderabad and Jaipur were housed in a rented building owned by the State Governments. PoE office, Thiruvananthapuram has recently got its office space of its own but PoE, Mumbai and PoE, Cochin are still functioning from private buildings. The new PoE offices at Jaipur, Rai Bareilly and Guwahati are also on the anvil but without office premises of their own. Surprisingly, 'no allocation' was made during the year 2012-13 for the purpose of establishing/shifting the PoE offices, and it was status-quo again during 2013-14.

The Committee failed to understand the approach of the Ministry in this matter when in their replies they had asserted that they were making all possible efforts to purchase space for accommodating the existing PoE offices but on the other hand not a single rupee had been allocated for the purposes of construction/shifting of PoE offices. The Committee did not approve the approach of the Ministry in the matter and desired that the matter must be diligently taken up with the authorities concerned, such as the Minister of Civil Aviation/Urban Development Minister and concerned Chief Ministers and finalize the proposals of land or space purchase or lease for accommodating these PoE offices on priority basis during the year in 2013-14. MOIA may have also coordinated with MEA to locate/open their PoE offices in or near RPOs so as to facilitate people for not running to faraway places. Without showing the progress in getting the space or land, they may not have been able to augment sufficient funds for the same at the Revised Estimates (RE) stage also. The Committee were also aware that a significant number of Posts were lying vacant in the PoE offices and desired that fresh initiatives should be taken to fill all the vacant posts in the old as well as the new PoE offices in the shortest possible time.

### **Reply of the Government**

The status of action taken on the Standing Committee's recommendation, POE-wise, is as under: -

#### **POE, CHENNAI**

For the space Secretary, MOIA and written letter to Secretary, Urban Development on 4<sup>th</sup> April, 2011. Subsequently Hon'ble Minister of Overseas Indian Affairs also addressed a letter to

Hon'ble Minister of Urban Development on 20<sup>th</sup> December, 2011 to provide the space for the office of POE, Chennai. Space in TRANSIDCO building at Guindy, Chennai has been identified, and efforts are on to have it allotted for POE office in Chennai. Secretary, MOIA has addressed the Chief Secretary, Government of Tamil Nadu vide letter dated 25<sup>th</sup> March, 2013 and the Protector General of Emigrants has requested the Chairman & Managing Director, TRANSIDCO vide letter dated 28<sup>th</sup> March, 2013. "

#### POE, HYDERABAD

Secretary, MOIA on 29.04.2011 has written to the Chief Secretary, Government of Andhra Pradesh for allotting a piece of land measuring about 1000 sq.m. at Hyderabad for constructing its own building to accommodate its field offices functioning in Hyderabad. In response the Principal Secretary (Revenue), Government of Andhra Pradesh has requested the Collector of Hyderabad for examining the proposal. Further, Secretary, MOIA also took up the matter with Secretary, Ministry of Urban Development on 12.07.2011 for providing space for accommodation for POE office in the Government buildings under the control of Estate office at Hyderabad. The matter has further been taken up with the State Government of Andhra Pradesh at the level of Protector General of Emigrants.

#### POE, JAIPUR

Allotment of building was received for POE, Jaipur, and Ministry has furnished the office, and made it functional since 7<sup>th</sup> January, 2011.

#### POE, THIRUVANANTHPURAM

With pursuance, Ministry has been able to convince the State Government to give POE office, Trivandrum in Norka Central, Thycaud, Trivandrum. The space has been accepted and civil/furnishing work is in progress. It is expected that the office of POE, Trivandrum would shift to the premises by February, 2014.

#### POE, MUMBAI

The matter was taken up with the Ministry of External Affairs on 30.12.2010 for providing accommodation to house the POE office at Mumbai in its newly constructed building for RPO at Bandra Kurla Complex. MEA on 20.01.2011 informed that the completion of the

construction of the new building is likely to take three more years and that the decision of allotting space will be taken after the RPO office is shifted to the newly constructed building. Further, the Secretary, MOIA on 29.04.2011 has also written to the Chief Secretary, Government of Maharashtra, but no response has been received so far. Secretary also took up the matter with Secretary, Ministry of Urban Development on 12.07.2011 for providing space for accommodation for POE office in the Government buildings under the control of Estate office at Mumbai.

Subsequently, the Hon'ble Minister of Overseas Indian Affairs took up the matter with the Hon'ble Minister of Urban Development and Hon'ble Chief Minister, Government of Maharashtra vide letter dated 20-11-2011. The Protector General of Emigrants has also requested Urban Development Department, Government of Maharashtra vide letter dated 6<sup>th</sup> December, 2012.

