

The Foreign Contribution (Regulation) Bill, 2006

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MULLAPPALLY RAMACHANDRAN): Sir, on behalf of my senior colleague, Shri P. Chidambaram, I beg to move:

"That the Bill to consolidate the law to regulate the acceptance and utilization of foreign contribution or foreign hospitality by certain individuals or associations or companies and to prohibit acceptance and utilization of foreign contribution or foreign hospitality for any activities detrimental to the national interest and for matters connected therewith or incidental thereto, be taken into consideration."

Sir, the present Bill is introduced in the context of increased security concerns and resultant imperatives. The objective is to provide a framework for more effective and transparent regulation of foreign contribution for prevention of activities detrimental to national interest. The views and suggestions of the Ministry of External Affairs, Ministry of Corporate Affairs, Department of Industrial Policy and Promotion in the Ministry of Commerce and Industry and of related agencies have been taken into consideration.

The Bill, along with the Amendments that have been proposed, debars persons, who have been prosecuted or convicted for indulging in activities aimed at religious conversion through inducement of force, from receiving foreign contribution. The Bill also debars persons who have been prosecuted or convicted for creating communal tension or disharmony in any part of the country. The Bill seeks to impose a ceiling on the percentage of foreign contribution that can be spent for administrative purposes. The Bill seeks to prohibit use of foreign contribution for speculative business. It prohibits associations or companies engaged in production of broadcast of audio-visual news or current affairs programmes from foreign contributions. It provides for weeding out and cancellation of registration of Associations that have remained dormant. The provisions of this

legislation will facilitate genuine organizations working in various sectors for charitable purposes. The Bill provides greater accountability, with specific time limits for disposal of cases at different stages. It facilitates Indian nationals receiving foreign remittances from their relatives living abroad.

I request that the Bill be considered and passed.

The question was proposed.

SHRI M. RAMA JOIS (Karnataka): Sir, this Bill of 2006 is coming to us after four years. The objective of this Bill is to replace the earlier enactment, that is, the Foreign Contribution (Regulation) Act, 1976. It is coming after 35 long years. Anyhow, it is never too late to amend a law. Therefore, even though it is late by more than 35 years, it is good that an important Bill has been brought forward for consideration in the House. The reasons have been in the Statement of objects and Reasons. I quote, "Significant developments have taken place since 1984 such as change in internal security scenario, an increased influence of voluntary organizations, spread of use of communication and information technology, quantum jump in the amount of foreign contribution being received, and large growth in the number of registered organizations. This has necessitated large scale changes in the existing Act. Therefore, it has been thought appropriate to replace the present Act by a new legislation to regulate the acceptance, utilization and accounting of foreign contribution and acceptance of foreign hospitality by a person or an association".

By and large, I am in agreement with it and I support the provisions of the Bill. But there are certain aspects to which I would invite the attention of the House.

Firstly, the Act is mainly concerned with putting regulatory measures in respect of activities of an association. Under the Constitution, in article 19(1) (C), it is a fundamental right to form an association. At the same time, as per Clause (4) of article 19, no right under the Constitution, however fundamental, is hundred percent; it has to be regulated in the interest of general public. As

far as Clause 4 is concerned, the State is empowered to impose restrictions in the interest of the sovereignty and integrity of India or public order or morality. These are the four grounds on the basis of which restrictions can be imposed. It is in exercise of the enabling power of Clause (4) of article 19 that this Bill has been prepared and brought before the House.

Before that, I would like to say that associations have got a great play in the activities of a nation, particularly in our nation because since times immemorial, the associations have been recognized. The inspiration for forming associations is to render public service or help to the general public. As early as in Mahabharata, five thousand years ago, four pious obligations were prescribed to be discharged by every individual.

ऋणैः चतुर्भिः संयुक्ता जायन्ते मानवा भुवि

पितृदेवर्षि मनुजैः एयं तेभ्यश्च धर्मतः॥

Of the four pious obligations, one was towards God, the second towards parents, the third one towards the teacher and the fourth one towards fellow human beings. So, every individual has got certain duties towards all of them because without the help of other fellow human beings, we can't live happily at all. For everything, for food, for medicines, for any other requirement, we have to depend upon other fellow human beings.

Therefore, it is called the *manushya rina*, the highest obligation towards human beings. That is why, Swami Vivekananda said, jana seva is Janardana Seva. Therefore, so many organizations have come into existence. Earlier too they were there; now also they are there. Most of the organizations have come with some ideal for rendering service to humanity whether in the field of education or health or poverty alleviation or for giving scholarships, or hostel facilities to students, so on and so forth. There are a number of organizations. Nowadays, for every activity associations have been formed. There is a famous saying, संघे शक्तिः कलौ युगे।

Earlier, one individual could do miracles; but, now, without an organizational support, nobody can achieve anything.

Recently, we had an experience in the Standing Committee with regard to the Copyright Act. So many associations had come and made their presentations. But for their representations, it could not have been possible even for the Standing Committee to take the correct decisions. So many organizations have been formed.

In this regard, I may quote the status of an association. Unfortunately, during the British regime, only the Roman law was the subject for law degree course. But, whether we had any jurisprudence at all or whether we had any legal system was not known to any of the students. Myself did not know. I think, hon. Home Minister also might have studied only the Roman law because it was only in 1966; it must be said to the credit of the Bar Council of India; they asked to replace the Roman law and by Indian, legal and Constitutional History. Thereafter, the Indian legal and constitutional law has been made a compulsory subject in all the law colleges in India.

I was fortunate enough in getting the advice of Shri E.S. Venkataramanaiah, who later became the Chief Justice of India; he was the principal of a private law college. He asked me to join as a part-time Professor of that college and teach law. He then assigned me the subject of Indian legal and constitutional law. I asked him whether there was the Indian legal and constitutional law. We thought that there was nothing. He was a great scholar. He said, 'The oldest and the best jurisprudence is our Indian legal and constitutional jurisprudence.' He gave a lot of material and asked me to write on that. But for his directions I would not have done that. In 1970 I started to write on it and completed it in 1982. I have written the book titled Legal and Constitutional History of India which is now the text book for the law degree for the whole country prescribed by the Bar Council of India. Why I am

referring to it is only to show the position assigned to association in our legal and constitutional history. It was considered as a check over the activities of the state. Though king was an absolute ruler, he was directed to take advice from the associations. Here is a provision:

समूहकार्य आयातान्कृतकार्यान् विसर्जयेत्।

स दानमानसत्कारैः पूजयित्वा महीपतिः॥ (Yojna Valkya Smriti II 189)

The meaning is, the king should first attend to the business of the members of association in connection with the objectives of the association and thereafter before allowing them to disperse he should honor them nowadays, people come with presents to the Ministers; it was not like that. The king should express civility and honor the representatives of the association besides expression of civility.

Similarly, in view of the fact that a large number of associations have come up, there are a number of inscriptions—association of merchants, association of potters, association of goldsmiths, every trade in those days had an association. Then, the most important thing is to know whether these associations' activities were free without the control of the state. Even that aspect has been laid down in the Raja Dharma, Raja Dharma is the word for the constitution of the ancient India. Dharma is the code of conduct for all human beings. But Raja Dharma is specific code of conduct for the rulers. There is an entire chapter in the book I have written.

दोषवत्करणं यत्स्यादनाम्नायप्रकल्पितम्

प्रवृत्तमपि तद्राजा श्रेयस्कामो निवर्तयेत्। (Namada Smriti – 154-4-5)

The king shall prevent the associations from undertaking acts which are injurious to the interests of the state.

Long back, centuries before, the restriction to be imposed on the activities of the associations was laid down. "He shall also prevent them from wearing arms unlawfully." Under article 19 also it is said that we have the right to get together without arms. "He shall also take appropriate action

against associations indulging in the criminal acts opposed to the diktats of morality". Therefore, it is the duty of the State not only to respect the rights of individuals, including their associations, but he has the duty and the right to prevent them from acting illegally. So, this Foreign Contribution (Regulation) Bill, 2006 is really intended to control the activities of the associations. It is a matter of public knowledge, you can take notice of it, that there are so many organizations which are not being satisfied with the money which they get in our own country, but they are also going in for foreign contribution. How does that foreign contribution come? Why does that foreign contribution come? What is the amount of help which they get, and how are they using it? All these things are of utmost importance.

