

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

UNSTARRED QUESTION NO:2087  
ANSWERED ON:06.12.2006  
SYSTEM FOR OVERSEAS INDIANS  
Pallani Shamy Shri K.C .;Sugavanam Shri E.G.

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

- (a) the number of People of Indian Origin (PIOs) granted the status of Overseas Citizen of India during the last three years and till date, year-wise;
- (b) whether the Government has introduced any system of hassle free approval of the proposals for NRI investments;
- (c) if so, the details thereof;
- (d) whether the Government has started any new insurance scheme for overseas workers; and
- (e) if so, the details thereof?

**Answer**

THE MINISTER OF OVERSEAS INDIAN AFFAIRS (SHRI VAYALAR RAVI)

(a) As on 27-11-2006, 78,437 OCI documents have been issued since the Scheme was launched in January, 2006.

(b)&(c) Yes, the government has put in place a liberal and transparent policy for investment from Overseas Indians. Most of the sectors are open to Foreign Direct Investment (FDI) under the automatic route. Under the FDI policy, the facility available to Overseas Indians is given in Annexure – I.

(d)&(e) Yes, Sir. A new insurance scheme called 'Pravasi Bhartiya Bima Yojana (PBBY) was introduced in 2003. Improvements were introduced in the Scheme since February, 2006. Salient features of PBBY are:

- (i) The insurance cover has already been increased from Rs.2 lakh to Rs.5 lakh payable to the nominee in the event of death or permanent disability of any Indian Emigrant who goes for employment purpose after obtaining emigration clearance.
- (ii) Besides, an additional cover of minimum of Rs. 25,000/- is provided as legal expenses incurred by the emigrant in any litigation relating to his employment.
- (iii) The family of emigrant worker in India shall be entitled to hospitalization cover in event of death or permanent disability of the insured person for a maximum of Rs. 25,000/- per annum from the earlier Rs. 10,000/- per annum.
- (iv) The insured person is to be reimbursed actual one way economy class airfare if he falls sick or is declared medically unfit to commence or continue working and the service contract is terminated by the Foreign Employer within 12 months instead of 6 months of taking the insurance as provided in 2003 scheme.

Besides the above policy under the PBBY, an additional insurance cover of Rs. 5 lakhs at a nominal premium of Rs. 100/- to the workers going to Afghanistan for employment has been approved by the Ministry.

All these enhanced coverage are effective from February, 2006.

Annexure – I

Annexure referred to in reply to Lok Sabha Unstarred Question No. 2087 to be answered on 06.12.06 regarding Schemes/Systems for Overseas Indians.

1. Non-Resident Indians (NRIs) can invest upto 100% under the automatic route in the Housing and Real Estate Development for the following activities.

- # Development of serviced plots and construction of built up residential premises;
- # Investment in real estate covering construction of residential and commercial premises including business centers and offices;
- # Development of townships;
- # City and regional level urban infrastructure facilities, including roads and bridges;

- # Investment in participatory ventures in the above activities;
- # Investment in housing finance institutions.

2. NRIs can invest upto 100% in Indian companies engaged in Air Taxi Operation. (For foreign companies Foreign Direct Investment (FDI) is permitted only up to 49%)

#### Other facilities for NRI

In addition to the investments under the FDI policy, NRIs can also invest under other schemes under various Foreign Exchange Management Act (FEMA) Regulations in the following activities/Sectors:

# Mutual Funds.

# Investment in PSU Bonds.

# Investments up to 100% equity in proprietary/ partnership concerns, except in agricultural/plantation activity or real estate business. (Foreign companies are not allowed to invest in partnership firms/ proprietary concerns).

# Portfolio Investment Schemes: NRIs are permitted to invest in shares and debentures through secondary market purchase from the stock exchanges under the portfolio scheme. Investment limit are 5 % and 10% respectively. These limits are over and above the Foreign Institutional Investors (FII) portfolio investment limits so as to ensure that NRI investment are not crowded out by FIIs.

# NRIs can acquire immovable property, other than agricultural land/ plantation property / farm house and transfer such property to a resident, another NRI.