#### POE, COCHIN

The matter has been taken up at the level of Secretary, MOIA with Chief Secretary and Government of Kerala for allotting a plot of land measuring 1000 sq.m. in Cochin to house its POE office. Further, Secretary also took up the matter with Secretary, Ministry of Urban Development on 12.07.2011 for providing space for accommodation for POE office in the Government buildings under the control of Estate office at Cochin. The Hon'ble Chief Minister, Government of Kerala vide letter dated 19-06-2012 informed that the District Collection, Ernakulum has been directed to locate a suitable space for the office of POE, Cochin and the matter has been taken up with him.

#### POE, RAE BARELI

POE office at Rae Bareli has been inaugurated on 15<sup>th</sup> May, 20-13 and the matter will be taken up with the Ministry of urban Development/State Government to provide space for the office.

#### POE, GUWAHATI

The Finance Division has approved opening of POE office Guwahati on 4<sup>th</sup> January, 2012. DS (Admn) has written to Dy. Commissioner, Guwahati on 28<sup>th</sup> September, 2011 and Secretary, MOIA to Chief Secretary, Assam on 18<sup>th</sup> May, 2012 for the office space.

The Minister for Overseas Indian Affairs had also addressed a letter on 23<sup>rd</sup> July, 2013 to the Minister of Urban Development and Parliamentary Affairs for providing 5000 sq. ft. of space in Central Government owned buildings located at Mumbai, Hyderabad, Cochin, Chennai, Trivandrum and Rae Bareilly for the POE offices. Minister of Urban Development and Parliamentary Affairs on 7<sup>th</sup> Nov., 2013 had replied that there is no General Pool Office Accommodation available at all the above mentioned locations. However, the requirement of office space for POE has been noted and will be considered along with other pending requests for General Pool Office Accommodation as and when GPOA becomes available at these locations.

So far as the allocation of funds is concerned, in case suitable land is made available at any point of time during the year 2013-14, required funds will be sought by way of submission of Revised Estimates.

With regard to the recommendation to coordinate with MEA to locate/open POE offices in or near RPOs it may be noted that the emigration clearance process as stipulated under section 22 of the Emigration Act, 1983 read with rule 15 of emigration ( amendment) Rules, 2009 involves the verification of the employment related documents, viz., the employment contract, demand letter and power of Attorney to the recruiting Agents by the POEs from the foreign employers or the Indian Missions to satisfy himself about the correctness of the documents. This takes a considerable time before the applicant is asked to submit his passport for emigration clearance. As such POEs offices should ideally be located in the central place of the city limits easily accessible by the public transport. However, the MEA will be requested to provide space as per requirement.

The posts in different POE offices are filled up by inviting nominations from Central Secretariat Services (CSS) and Central Secretariat Clerical Services (CSCS) of different Ministries/ Departments. Since adequate numbers of applications are not being received these vacancies continue to exist though Ministry has again circulated these vacancies by calling nominations. The shortage of staff in POE offices has affected functioning of POE offices to a

great extent. Against the vacant posts, however, in order to mitigate the problems of staff shortage against the vacant posts in MOIA and O/o POE outsourcing work is resorted to."

[F.NO. H-11021/06/2013-P&C]

**(Recommendation No.8)**

The Committee noted that the Ministry had launched the Scholarship Scheme for Diaspora Children (SDPC) to make higher education in India accessible to the Overseas Indian Children along with a vision to popularize India as a better and affordable education destination. The Scheme was launched in the year 2006-07 and 100 scholarships upto US \$ 4000 per annum were granted to PIO and NRI students. A total of 568 candidates have availed of scholarships since inception of the scheme. The Budget under the scheme have been enhanced with an objective of increase in number and amount. The Committee, however, were disappointed to note that the scholarship amount under the scheme which was enhanced to US \$ 5000 last year had been reduced to US \$ 4000. The Committee, therefore, strongly recommended that the matter of enhancement of the scholarship amount per annum should be considered particularly in view of the rising fee structure and cost of board and lodging at the educational premises. The Committee also reiterated their earlier recommendation to increase the number of scholarships to provide more opportunities to the Diaspora children to study in prime institutions of the country. The Committee found that very few national levels Institutions had been incorporated in the list of institutions where these students are admitted. The Committee, therefore, desired that educational Institutions including institutions of national repute such as Jawaharlal Lal Nehru University, Delhi University, IITs and various IIMs may also be brought under the scheme in order to provide better and holistic higher education facilities to aspiring children of Overseas Indians.