Therefore, as I said in the beginning itself, I support the provisions of the Bill, but there are certain aspects which I would like to bring to the notice of this House. I consider that it is not in the interest of the public or goes a little more than what is necessary. For example, I will show the provisions of the Bill regarding the definition. Association is defined as, "Association" means an association of individuals, whether incorporated or not, having an office in India and includes a society, whether registered under the Societies Registration Act, 1860, or not, and any other organization, by whatever name called." We know there is the Societies Registration Act, 1860, which is a Central enactment. Similarly, every State has got Societies Registration Act. There are Cooperative Societies Acts; there are Companies Acts; there are Trust Acts. So, the association may be formed, depending upon the choice of the individuals. There can be a cooperative society or a society registered under the Societies Registration Act or a trust or whatever it is. But, all these associations, even unregistered associations come under the purview of this Bill. That is the wide definition that has been given.

Sir, now I come to Clause 2(n), which is a very important definition of political party. I am saying this because collection of foreign money by political parties is sought to be prohibited under

this Bill. "Political party means – (i) an association or body of individual citizens of India – (A) to be registered with the Election Commission of India as a political party under section 29A of the Representation of the People Act, 1951; or (B) which has set up candidates for election to any Legislature, but is not so registered or deemed to be registered under the Election Symbols (Reservation and Allotment) order, 1968; (ii) a political party mentioned in column 2 of Table 1 and Table 2 to the notification of the Election Commission of India No.56/J&K/02, dated the 8th August, 2002, as in force for the time being." So, the definition of the political party is very clear, and according to it, no political party is entitled to get foreign contribution.

Now, I would invite the attention of the hon. Minister to Clause 3 of the Bill. It states, "No foreign contribution shall be accepted by any – (a) candidate for election; (b) correspondent, columnist, cartoonist, editor, owner, printer or publisher of a registered newspaper; "even media also. It further states, "(c) Judge, Government servant or employee of any corporation or any other body controlled or owned by the Government; (d) member of any Legislature; (e) political party or office-bearer thereof;" The next one is a very serious matter, "(f) organization of a political nature as may be specified under sub-section (1) of section 5 by the Central Government." What is meant by 'political nature'? My submission is it is Chidambaraiah because is this. 'Political nature' is left to the discretion of Central Government.

THE MINISTER OF HOME AFFAIRS (SHRI P. CHIDAMBARAM): The same provision is there in 1976. ...*(Interruptions)*...

SHRI M. RAMA JOIS: Along with this read Clause 5. Now, come to the 'political nature'. What is political nature – 'the Central Government may, having regard to the activities of the organization or the ideology propagated by the organization or the programme of the organization or the association of the organizations with the activities of any political party, by an order published in the

Official Gazette, specify such organisation as an organisation of a political nature not being a political party, referred to in clause.' Now, I will give an example. What about trade unions? There are a number of trade unions which are also registered organisations and about most of the trade unions we know to which political parties they are affiliated or belong to. If this sweeping power is given to the Central Government, the Central Government may say that a trade union is affiliated to a particular party, therefore, prevent them from getting foreign contribution. Therefore, my objection is that this 'political nature' is a very dangerous, wide and very vague expressions. The Supreme Court has held if a provision is capable of both use and abuse, then, it is violative of article 14 of the Constitution. Right from 1958 the Supreme Court in Ramkrishan Dalmia's case has said that any provision made by the legislation cannot be such that it is both capable of use as well as abuse. This is what has happened. Therefore, which is an organisation of a political nature is left to the sweet will of the Central Government. Section 5 provides that before making an order under sub-section (1), the Central Government shall give the organisation in respect of whom the order is proposed to be made, a notice in writing informing it of the ground or grounds, on which it is proposed to be specified as an organisation of political nature. So, the Government can issue a notice. It can say, 'your organisation is considered, in our opinion, an organisation of political nature, and therefore, we want to prohibit you from getting foreign contribution.' What do you say, Sir?

Then, there is another interesting provision in Clause 5(2), which says, 'provided the Central Government may by rule specify' etc. Sir, 5(3) says that the organisation to whom a notice has been served under sub-section (2), may, within a period of thirty days from the date of the notice, make a representation to the Central Government giving reasons for not specifying such organisation as an organisation under sub-section (1). The meaning is that the Central Government will issue notice stating reason to declare an association as of a political nature. Then they have given the right of representation. Then what is going to be done with that representation you see, provided that the

Central Government may entertain. So, the time limit is there, more time is also given. Sir, sub-clause 4 is most important. It says that the Central Government, may, if it considers it appropriate, forward the representation referred to in sub-section (3) to any authority to report on such representation. What is that authority? First of all, it is left to the decision of the Central Government to refer or not to refer. Now, even if it decides to refer the representation given by a particular party or association, then, it can refer to some authority. Which is that authority, it is not specified. Then the Central Government may, after considering the representation and the report of the authority, etc. So, the Central Government may send it to some authority and that whatever opinion is given by that authority is taken into consideration and the Central Government will take a decision.

My submission is you are doing it without specifying the authority, the status of the authority to which the representation is to be referred. My first objection is to power to declare an association of a political nature is itself dangerous. It is totally going to destroy the Fundamental Rights under article 19 (1) (C) of the Constitution. Even trade union activities can be barred from getting foreign contribution by exercise of this power. As far as this authority is concerned, the word authority is also extremely vague. It can be some authority of the choice of the Government. They can take the report of that authority and pass the final order. Then I come to clause 9, apart from the parties of political nature, this clause confers sweeping powers. It says that the Central Government may prohibit any person or organisation, not specified in clause 3 from accepting any foreign contribution."

Clause (b) require any person or class of persons, not specified in section 6, to obtain prior permission of the Central Government before accepting any foreign hospitality, other clauses are ;

- (c) require any person or class of persons not specified in section 11, to furnish, intimation within such time and in such manner as may be prescribed as to the amount of any foreign contribution received by such person as the case may be, and the source from which and the manner in which such contribution was received and the purpose for which and the manner in which such foreign contribution was utilized:

- (d) without prejudice to the provisions of sub-section (1) of section 11, require any person or class of persons specified in that sub-section to obtain prior permission of the Central Government before accepting any foreign contribution;
- (e) require any person or class of persons, not specified in section 6, to furnish intimation, within such time and in such manner as may be prescribed, as to the receipt of any foreign hospitality, the source from which and the manner in which such hospitality was received;

Provided that no such prohibition or requirement shall be made unless the Central Government is satisfied that the acceptance of foreign contribution by such person or class of persons, as the case may be, or the acceptance of foreign hospitality by such person, is likely to affect prejudicially". The words found in clause 4 of article 19 have been repeated here. "(i) the sovereignty and integrity of India; or (ii) public interest; or (iii) freedom or fairness of election to any Legislature; or (iv) friendly relations with any foreign State; or (v) harmony between religious, racial, social, linguistic or regional groups, castes or communities".

श्री उपसमापति : आर.पी.एन. सिंह जी, हमारी लॉबीज बहुत अच्छी है, आप वहां जाकर डिस्कस कीजिए।

SHRI M. RAMA JOIS: Thus the Central Government is at liberty to form opinion and bring any organization under any one of these grounds and prevent them from getting foreign contribution. Section 9 according to me is also confers with sweeping powers and an authority who should be consulted is also vague. Therefore, while I support the other provisions which is meant to regulate the foreign contribution. Sometimes it is well known that it is being used for some anti-national activities and recently there were attack on churches in Karnataka which became an all India news. Then Karnataka Government appointed Justice Somsekhar, a retired judge of the Andhra Pradesh High Court as an inquiry Commission. He has in his Interim Report stated that massive conversions have been done by diverting very quantity of foreign contribution for conversion. This is the Interim

finding recorded by the Commission and that gave the provocation. Otherwise, you are very well aware about Karnataka. I am there for the last 80 years. In my own home town 50 percent is Muslim population. There was never any tension, never any communal riot. In Karnataka, Christians and all others are happily living with all cooperation.

MS. MABEL REBELLO (Jharkhand): Churches were burnt and you are saying that Karnataka ...*(Interruptions)*... Karnataka is one of the States where ...*(Interruptions)*...

श्री रुद्रनारायण पाणि (उड़ीसा) : क्या आप अपनी डिबेट को सुन रही थी? ...*(व्यवधान)*... आप ऑनली डिस्बर्ब कर रही थी ...*(व्यवधान)*...

श्री उपसभापति : आप बैठिए ...*(व्यवधान)*...

सुश्री मैबल रिबेलो : आप बैठिए ...*(व्यवधान)*...

श्री रुद्रनारायण पाणि : आप बैठ जाइए ...*(व्यवधान)*... आप बैठिए ...*(व्यवधान)*... यह इनकी कर्टसी बता रही है ...*(व्यवधान)*...

सुश्री मैबल रिबेलो : क्या बात कर रहे हैं ...*(व्यवधान)*...

MR. DEPUTY CHAIRMAN: Hon. Members, what is happening here? Take the permission of the Chair. If Members from this side and that side speak, then, why should the Chair be there? You should take the permission and intervene; otherwise, it becomes free for all. It is not good. Take the permission of the Chair and then intervene.

SHRI M. RAMA JOIS: Karnataka was formed in 1956 and there has never been any attack on any other person, on churches or Christians. We are all friendly. We are living like brothers. Because of provocation there was reaction and some attack took place.

I am only giving an example. The Bill is intended to prevent such activities. Foreign countries give us money with an idea to help. In fact, I had gone to England. A number of people told me that they are ready to give money for education, health to people who are below the poverty line, etc.,

provided it is not misused. Therefore, I appeal to the hon. Minister to rectify the defects that I have pointed out. And, I support the rest of the provisions. Thank you.

SHRI SHANTARAM LAXMAN NAIK (Goa): Sir, I rise to support the Foreign Contribution (Regulation) Bill, 2006. This is a very vital legislation which has come up during this Session. I think, it should not have been taken this much of time to see the light of the day. The original Act of 1976 was amended in 1984 and now we are trying to have a totally different Act by fully replacing the existing Act with good provisions.

The objective of this Bill is well-laid down in para (1) the Statement of Objects and Reasons. It summarizes what the Government intends to do. It says, 'significant developments have taken place since 1984 such as change in internal security scenario, an increase influence of voluntary organizations, spread of use of communication and IT, quantum jump in the amount of foreign contribution being received and a large-scale growth in the number of registered organizations.' This summarizes rightly the objective of the proposed legislation.

Sir, my senior colleague, Shri Jois, had mentioned about some associations being provocative. Basically, what I remember is, there was an objection on the part of an association with regard to dress code of younger generation. That particular association wanted our young generation to use a particular type of dress. Virtually, the Government of Karnataka had become a 'tailor.' It wanted to tell you that we will use only this type of dress and no other type of dress. That has also created a problem. Sir, Shri Jois has quoted a Report without quoting anything. You have just mentioned that this particular Report says conversion, etc., etc. That is not correct. Basically, these associations wanted to take upon themselves as a cultural policeman. The Government of Karnataka, unfortunately, was supporting that association.

Secondly, NGOs, today, play an important role. Therefore, NGOs could take foreign contribution and rightly so as they are entitled under our laws. They should be regulated. Now, most

of the Government of India's schemes are implemented by NGOs. Without NGOs we will not be able to implement some of our schemes. Therefore, in that light, the role of NGOs is very vital. Even I have been saying that the unregistered Self-Help Groups should also be made compulsorily registered if they are to be given grants, etc.

As far as foreign contribution goes, I will only read the figures of the last three years. Sir, in 2005-06, the number of registered associations was 32,144, the number of reporting associations was 18,570 and the amount of contribution they received was Rs. 7,877.57 crores. Out of which, religious associations took Rs.3,075.77 crores. Similarly, in 2006-07, the number of registered associations was 32,937, the number of reporting associations was 18,996 and the contribution obtained was Rs.11,336.97 crores.

Out of which, the religious institutions take a sizable amount. It is a matter of concern as to what the religious institutions do with this type of money. I am concerned more because some of these institutions spread superstitions in the society than anything else. If they do pure religious things, cultural things, there is no problem. But if you see, they spread superstitions in the society; they are against scientific temper; if anybody tries to enlighten them, they go against him. Most of the associations, or, NGOs, we can call them, are registered under the Societies Registration Act, 1860. So far as the definition of 'association', as given in this Bill, is concerned, it says, "An 'association' means an association of individuals, whether incorporated or not, having an office in India and includes society, whether registered under the Societies Registration Act, 1860, or not". Why should option be given to them in such a vital matter? When they take contribution, why don't you make an 'association' compulsorily registered under the relevant Act?

I would like to urge upon you to insist that these associations are registered, not only for the purpose of foreign contribution, but these should otherwise also be registered under the Societies Registration Act, 1860. Since the Societies Registration Act, 1860 is a skeleton Act, containing hardly

any provisions for controlling them and making them accountable, that Act also needs to be amended. Therefore, it is very essential that these associations are under the Societies Registration Act, 1860. Then, wherever applicable, scrutiny must be light. There is no doubt about it. But the applications must be disposed of fast. I pleaded the case of a society, the Chairman of that society was Mr. Mohan Ranade. Many people may be knowing him. He was a veteran freedom fighter. He remained in Portuguese jail for many years. When he returned India, lakhs of people received him in Mumbai. He was such a great freedom fighter. I don't know his political affiliations, which could be that side also. But the application of that man's organizations kept on pending for years together. I pleaded with the concerned officials. And, ultimately, I got that registered. After the scrutiny of the case, the Ministry takes over. This is an electronic age. Any query can be sought through e-mail. If any additional document is required, it can be scanned and sent through e-mail. And, the matter can be disposed of within 15-20 days. But, for no reasons, it takes years together. I pleaded two such cases. Therefore, if there are genuine cases, there should not be any undue delay.

Then, if some illegalities and malpractices, which take place, the Unlawful Prevention Act also comes into force. I would like to say, though this subject is not directly connected, that we may have to ban many, many organizations, in course of time, either because of fund misutilization or otherwise. But, there is a provision in that Act by which a Government decision goes to a Board or a Council, whatever it is called, only after confirmation by the concerned authority. And, only then the order, passed by the Government, comes into effect. Therefore, in the present scenario, in the present situation, this provision is redundant. It is an obstacle in the way of tightening the situation.

Sir, there are many institutions which are working in the guise of religious institutions. I am telling you about an on-record association. There is an association called Sanatan Sansthan in Goa which has been doing religious work for many years. Bhajans take place there. Nobody doubted them. Though we have seen that they are affiliated with some Party, we did not mind as long as they

were doing religious activities. All of a sudden, one fine day, some members of that Association carried out a bomb blast and they were caught. Two persons died. Subsequently, others were arrested. Now the NIA has filed a prosecution against those persons. How can you imagine that a member of a purely religious body which is preaching religion can, all of a sudden, engage in this thing? Therefore, Sir, I would urge upon the Government to be very careful as far as scrutiny of these religious associations is concerned. Recently, we found that some members of the RSS were engaged in terrorist activities. I think RSS people themselves got a setback. But the point is in such cases, where funding comes from, how they utilize those funds has to be seen. Then, again, it has been said by the Minister that funding for speculative purposes is banned. Whether this Association is investing in shares or any instrument equivalent to shares has also to be scrutinized. Making inquiries only after somebody has complained will not serve the purpose. Suo motu, the Ministry of Home Affairs must have some machinery. We know very well the damage which the Vishwa Hindu Parishad is doing nowadays in the country. Their members, their well-wishers are spread all over the world. How they get their funds, how they are utilizing those fund needs to be scrutinized in the national interest and security of the country. These associations, as we have seen now, are somehow or other engaged in activities which are detrimental to the society. They are not as pure as they seem to be. They used to say, "we are very patriotic and we are engaged in propagation of patriotism, nationalism." Where is that patriotism and nationalism? Some of them are engaged in terrorism now. Therefore, you cannot take these associations for granted.