**Reply of the Government**

Increase of scholarship amount from existing the US\$ 4000 to US\$ 5000 keeping in view of the rising fee structure and cost of board and lodging at the educational premises is under consideration. Since inception of the scheme in 2006-07, the total number of scholarship has remained 100(50-NRIs and 50-PIOs). These days more number of children of overseas Indians are applying for pursuing undergraduate courses in Engineering, Science, Law, Management etc. Keeping in view that since 2010 onwards all the 100 seats are being availed by the candidates, an increase in number of scholarship is under consideration. A proposal to the Ministry of Finance

for increasing Budgetary support for BE 2013-14 has been submitted so that the number of the scholarships may be enhanced. Educational Consultants India Limited (Ed.CIL) are the implementing agency for the programme. EdCIL has been requested to incorporate more institutions of national repute like JNU, DU, IITs and various IIMs under the scheme to accommodate the increased number of aspirants for undergraduate courses in Engineering, Science, Law, Management etc. Presently under SPDC scheme, 74 institutions (Arts, Science, Law) having MOUs with EdCIL.

[F.NO. H-11021/06/2013-P&C]

### **(Recommendation No.12)**

The Committee understood that MOIA had as part of its mandate taken up Labour Mobility Partnerships Agreements with various prominent labour importing countries in a phased manner. MOIA is also taking steps to build the Human Resource Mobility Partnerships (HRMPs) with key countries of destination in European Union. Such mobility partnerships have been signed with Denmark, negotiations with similar partnership agreements with Netherlands, Australia, France, Poland, the Czech Republic, Norway, Switzerland, Hungary, Sweden, Belgium, Romania, Mauritius and EU are at different stages of conclusion. During the year 2012-13 no HRMPs could be concluded. The Committee, however, were not satisfied with the pace of negotiations and progress made in this regard. The Committee, therefore, desired that these negotiations should be undertaken as per a particular time-frame and should not linger on for several years because these are associated with the welfare of Indian Diaspora. The Committee also desired that on conclusion of such HRMPs these should be made public via print/electronic media for the benefit of all the Indian workers. Partnership country-wise booklets should also be prepared for circulation amongst the migrating work force of India.

### **Reply of the Government**

Memorandum of Understanding on Human Resource Mobility Partnership (HRMP) was signed with Denmark in September, 2009. Negotiations on HRMP have been completed with the Netherlands and required approvals for signing the MoU have been sought. Negotiations are in progress with EU, France and Poland. Draft MoU has been exchanged with Australia, Sweden and Switzerland. While Australia and Sweden have subsequently given their own draft

Agreement for discussions, Switzerland has made significant changes to the draft. Draft MoU was also forwarded to Belgium, the Czech Republic, Mauritius, Norway and Romania. Belgium and the Czech Republic have not responded. Discussions with Mauritius are in progress. Norway has indicated that such an Agreement is not needed. Negotiations with Romania also have not been constructive. HRMP with Denmark is available on the website of the Ministry.

[F.NO. H-11021/06/2013-P&C]

**(Recommendation No.13)**

The Committee noted that remittances by the Indian Diaspora were amongst the highest in the world. The foreign exchange reserve of the country is growing every year due to high remittance rate by Overseas Indians and the highest contribution in these remittances comes from unskilled and semi-skilled Indian Workers employed in Gulf countries and Malaysia. The Committee were astonished to know that MOIA had no idea about the quantum of non-banking remittances made by the Indian people despite a large number of remittances were being done through these non-banking financial institutions only. The remittance fees of such outside institutions are considerably low as compared to regular banking institutions. Such strange situation clearly reflects the invisibles in the balance of payments with Reserve Bank of India (RBI). These kind of transactions are indirectly encouraging Hawala transactions also. The Committee had also observed that the cost of remittance through regular banking channels were not uniform across various countries and exponentially high which could vary from 2 to 21% in some of the middle east countries. The Committee, therefore, strongly recommended that the Ministry should consult with Reserve Bank of India (RBI) for reducing the cost of remittance and should also devise methods for encouraging remittances through regular banking channels. At the same time, the Committee were of the view that the Ministry should make earnest efforts to collect the data of overall remittances made by Overseas Indians including through non-banking institutions.

## **Reply of the Government**

Noted. As indicated during the examination, a study on remittances carried out by the India Centre for Migration (ICM), an organization of this Ministry, has since been received. The report addresses the following four major issues:

- (e) Volume of total remittances;
- (f) Cost of remittances transfer;
- (g) Components of the cost; and
- (h) Banking and non banking channels involved.

2. The important conclusions of the Report are as follows:

(a) That the cost of remittances has decreased due to emerging competition in the remittances market. In fact, remittances cost from the UAE to India are amongst the cheapest for the region.

(b) The cost depends on factors that pertain to the country from which the remittances is being sent, as the cost of transfer depends on factors such as the up-front fee, the exchange rate applied, fee collected at the recipient's end, if any etc.

(c) The cost of remittances is also affected by the mode of transfer- whether it is by SWIFT (Society for Worldwide Interbank Financial Telecommunications) electronic, a draft, cheque etc.

(d) A number of financial institutions, specially the so called exchange houses in the GCC countries, are playing an important role in the remittances market.

(e) An estimated USD 401 billion was sent in form of remittances to the developing world, with India being the largest recipient at USD 69 billion in the calendar year 2012.

(f) India is followed by China (USD 60 Billion), Philippines (USD 24 Billion), and Mexico (USD 23 Billion). Other countries in South Asia in the Top ten recipients including Pakistan & Bangladesh, each receiving USD 14 billion in 2012.

3. Year-wise remittances have been as follows:

<b>S.No.</b>	<b>Year</b>	<b>Remittances/Private Transfers (in USD Million)</b>	<b>Private Transfer as a percentage of Current Account Deficit (CAD).</b>
1	2006-07	30,835	
2	2007-08	43,508	
3	2008-09	46,903	168.0
4	2009-10	53,636	140.5
5	2010-11	55,618	121.1
6	2011-12	66,129	84.6

4. Country or Origin-wise remittances are as follows:

<b>Rank</b>	<b>Country</b>	<b>Amount Remitted to India (2012) in Million USD</b>
1	United Arab Emirates	14,255
2	United States	10,844
3	Saudi Arabia	7,621
4	United Kingdom	3,904
5	Bangladesh	3,716
6	Canada	3,145
7	Nepal	2,934
8	Kuwait	2,673
9	Oman	2,373
10	Qatar	2,084
11	Sri Lanka	1,283
12	Australia	1,245
13	Singapore	1,113
14	Bahrain	690
15	Malaysia	493

5. Some of the prominent means of remittances are as follows:

- (a) Transfer of an Indian Bank through Correspondent Bank (CB) overseas.
- (b) Through the SWIFT network.
- (c) Through Exchange Houses (EH)
- (d) Money transfer Service Scheme (MTSS).
- (e) Transfer through Rupee Drawing Arrangement (RDA).

6. Other than the factors mentioned in para 2(b) above, the components of cost of remittances are (a) technology used in the transfer (it in turn affects the time taken and get reflected in cost); (b) number of financial institutions involved in the remittance market in a given country, or in given corridor, as this competition pushes down costs; and the legislations governing them; © administrative and other operational costs; (d) banking and other financial regulations in both origin and destination countries; (e) remitter's preferences and urgency; (f) legal status of the remitter; (g) the larger the chain of agents & sub agents, the costlier is the transfer (especially in the MTO (Money Transfer Operators) market). Interestingly in this mode, the cost is high because the transfer is almost instant.

7. Comparative cost of remittances in some countries is enclosed as Annexure 1 to 3.

8. During the examination, "non banking channels" was erroneously understood by the Secretary as referring to non formal or "Hawala" channels. As can be seen from the above, if by non banking channels, it was meant alternative to formal banks as such, then a number of such channels do exist.

9. As desired by the Committee, the issue of collecting better statistics country-wise specially from middle-east, has been taken up with the Governor, Reserve Bank of India (RBI).