Then, Sir, foreign contribution becomes more important now because there is now a free economy. Investments are coming, multinationals are coming; therefore, more and more multinationals will get involved in local politics. In times to come, these companies will field candidates, these companies will finance candidates. Therefore, foreign contribution will come in this manner also. These companies will come, their officials will come and they will humiliate us. You all

know what Charles Coomer said. He said, "Infosys is chop shop." Recently, when United States went into recession, we never called the United States as a Banana Republic. We would have been justified in calling the United States as Banana Republic, forget about chop shop. And, if it is a chop shop, then, Union Carbide is, obviously, a slaughter house. We can very well call it a slaughter house. What I mean to say is that we have to be very careful about these officials who come here in the name of carrying business because our policy provides for it. They are welcome but they should control themselves. We have seen the story of e-mail sent yesterday. A genuine e-mail was sent by Ahluwaliaji. That was accepted by him. In reply, the officer said, "okay, you do your job. You see that the Dow is not harassed." What is this? The Government of India is not going to go down to such things. There is no doubt about it. But this indicates their mindset. We have to be careful about this mindset. We are not going to tolerate any type of East India company here in future.

Sir, one mistake was committed centuries back. So, we have to be very careful. Although investment is welcome, multinationals are welcome, but they should function here as per our laws.

Lastly, Sir, I feel, the NGOs need to be encouraged. Their foreign contribution requirements are to be met. But I will urge upon the hon. Home Minister to scrutinize the functioning of those NGOs and those NGOs who do good social work, those who wish to help the society, those who want to eradicate poverty, those who are engaged in increasing scientific temper in the society, need to be encouraged. Encourage those NGOs. I request you to help and dispose their applications at the earliest. Otherwise, let NGOs go and work for the welfare of those women and children who are being harassed in the name of superstition. Please encourage those associations. I wish the new law all the success.

SHRI PRASANTA CHATTERJEE (West Bengal): Sir, over the years, a need has been felt to further amend some of the clauses of the Foreign Contribution and Regulation Bill for the purpose of further strengthening the national security in the national interest.

This manner had also been discussed in the Standing Committee on Home Affairs. I will confine myself to certain suggestions which have not been taken into consideration and I requested the Minister to consider them here.

Sir, we have seen the Clause 12 has been elaborately redrafted or redrafted. In the Standing Committee, many Members expressed their views in regard to Clause 12. I will come to that a little later. According to me, one or two things have been left out.

Now, Sir, so far as clause 8(1) (b) is concerned, it is said, "shall not defray as far as possible such sum, not exceeding fifty percent of such contribution, received in a financial year to meet administrative expenses." Sir, I am of the opinion that this cap of 50 percent on administrative expenses is very high, and, as such, I propose to reduce the same to 25 percent. However, the Government should also have the power to relax it in appropriate cases. This is what I would like to submit here for the consideration of the hon. Minister as far as this particular clause is concerned.

Then, Sir, as I mentioned earlier, Clause 12 has been redrafted or changed elaborately. Though it has been done, but still I would like to point out something with regard to this amended clause 12 (4) (a) (vi). This clause states that "the authorized officer is required to be satisfied that the organization is not likely to use the foreign contribution for personal gains or divert it for undesirable purposes." That is there, Sir, I am of the opinion that this should not be left to the subjective assessment of the concerned official and it should be clearly defined. Sir, I hereby suggest that the Government may ask for an affidavit from the organization to the effect that the foreign contribution will not be used for personal gains or diverted for undesirable purposes. This may be considered and looked into in order to further strengthen the provisions.

Sir, I now come to the amended clauses 12(4) (b) and (c). It was previously 12(3) (b) and (c). As per these clauses, the official concerned was required to determine whether the organization had prepared a "reasonable project"; it previously said, "meaningful project". Now, as amended, it

says, "Reasonable project", for the targeted group intended to receive foreign contribution. These forward-looking statements are subject to subjective interpretations of the relevant officials. It should not be left to the interpretation of the relevant officials alone. I would suggest that the term should be specifically defined. In certain cases, an affidavit can be sought from the organization.

Then, Sir, in clause 18, it was stated that all organizations receiving foreign contributions should submit yearly audit accounts to the Government. I would like to suggest that these audited accounts should either be published in some of the national newspapers or put up on their websites. This is the suggestion I wish to make so far as submission of audited accounts to the Government is concerned.

Then, Sir, I come to clause 38, which relates to prohibition of acceptance of foreign contribution. It was earlier said that any person "convicted for such offence shall not accept any foreign contribution for a period of three years from the date of subsequent conviction". As discussed in the Standing Committee, it has been amended and it has been changed to five years from three years. But, why 'subsequent conviction'; why not from the first conviction? I would like the hon. Minister to consider this point.

Finally, Sir, I come to clause 18(2) which read, "Every person receiving foreign contribution shall submit a copy of a statement indicating therein the particulars of foreign contribution received duly certified by officer of the bank." Now that the Reserve Bank has a wing and in that process the Reserve Bank is also involved, why not suggest that the statement should be duly certified by the Reserve Bank of India, to further strengthen the provision?

These are the points I wished to make. With these observations, I support this Bill.

SHRI N.K. SINGH (Bihar): Thank you, Sir. I also wish to support the basic objective and the thrust of this Bill, which is to tighten the provisions of the 1976 Act. And, therefore, some of the

suggestions which I make are concerned more with the Operationalisation and the implementation of the Act than making any substantive drafting changes at this stage.

My first point, Sir, is that after the enactment of the 2006 Bill, there were several other Bills which were also enacted; for instance. The Unlawful Activities Prevention

Act, 1967, The Prevention of Money Laundering Act and The Foreign Exchange Management Act, which was subsequently amended. Therefore, we must make sure that since in many of the working of the provisions of the subsequent Acts and their amendments there could be a duplication in the working of the present Foreign Contribution Regulation Act, as amended, there is no conflict in the operational working of this present law with the laws which have subsequently been enacted. My second point, Sir, is that the Bill provides that voluntary organizations must register with the FCNR.

(THE VICE-CHAIRMAN, PROF. P.J. KURIEN, in the Chair)

The registration process, unfortunately, confers a number of discretionary powers on authorized officers and the process of registration remains somewhat opaque. Thirdly, this present Act restricts the registration to five years and thereafter, it enjoins upon the beneficiary to really seek a renewal of the registration. There is, however, no timeframe again prescribed, or, when the renewal will take place, much less the provision of any appeal in the event of rejection of his application.

My next point, Sir, relates to the religious conversion where the words 'inducement' 'indirectly' have been left to the interpretation of the authorized officer. It would, perhaps, lend a greater clarity to the working of this Act if, at least, in the rules to be framed subsequently after the enactment of this, these terms – 'inducement' and 'indirectly' – can be more rigorously defined.

I also agree with the point made by the previous speaker, Shri Prasanta Chatterjee, that the word 'reasonable project' in the forward looking statement has been left again undefined, leaving it to various kinds of interpretational ambiguities, and, perhaps, it would be better if this word 'reasonable project' can be defined more closely. Similarly, in the same spirit, while talking about the political nature of the organisation, the word 'political nature of the organisation' remains undefined. I go on, Sir, that in relation to foreign hospitality, whereas the Act does provide various kinds of hospitalities which can be accepted or not, it does leave the word 'purely casual' as again liable to interpretational ambiguity. For instance, Sir, would acceptance of hospitality from centres of academic excellence, like Harvard or Oxford, come under the ambit of the exemption or come under the ambit of 'purely casual' under the framework of the Act? Perhaps, it would lend greater clarity if this could also be defined.

My next point is that the Bill specifies that the interest accrued on income from foreign contribution shall also be considered as FCRA funding. This could be an issue if the group plans for the interest part to help in building a certain corpus of the fund. And, this is an objective, I think, we should support.

Two other points, when it comes to offences and penalties, there is no value which has been kept on the total value of the currency which is seized which will attract prosecution. My final point, Sir, is that in the working of the Office of the FCNR, there are a lot of administrative changes which are necessary. The present amendments strengthen the Act, but, I think, that that Office remains greatly divided. Half the time, he is doing administrative work; half the time, he is doing quasi judicial work. Having had the privilege of working in the Ministry of Home Affairs for some time, the person, who was responsible, was bit of a person worn down between attending meetings in the North Block and continued to work in the Office which had been assigned to him. If he is to discharge judicial functions which are enjoined upon him under the Act, if the hon. Home Minister could consider strengthening the administrative structure of the Office of the FCNR, it will enable him a timely disposal of the cases. Also, Sir, that would enable him to fix firm timelines – in what period, the

4.00 P.M.

applications will be received; when an interim order will be passed; why can't it be done online; why can't, for instance, repetitive references be avoided so that we are able to have an orderly arrangement in the application of the new rigours and the new punishments and offences which this Act provides. Thank you, Sir.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Thank you very much for strictly adhering to the time. Now, Shri Tiruchi Siva.

SHRI TIRUCHI SIVA (Tamil Nadu): Sir, the Foreign Contribution (Regulation) Bill, 2006, replaces the Foreign Contribution (Regulation) Act, 1976. It was originally enacted to regulate the acceptance and utilization of foreign funds through donations and gifts.

The Annual Report (2004-05) of the Ministry of Home Affairs with regard to the FCRA states "The primary purpose of this Act is to ensure that foreign contribution is utilized for genuine activities without compromising on concerns for national security." Sir, as cited by my previous speakers, this new Bill tightens restrictions on foreign contribution primarily to the voluntary sector and political organizations. Though the stated objective of the Bill is to strengthen internal security, it addresses only the voluntary sector, and, only from foreign funds.

Sir, the non-Government Organizations and the voluntary sector in India have expanded over the last ten years, of which many are funded, at least, partially by foreign donors. The number of FCRA-registered associations increased from 16,740 in 1995 to 30,321 in 2005, of which about 60 to 65 per cent reported their foreign contribution acceptance.

The foreign contribution increased from Rs. 2,169 crore in 1995-96 to Rs. 6,256 crore in 2004-05, with a 23 per cent jump between 2003-04 and 2004-05. Sir, the main point is that these funds constitute about 0.06 percent of the gross annual inflow of foreign funds into India. So, there is a

jump in the increase. Actually, the inflow is very less; it is 0.6 per cent. In comparison, the Indian corporate sector contributed about Rs. 30,000 crore to Rs. 35,000 crore to charitable institutions in 2006-07. Sir, the Minister, who has taken much effort to tighten these restrictions, should also regulate other things.

As Mr. N.K. Singh also pointed out, many of the objectives of the Bill are met by other laws in force such as the Unlawful Activities Prevention Act, 1967; the Prevention of Money Laundering Act, 2002; the Foreign Exchange Management Act, 1999; and, the Income Tax Act, 1961.

Sir, I have one or two clarifications. Firstly, there is some ambiguity, or, you can say, there is no clarity with regard to the definition of foreign source. The Standing Committee, in one of its recommendations, has stated that the definition of 'foreign source' is vague in relation to the status of Indian companies with more than fifty per cent foreign holding. The Committee has been given to understand that such foreign holding is permitted under FDI or FII norms. The Committee, therefore, recommends that Indian companies, where the foreign holding is in excess of 50 per cent, may be excluded from the purview of the definition of 'foreign source', and, accordingly, the definition may be modified.

Sir, clause 5(3) provides for a notice period of thirty days for the organisation to make a representation. On this, it says, "The Committee, however, expresses its concern over the fact that there is no provision or a time-frame in the clause for a post-decisional hearing, or, in other words, there is no provision for an appellate authority, before whom an appeal may be made against the Government's decision. In the absence of a time frame and an appellate authority, the Government may procrastinate decision, and, during this period of animated suspension, the sword of Damocles will be hanging on the organisation." It has also given a recommendation that a time frame may be provided, within which the Government has to take a decision on specifying whether an organisation is of a political nature, political party, or not.

The Committee made an observation. Sir, clause 6 says, "No member of a Legislature or office-bearer of a political party or Judge or Government servant or employee of any corporation or any other body owned or controlled by the Government shall, while visiting any country or territory outside India, accept, except with the prior permission of the Central Government, any foreign hospitality." Sir, I think, the observation of the Standing Committee holds good. I was also a Member of the Committee earlier. It is said that the Committee, after having discussions, comes to the conclusion that the definition of foreign hospitality is not clear regarding the status of a person, whether in official or personal capacity, when he is on foreign visit. (Time-bell) Excuse me, Sir. The Committee was of the view that clause 6 does not clarify the status of a person when traveling abroad – whether in personal or official capacity. It is said that the Committee, therefore, also feels that restriction on acceptance of foreign hospitality provided in clause 6 should appropriately apply to a person when one is traveling to a foreign country in one's official capacity. This is the recommendation of the Standing Committee.

Sir, I have just one or two more points. Then, I come to the discretionary powers of the authorized offices. These are loopholes also. I would like to suggest to the hon. Minister that under the current law and in the proposed Bill, there are some loopholes for bypassing the FCRA requirements by channelling the funds through commercial firms as consultation fee, etc. This must be plugged. Sir, organizations of political nature and electronic media organizations have been included in the new Bill. Sir, with these things, this Bill holds good. I support this Bill. Thank you.

SHRI SYED AZEEZ PASHA (Andhra Pradesh): Sir, we will support the Bill with certain observations and clarifications. There are thirty-three lakh NGOs in our country and then, there are registered, unregistered, etc., as Shri Tiruchi Siva and others said. But, out of them, nearly about 8000 NGOs have not shown the records for the past three years. So, this law is going to check all these discrepancies. As it has already been pointed out, NGOs are playing a very important role in

various fields like education, health, etc. At the time of disasters and natural calamities, they reach out to the masses; they go to rural areas and inform the people about optimum utilization of land, livestock and other sources. But, on the other hand, we find certain fake and fictitious NGOs also which are indulging in racketeering work and minting money. But, it will be unjust to dub all the NGOs in the same category because most of the NGOs are really doing a good work.

Sir, I want to seek certain clarifications. This Bill does not provide any guidelines to define 'organizations of political nature'. So, it is purely the discretion of the bureaucrat to define which one is political and which one is non-political. And then, the FCRA confers discretionary powers to the authorized officer. In this regard, I want to give a very glaring example of former Home Minister, Mr. Indrajit Gupta. When he was the Home Minister, he happened to be the president of an NGO, Chandra Raje Shroff Foundation for Social Justice. They applied for registration. To the utter surprise, registration of the NGO, which was presided over by the Home Minister, was rejected. I don't know whether the Secretary has seen the entire file or not. This is one of the episodes. Afterwards, they applied for registration once again. Then, there is no clarity in the term 'foreign hospitality. It says: "It has given exemption to a purely casual one also." And here, in regard to the foreign hospitality, I am, again, giving another glaring example of Shri Bhupesh Gupta, a famous, veteran parliamentarian whose status is also there in our Parliament. He applied for going to Bulgaria for a diagnosis. The then Deputy Secretary had given the reply by saying "This particular treatment of the disease is there in AIIMS. So, you need not go." But, later, when Giani Zail Singh, who was, then, Home Minister, came to know about that, he immediately telephoned Bhupesh Guptaji and said, "Sir, I am immediately sending the letter. That fellow, I do not know why, did not understand that when you are going to Bulgaria for a treatment, you should have been given the permission." Then, Mr. Bhupesh Gupta said, "No. I have already taken a decision not to go to Bulgaria. But I want to have a full-fledged discussion in the Parliament." Then, immediately, he sent the then

Minister of State for Home Affairs, Shri Om Mehta, to personally explain the matter. Then, he said, "Here is the permission letter, Sir. That fellow has committed a blunder. He has done a mistake. You can go any time as you like." Mr. Gupta said, "No, I have already taken a decision, I am a man of principle. So, I want, anyhow, a discussion in the Parliament." Anyhow, there is a long story. (*Time Bell rings*) And, you are seeing the timeframe. So, such sort of things are there. When you give discretionary powers, overwhelming powers to the bureaucrats, they can be mis-utilised. You have to see that they are utilized properly.

Sir, the Bill does not specify the time for granting a permission or a certificate of registration or renewal. I think there should be a proper timeframe. If you are denying that, why are you denying? That should also be given on the website because there are many examples wherein some persons have got the permission within 15 days, but for some other persons, the permission is kept pending for the past five to six months without any sort of clarifications. So, everything should be transparent and it should be given on the website so that the applicants could know why it is not being granted.