[F.NO. H-11021/06/2013-P&C]

### **(Recommendation No.14)**

The Committee noted that the Financial Service Division (FSD) of the Ministry was the nodal point for facilitating NRI investment. The Committee were dismayed to note that it had no mandate in bringing more investments into India, and the only job of MOIA in promoting NRI investment had been limited to dissemination of information and advisory. The Committee were also surprised to note that the Ministry had no data whatsoever of NRI investments facilitated through Overseas Indian Facilitation Centre (OIFC). The Committee, therefore, recommended that although there are various other institution which promote and keep track of NRI investments in India like Foreign Investment Promotion Board (FIPB) but the Ministry should work it out with the Ministry of Finance to establish such an institution under the Ministry which can work on the lines of FIPB or become the external wing/branch of FIPB outside India and it must work in coordination with FIPB to en-route the NRI investments in India through FIPB. The Committee also recommended that the Ministry must publicize the incentives and benefits available to the NRI investors at a large scale throughout the year via various channels in foreign countries and must establish a single window system for all the queries related to NRI investment.

### **Reply of the Government**

The matter was taken up with the concerned Ministries. The situation that emerges is as follows:

- (i) The current allocation of Business Rule do not envisages a great role for MOIA in foreign investments including NRI investments, and wants and for enhancing the role of MOIA, amendment to the allocation of Business Roles would be required.
- (ii) FIPB does not keep a track on NRI investments almost 87% of foreign investments is under direct route, and it is not come under FIPB at all. Data of total foreign investments is maintained by RBI.

The above position will be further expanded upon and up-dated, once information is received from the other concerned Ministry also.

[F.NO. H-11021/06/2013-P&C]

**NEW DELHI**  
**18<sup>th</sup> February, 2014**  

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**29 Magha, 1935 (Saka)**

**ANANTH KUMAR,**  
**Chairman,**  
**Standing Committee on External Affairs**

## Appendix-I

### MINUTES OF THE TENTH SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (2013-14) HELD ON 18<sup>TH</sup> FEBRUARY, 2014

The Committee sat on 18<sup>th</sup> February, 2014 from 1500 hrs. to 1530 hrs. in Committee Room No.67, Parliament House, New Delhi.

#### PRESENT

**Dr. Najma A. Heptulla - In the Chair**

#### MEMBERS

##### **LOK SABHA**

2. Shri Anto Antony
3. Shri Sansuma Khunggur Bwiswmuthiary
4. Shri Bhakta Charan Das
5. Shri Inder Singh Namdhari
6. Shri Gobinda Chandra Naskar
7. Shri Francisco Sardinha
8. Dr. Bhola Singh

##### **RAJYA SABHA**

9. Smt. Jaya Bachchan
10. Shri Murli Deora
11. Shri H.K. Dua
12. Dr. K.P. Ramalingam
13. Shri N.K. Singh
14. Shri D.P. Tripathi

#### SECRETARIAT

Dr. Ram Raj Rai

-

Director

2. Hon'ble Chairman (Shri Ananth Kumar) could not attend the sitting of the Committee due to some urgent engagement. The Committee therefore, chose Dr. Najma A. Heptulla to act as the Chairperson for the sitting in terms of Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. At the outset, the Chair welcomed the Members to the sitting of the Committee.

4. XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX.

5. The Committee then took up for consideration the Draft Action Taken Report on the recommendations contained in the 19<sup>th</sup> Report (15<sup>th</sup> Lok Sabha) of the Committee on Demands for Grants of the Ministry of Overseas Indian Affairs for the year 2013-14. The Chair invited the Members to offer their suggestions, if any, for incorporation in the draft Report. The Members suggested some minor modifications. The Committee adopted the draft Report with minor modifications.

6. The Committee then authorized the Chairman to finalize the Reports incorporating the suggestions made by the Members and present the same to the Parliament.

*The Committee then adjourned.*

## Appendix II

*(Vide Para 4 of Introduction of Report)*

### **ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE NINETEENTH REPORT OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (15<sup>TH</sup> LOK SABHA)**

- |   |                           |
|---|---------------------------|
| <b>(i) Total Number of Recommendations</b>  | <b>15</b>                 |
| <b>(ii) Recommendations/Observations, which have been accepted by the Government.</b>   |                           |
| Recommendation Nos. 1,3,6,7,10,11 & 15  |                           |
|   | <b>Total-07</b>           |
|   | <b>Percentage: 46.66%</b> |
| <b>(iii) Recommendation/Observation which the Committee do not desire to pursue in view of the Government replies.</b>                          |                           |
| NIL   |                           |
|   | <b>Total-00</b>           |
| <b>(iv) Recommendation/Observation in respect of which reply of Government have not been accepted by the Committee and require reiteration.</b> |                           |
| Recommendation No. 2 & 9  |                           |
|   | <b>Total- 02</b>          |
|   | <b>Percentage: 13.33%</b> |
| <b>(v) Recommendations/Observations in respect of which final replies of Government are still awaited.</b>                                      |                           |
| Recommendation Nos. 4,5,8,12,13 & 14  |                           |
|   | <b>Total-06</b>           |
|   | <b>Percentage: 40.00%</b> |