One thing more, Mr. Vice-Chairperson, Sir, I want to mention here. Some NGOs are putting pressure by saying why can't you put it in abeyance because in the Prime Minister's office, the NGOs' role is going to be decided. If it is going to be thoroughly discussed, the NGOs' role, in the Prime Minister's office, if it comes, we can do more justice. It is up to the Ministry to think it over whether it is right time or not. Thank you. Sir.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Thank you, Mr. Pasha. Now, Shri Bharatkumar Raut.

SHRI BHARATKUMAR RAUT (Maharashtra): Sir, I welcome this Bill. It is, really, overdue. Like many of my predecessor speakers, I am also wondering why it took so much time. The Bill was introduced in 2006; four years have passed before it came for consideration. I think, in his reply, the hon. Home Minister, would give some explanation for that.

Sir, even though this Bill is, really, very comprehensive, I still have a couple of queries to raise and a couple of observations to make. One observation which has been made by my predecessor speaker is about clause 6 relating to "foreign hospitality" to be enjoyed by the officer. When it says

legislators, office bearers or political parties, judges and Government employees, I think, this needs to be explained further. This is because when I was not a Member of the State Legislature, when I was not a Member of Parliament but I was still working in the political field, I used to be invited by some American universities and they were offering lodging/boarding facilities. Do you consider this 'a foreign hospitality'? If they do not given me these lodging/ boarding facilities, then why should I go there? I am not speaking about politics, but I am speaking on journalism. Does that mean that even then, I have to seek your permission before going?

I think that you need to clarify this. Otherwise, this clause becomes a problem not only for parliamentarians but also for people from all walks of life. When you call them office bearers of political parties, those who have nothing to do with the Parliament or the State Assemblies, why should they seek your permission? That is one of my queries. Definitely there should be an answer for this.

Another thing which I have observed in this Bill is that in respect of registration, certification and renewals too much of discretionary powers are given to different authorities. Too much of discretionary powers are given to them. There should be more transparency, as far as these tasks are concerned. Take, for example, registration. If a registration is rejected, then what is the course? If a renewal does not come for five or six years, then what happens to that? So, there should be more transparency and the authorities should be reasonably answerable to the question why they are rejecting it or why they are accepting it.

Sir, one more point and I will stop at that. It relates to the medical NGOs. I am sure that the hon. Minister is aware that there are many NGOs which run public health projects. To my surprise these NGOs are funded by foreign pharmaceutical companies. The pharmaceutical companies fund these NGOs to push their products into the Indian market. The whole thing happens underground.

There is an NGO or something like that in America. They fund the NGOs in India. The task given is health and on the pretext of health protection and health education, their products are dumped into the Indian market. Do you want to do this? I think, there should be more stringent clauses for those NGOs who are working in the public health area.

As far as religious funding is concerned, many of my colleagues have already spoken. I think, the Government should take a stringent view there also. No foreign funds should come to India in the name of religious institutions or for schools run by religious institutions as they are utilized for untoward purposes. Than you.

SHRI PYARIMOHAN MOHAPATRA (Orissa): Thank you, very much, Sir. I think, all the practical issues have been raised now. I will only try to clarify a few points for the understanding, hopefully, of our brilliant Home Minister because he has a brilliant mind. I am afraid, he has not read this Bill before giving his consent. I am afraid, because in answer to a question it was stated that there were 18,796 NGOs receiving foreign aid or contribution which amounted to Rs.9,663 crores. These NGOs constitute six per cent of the total number of NGOs, that is, 3 lakhs, in the country. The contribution that they have received is about 12 per cent of the funds received by the NGOs in this country, that is, Rs. 80,000 crores. These NGOs have received Rs. 9,663 crores. It means, on an average, Rs.50 lakhs per NGO. Why are we becoming so suspicious? The problem with this law is this. It doesn't recognize that good NGOs exist. I would like to tell, through you, Sir, the hon. Minister as to what is the problem. The problem is in the North Block.

Five or six years ago, a reputed NGO, working in a remote district of Orissa, run by a person who I knew, came to me seeking help. I said, "Go to North Block. Things will be perfectly all right." I rang up the Joint Secretary and told him to look into his case. Now, this man must have gone there three or four times over a period of six months. He was then told by someone in Delhi, "There is a

chap called Surinder. Why don't you go to him? You will get it in no time." So, he went looking for Surinder. Finally, he found him, and Surinder also agreed. He said, "If you pay so much of money, then, you will get it in 15 days. If you pay something more, you will get it in three days." So, he again consulted some people here and was told by them, "Instead of running here and there so many times and spending so much money, you pay him up, and get things done." He did it and got the registration. Now, I cannot give an affidavit to prove that this exactly happened. But I know for sure it happened. I am bringing it to your notice for this reasons that when you give so much of powers, unbridled powers, in the age of economic liberalization, there will only be witch-hunting of NGOs.

Sir, I will give you another example. I wish I had known this earlier; my friend, Shri Shantaram Naik, mentioned that he approached the Home Minister and got it. I approached Shri Shivraj Patil in the case of an NGO which was put up by late Shri Jayaprakash Narayan. It is still lying with the Ministry. The fate of it is not known. Thanks to you for making a provision that the grounds of rejection will be made known. Thanks for making a provision that within such and such time, registration will be made, or, be intimated otherwise. Please given the time-limit in each case; wherever there is provision for rejection, kindly give the time-limit. Now, this renewal provision is going to cause us a lot of problems. Why is it five years? It was pleaded in the Standing Committee, especially, by Shri Bimal Jalan, to make it ten years. I don't think this is necessary with the kind of monitoring system that you have put in place. Here again, why should it be for five years or ten years? There is no need for it. Now you have also made a provision for cancellation and suspension. How many cases, out of 18,976 cases, have you suspended or cancelled? You have put 41 in the prohibited category and frozen the accounts of another 41,50 you have proceeded against only 82 out of 18,976 cases.

Then, Sir, about administrative expenses, my friends have pointed out certain facts. I would also point out a few things. I head a research organization which goes into micro-level research in to tribal issues. I know what are the expenses involved. Ninety-five per cent of the costs are towards administrative expenses. I am glad we have not applied for registration for receiving foreign contributions. Had we been registered, or, my organization been registered, we would not have been able to function. For heaven's sake, do not have this 25 per cent limit. This 25 per cent will not help any research organization because research organizations have to spend a lot on such expenses; they have to pay investigators, hire vehicles, print forms and, finally print reports. Everything is administrative or contingency expenditure.

Sir, there is one point more which I would like to mention. As for Clause 21, why do you arrogate to yourself the powers of the Election Commission? You say, every candidate for election who had received any foreign contribution would declare it in such time and such manner as is prescribed in the law under intimation to the Central Government. Why don't you put it as a part of the Election Commission guidelines, because the Election Commission asks you to give the property statement, this and that? Please include it there. Please do not bring it within this Act.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): All right. Now, the hon. Minister.

SHRI V.P. SINGH BADNORE (Rajasthan): Sir, I will take just one minute, if you permit me.

Sir, I do support the Foreign Contribution Regulation Bill, 2006. I seek a small clarification. If the objective of this Bill is only to strengthen internal security, then it is a very good Bill. But does it also look into the inflow and the funding of NGOs? Sir, there are hundreds and thousands of NGOs which are misusing funds that are coming from outside. Are you going to look into the misuse of those funds in a different way?

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Yes. You have made your point.

SHRI V.P. SINGH BADNORE: Sir, there are NGOs working in tribal areas who show afforestation area and, then, they go to another country and show the same afforestation area and get funds and, then, to the third country and so on, and they have been doing it for many years. Are you going to look into that part also or is it only the internal security part?

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): All right. Please take your seat. Mr. Minister, please.

SHRI M. RAMA JOIS: Sir, I have two points to make.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Now, no. what is this? You are a senior man.

SHRI P. CHIDAMBARAM: You just mention the sections.

SHRI M. RAMA JOIS: I won't take much time.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): You have already spoken. ...*(Interruptions)*... What is this?

SHRI P. CHIDAMBARAM: You just mention the sections.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): It is not permissible after you have already spoken.

SHRI M. RAMA JOIS: Just two points, Sir.

SHRI P. CHIDAMBARAM: You just mention the Sections or send me a note and I will reply to it.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): That is right. It is not permissible. You have already spoken. ...*(Interruptions)*... After the Minister's reply, I will allow. You can raise it then and I will allow you. ...*(Interruptions)*... If you do not get the reply from the Minister, I will allow you and you can raise it then.