## Annexure - 1

### Cost of remittances transfer from Qatar to India (730 AED)

#### Remitting from Qatar to India

<b>Firm Name</b>	<b>Firm Type</b>	<b>Fee</b>	<b>Exchange Rate Margin (%)</b>	<b>Total Cost Margin (%)</b>
Doha Bank	BANK	15.00	-0.52	1.54
Xpress Money	MTO	17.00	1.17	3.50
Al Dar Exchange	MTO	20.00	0.85	3.59
Commercial Bank	BANK	20.00	0.95	3.69
Arabian Exchange Company	MTO	20.00	1.47	4.21
Commercial Bank	Bank	25.00	0.95	4.37
Al Fardan Exchange	MTO	20.00	1.73	4.47
Speed Remit	MTO	15.00	2.68	4.74
Ezremit	MTO	20.00	2.39	5.13
Ezremit	MTO	25.00	2.39	5.81
Western Union	MTO	25.00	4.19	7.62
HSBC	BANK	50.00	3.24	10.09
HSBC	BANK	70.00	3.24	12.83
<b>BANK AVERAGE</b>		<b>36.00</b>	<b>1.57</b>	<b>6.50</b>
<b>MTO AVERAGE</b>		<b>20.25</b>	<b>2.11</b>	<b>4.88</b>
<b>TOTAL AVERAGE</b>		<b>26.31</b>	<b>1.93</b>	<b>5.51</b>

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## Annexure - 2

### Cost of remittances transfer from Saudi Arabia to India (750 AED)

#### Remitting from Saudi Arabia to India

<b>Firm Name</b>	<b>Firm Type</b>	<b>Fee</b>	<b>Exchange Rate Margin (%)</b>	<b>Total Cost Margin (%)</b>
Express Money	MTO	25.00	0.56	3.89
Enjaz Bank	BANK	19.00	1.45	3.98
Money Gram	MTO	22.00	1.26	4.20
Al-Rajhi Bank	BANK	16.00	2.11	4.24
Tele Money	MTO	16.00	2.46	4.59
Saudi American Bank (SAMBA)	BANK	25.00	2.11	5.44
Western Union	MTO	25.00	2.60	5.94
<b>Bank Average</b>		<b>20.00</b>	<b>1.89</b>	<b>4.65</b>
<b>MTO Average</b>		<b>22.00</b>	<b>1.72</b>	<b>4.65</b>
<b>Total Average</b>		<b>21.14</b>	<b>1.79</b>	<b>4.61</b>

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**Annexure- 3****Cost of remittances transfer from UAE to India (735 AED)****Remitting from UAE**

<b>Firm Name</b>	<b>Firm Type</b>	<b>Fee</b>	<b>Exchange Rate Margin (%)</b>	<b>Total Cost Margin (%)</b>
HSBC	Bank	0.00	2.38	2.38
MoneyGram	MTO	15.00	0.88	2.92
Al Fardan Exchange	MTO	15.00	1.02	3.06
Al Fardan Exchange	MTO	15.00	1.02	3.06
UAE Exchange	MTO	15.00	1.08	3.12
Wall St. Exchange	MTO	15.00	1.15	3.19
Lari	MTO	15.00	1.15	3.19
Lari	MTO	15.00	1.36	3.40
Al Ansari	MTO	15.00	1.36	3.40
UAE Exchange	MTO	15.00	1.56	3.60
Al Ansari	MTO	15.00	1.63	3.67
Wall St. Exchange	MTO	15.00	2.38	4.42
Al Fardan Exchange	MTO	15.00	2.38	4.42
Western Union	MTO	15.00	2.38	4.42
Lari	MTO	15.00	2.38	4.42
HSBC	BANK	100.00	2.38	15.98
HSBC	BANK	150.00	2.38	22.79
<b>BANK AVERAGE</b>		<b>83.33</b>	<b>2.38</b>	<b>13.72</b>
<b>MTO AVERAGE</b>		<b>15.00</b>	<b>1.55</b>	<b>3.59</b>
<b>TOTAL AVERAGE</b>		<b>27.06</b>	<b>1.70</b>	<b>5.38</b>

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