SHRI P. CHIDAMBARAM: Sir, I am grateful to the hon. Members for the support they have extended to the Foreign Contribution (Regulation) Bill which was introduced in 2006 but which has come up for consideration and passing in 2010. The foreign contribution law and the rules thereunder were made in 1976. We have examined the working of the law in the last 34 years and we think it is time to replace it by a brand new law. That is why, instead of attempting piecemeal amendments to that law, we are bringing a fresh Bill.

Sir, this Bill has gone through a Group of Ministers; it has gone through the Standing Committee; again, it went through another Group of Ministers; and, finally, the version that is now before the House with official amendments is what is being considered by the House.

Sir, the objectives of the Bill are, indeed, to regulate the acceptance and utilization of foreign contribution or foreign hospitality. We think that this is a matter which requires to be regulated. We cannot have a *laissez faire* system of either foreign contribution or foreign hospitality.

And who are being regulated? Certain individuals are being regulated. Not any individual, but certain individuals are being regulated. Associations are being regulated. Companies are being regulated. The regulations have been so framed that while legitimate charitable social, educational, medical and activity that serves any public purpose is allowed, foreign money does not dominate social and political discourse in India. There is enough money for charity within India. Enough money can be raised within India for charitable causes, social causes. But, if you want to access foreign money, then one has to come under a system of regulation. The regulation is of two kinds. The first is, certain categories are totally prohibited. Well, that, Sir, is a *a priori* position. You can argue philosophically, but, the Government places before Parliament an *a priori* position, these people must be prohibited. A minister must be prohibited. A judge must be prohibited. A political party must be prohibited. You may argue, are there not good judges, are there not good ministers, are there not

good Parliamentarians who should be allowed to receive money? But, that is a philosophical argument. That is a metaphysical argument. We think that these categories must be prohibited.

The other is, they will be allowed to receive money, but in a regulated manner. That again divides into two categories. The normal rule is, if you wish to receive foreign money, take prior permission. If you wish to avail of foreign hospitality, take prior permission. There is no absolute prohibition. It is simply disclosure and taking prior permission. Then, we say, if the track record of the organization is very good for a period of three years or five years, if you are filing accounts, if you are using the money properly, if there are no complaints against you either by the donor or by the beneficiaries, if you have not violated any law, based upon your track record, we will give you registration which places you in a less restricted regime. You can receive the money, use it and give accounts every year. I think, this classification is logical; some are prohibited, the rest are regulated. Regulation takes two forms. The rule is, take prior permission. When your track record is good, you can graduate to the category of registration. I think, broadly, this should be acceptable to all Members of Parliament. I think, the Standing Committee has accepted it and I am grateful to the Standing Committee for supporting the Bill.

Sir, we have accepted a large number of recommendations of the Standing Committee. We have reworded the preamble. We have said that any fee payment in lieu of certain services rendered will be excluded from the definition of foreign contribution; organizations of the political nature, not being political parties will be placed in the prohibited category. That is the recommendation of the Standing Committee. Use of foreign contribution or any income arising out of it for speculative business will be proscribed. Administrative expenses will be capped at 50 percent; that again is endorsed by the Standing Committee.

The registration be granted for a period of five years with automatic renewal for a period of five years to all applicants except those who are defaulters is provided for. A fee will be charged for grant

of registration, prior permission and renewal; the fee will be specified. Rejection will be supported by reasons and reasons will be given in writing. Suspension of a registration certificate can only be for a maximum period of 180 days pending an inquiry. Cancellation of registration will be done only after giving reasonable opportunity of hearing. Foreign contribution will be routed through a single bank account. But, you can open one or more accounts to utilize the foreign contribution.

Receipt must be through a single bank account. But, when you spend it, depending upon your area of activity, you can have more than one bank account. Country-wise information data base will be maintained. The provisions for punishment for violations have been made stricter, and compounding is being provided for minor violations. We have also partly accepted several recommendations, and I won't read them to you. We have not accepted two recommendations. "Restriction on availing of foreign hospitality during visits abroad should apply only when one is traveling in official capacity." Now, this can give rise to problems. If you allow a person to travel in an official capacity and then in an unofficial capacity and then say your prohibition is only when in unofficial capacity, I think, that will lead to problems. It is because he will travel in an official capacity and then avail of the hospitality. The next time, he will say, "I am traveling in a non-official capacity". I think that is not possible. This we will have to relate to the status of the person, the office he is holding. We could not accept that recommendation. Likewise, when a foreign company or a foreign individual owns 51 percent of an Indian company and he makes a foreign contribution, that has to be treated as a foreign contribution. These are only two recommendations that we have not accepted. All other recommendations have been wholly accepted or substantially accepted.

Sir, we are now dealing with nearly 40,000 associations. In fact, the number, as on July, 2010 is, 40,173. My biggest problem when I reviewed this Act is, one-half of the associations do not report the foreign contributions; they do not file accounts. So, what does it mean? It is a way of looking at it. The glass is either half empty or half full. You can say, half the organizations are very honest, so

why have regulations of so strict nature? But, you can turn around and say, half the organizations are not so honest, therefore, regulation is necessary. This is the problem. One half of the organizations do not report their foreign contributions. Therefore, that is a cause for worry. Where is the money that they are getting going? Therefore, today, we have taken power that if the organizations do not file accounts or do not report, then, we have taken the power now, after issuing a show cause notice, their registration will be cancelled, and then further consequences will follow. I think the size of the money that is coming into this country is large; the number of organizations not reporting is one half the number, nearly one half the number, therefore, it is absolutely necessary to have a stricter law rather than a liberal law. Maybe a time will come when 90% of the organizations are reporting faithfully, they have web sites; they disclose their accounts. Maybe at that time, we can consider a more liberal law. But, today, given the situation in which we are, the amount of money that is coming into the country and the fact that one half of the organizations do not report or do not file accounts, it is necessary to have strict regulation. That is the reason for it. ...*(Interruptions)*... See, one half, which is reporting, is reporting Rs.10,000 crores. The other half, which is not reporting, let us assume, this is another Rs.10,000 crores. Now, Rs.10,000 crores which have not been reported or accounted for it is a very large amount of money. That is why, I think, regulation is necessary.

Sir, many of the things which the hon. Members said have to be dealt with in the rules. They may appear vague, but any law, Mr. Rama Jois knows, if you read it without the rules will appear to be vague. But, many of the things have to be provided for in the rules.

Wherever it is necessary, wherever it becomes excessive delegation, we have provided it here. But most of the things have to be done in the rules and guidelines and that is why I think any law which is drafted will appear to vest a large amount of discretion. But the rule making power is intended to control that discretion or power. Many of these will indeed be dealt with under the rules.

Now, Mr. Rama Jois mentioned clause 5. Clause 5 is already there in Section 5 of the present Act. You mentioned Clause 9. Clause 9 is already Section 10 in the present Act. These are not new provisions. These are the provisions which have been repeated because these are wholesome provisions that have stood the test of law. 'Political nature', in fact, we have said that the present law is rather vague. The new law says on political nature we will lay down guidelines, we will frame rules, we will issue a show cause notice, and we will give the reasons why an organisation is being called an organisation of a political nature. We will get their reply, and then we will pass an order either of placing them in the category of organizations of a political nature, and publish that notification. If it is abused, if it is unreasonable, they know how to challenge it in the court of law. In fact, we are making it more transparent, we are making it more rule based and more reason based. Likewise, Clause 9 is already there in the present Section 10. The point is well taken. Functionaries must exercise powers within reasonable time. One of the reasons why we have not administered this law as effectively as I believe we should have administered is the paucity of human resources in this Division.. When you start a Division of this kind you start with the hope that there will be a few hundred organizations and a few hundred crores will come. But suddenly the whole thing rises at a geometric proportion; the number doubles and doubles every three or four years. The amount doubles and doubles every three or four years. Unfortunately, our systems do not allow so many hands to come in the Division so quickly. But we are now trying to strengthen the Division. This Division which deals with about forty thousand organizations and deals with about, I do not know, twenty to twenty-five thousand crores of rupees, must indeed have more human resources. But once human resource comes, we will indeed lay down timelines in which each application should be disposed of. In fact, one of my plans is that every application should automatically get on to a website, when it was made. Then if it is returned that should also go on the website, when it was returned for completion of information, then, whether it was either accepted or rejected, all that should go on the website. It will be developed. Once a new law is made, we will develop that. Sir, administrative expenses are capped

at 50 percent but I want to read sub-clause 2 which gives power to the Government to indicate the guidelines for what would be considered administrative expenses. If your administrative exceed 50 percent, all that is required is you must get the approval of the Government. It is not that you cannot spend 51 percent. We will now say what would fall under administrative expenses and that should, as far as possible, not exceed 50 percent. If it exceeds 50 percent, you would have to get the approval of the Government. Sir, renewal, why is renewal for five years. Now, we think that an organisation should be allowed registration for five years and automatically renewal for five years unless it attracts penal provisions. I think once in five years it is good that organizations receiving foreign money renew themselves. I do not think we can renew for ever. An organisation, in fact, has infinite lifetime, therefore, it is no finite lifetime for an organisation. I think it is good that once in five years they should come up for scrutiny. Sir, I accept the suggestion that much of the information and much of the way in which these applications are dealt with must be put on the website and we will certainly follow that. There were some questions about Clause 6 read with clause 2(1). There is indeed a restriction on accepting foreign hospitality. In the beginning I said, some categories must be restricted because of the office you hold, the status you have, the position you hold it must be restricted. If you still want to accept foreign hospitality, you must get prior permission. If a Member of Parliament wants to travel abroad and receive foreign hospitality, there is no harm in his applying and the application is invariably granted and foreign hospitality is allowed. Foreign hospitality definition in 2(1) does include boarding and lodging. You have to disclose so and so has invited me and I am staying there for three days, I am going to stay in this hotel and they are going to pay for the hotel and food. That is perfectly logical, once you accept my philosophy that some categories must indeed be prohibited because of the status, because of the position, they hold. Sir, with these words, I commend the Bill.

There are official amendments. We will take a few minutes to pass the official amendments. I want you to read the Bill with the official amendments. If you read the Bill with the official amendments there will be greater clarity. But, I do take all your points. We will address many of them while the rules are being made.

श्री रुद्रनारायण पाणि : नॉर्थ ब्लॉक के सुरिन्दर के बारे में कुछ कहिए।

SHRI P. CHIDAMBARAM: Now, I would like you to tell me who Surinder is. If you tell me who Surinder is.

SHRI S.S. AHLUWALIA (Jharkhand): I believe I am not.

SHRI P. CHIDAMBARAM: If you tell me who Surinder is, we will ensure that Surinder is put under the prohibited category.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): The question is:

"That the Bill to consolidate the law to regulate the acceptance and utilization of foreign contribution or foreign hospitality by certain individuals or associations or companies and to prohibit acceptance and utilization of foreign contribution or foreign hospitality for any activities detrimental to the national interest and for matters connected therewith or incidental thereto, be taken into consideration."

The motion was adopted.

Clause 2 –Definitions

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall now take up clause by clause consideration of the Bill. We shall, now, take up Clause 2. There are two Amendments (Nos. 3 and 4) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 3) That at page 4, for lines 9 and 10, the following be substituted, namely:-

"(E) Municipality as defined in clause (e) of article 243 P of the Constitution."

(No.4) That at page 4, for lines 14 and 15, the following be substituted, namely:-

"(G) Panchayat as defined in clause (d) of article 243 of the Constitution; or

(H) any other elective body as may be notified by the Central Government;"

The questions were put and the motions were adopted.

Clause 2, as amended, was added to the Bill.

Clause 3 was added the Bill.

Clause 4 – Persons to whom section shall not apply

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 4. There are two Amendments (No. 5 and 6) by Shri P. Chidambaram.

SHRI P. CHIDAMBRAM: Sir, I move:

(No. 5) That at page 6, for line 25, the following be substituted, namely:-

The Foreign Exchange Management Act, 1999; or".

(No. 6) That at page 6, after line 25, the following be inserted, namely:-

(g) by way of any scholarship, stipend or any payment of like nature;.

The questions were put and the motions were adopted.

Clause 4, as amended, was added to the Bill.

Clause 5 – Procedure to notify an organization of a political nature.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 5. There are three Amendments (No. 7 to 9) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 7) That at page 6, after line 34, the following proviso be inserted, namely:-

"Provided that the Central Government may, by rules made by it, frame the guidelines specifying the ground or grounds on which an organisation shall be specified as an organisation of a political nature."

(No. 8) That at page 6, lines 39 to 41 be deleted.

(No. 9) That at page 7, after line 9, the following be inserted, namely:-

"(6) Every order under sub-section (1) shall be made within a period of one hundred and twenty days from the date of issue of notice under sub-section (2):

Provided that in case no order is made within the said period of one hundred and twenty days, the Central Government shall, after recording the reasons therefor, make an order under sub-section (1) within a period of sixty days from the expiry of the said period of one hundred and twenty days."

The questions were put and the motions were adopted.

Clause 5, as amended, was added to the Bill.

Clause 6 was added to the Bill.

Clause 7 – Prohibition to transfer foreign contribution to other person.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 7. There is one Amendment (No. 10) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No.10) That at page 7, after line 26, the following proviso be inserted, namely:-

"Provided that such person may transfer, with the prior approval of the Central Government, a part of such foreign contribution to any other person who has not been granted a certificate or obtained permission under this Act in accordance with the rules made by the Central Government."

The question was put and the motion was adopted.

Clause 7, as amended, was added to the Bill.

**Clause 8 – Restriction to utilize foreign contribution
for administrative purpose**

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 8. There is one Amendment (No. 11) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 11) That at page 7, after line 32, the following proviso be inserted, namely:-

"Provided further that the Central Government shall, by rules, specify the activities or business which shall be construed as speculative business for the purpose of this section."

The questions was put and the motion was adopted.

Clause 8, as amended, was added to the Bill.

Clauses 9 and 10 were added to the Bill.

Clause 11 – Registration of certain persons with Central Government.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 11. There is one Amendment (no. 12) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 12) That at page 9, line 2, for the words "from specific source", the words "from the specific source" be substituted.

The question was put and the motion was adopted.

Clause 11, as amended, was added to the Bill.

Clause 12- Grant of certificate of registration.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 12. There are two Amendments (No. 13 and 14) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 13) That at page 9, for lines 24 to 46, the following be substituted, namely:-

"(3) If on receipt of an application for grant of certificate or giving prior permission and after making such inquiry as the Central government deems fit, it is of the opinion that the conditions specified in sub-section (4) are satisfied, it may, ordinarily within ninety days from the date of receipt of application under sub-section (1), register such person and grant him a certificate or give him prior permission, as the case may be, subject to such terms and conditions as may be prescribed:

Provided that in case the Central Government does not grant, within the said period of ninety days, a certificate or give prior permission, it shall communicate the reasons therefor to the applicant:

Provided further that a person shall not be eligible for grant of certificate or giving prior permission, if his certificate has been suspended and such suspension of certificate continues on the date of making application.

(4) The following shall be the conditions for the purposes of sub-section (3), namely:

(a) the persons making an application for registration or grant or prior permission under sub-section (1), -

(i) is not fictitious or benami;

(ii) has not been prosecuted or convicted for indulging in activities aimed at conversion through inducement or force, either directly or indirectly, from one religious faith to another;

- (iii) has not been prosecuted or convicted for creating communal tension or disharmony in any specified district or any other part of the country;
- (iv) has not been found guilty of diversion or mis-utilization of its funds;
- (v) is not engaged or likely to engage in propagation of sedition or advocate violent methods to achieve its ends;
- (vi) is not likely to use the foreign contribution for personal gains or divert it for undesirable purposes;
- (vii) has not contravened any of the provisions of this Act;
- (viii) has not been prohibited from accepting foreign contribution;
- (b) the person making an application for registration under sub-section (1) has undertaken reasonable activity in its chosen field for the benefit of the society for which the foreign contribution is proposed to be utilized;
- (c) the person making an application for giving prior permission under sub-section (1) has prepared a reasonable project for the benefit of the society for which the foreign contribution is proposed to be utilized;
- (d) in case the person being an individual, such individual has neither been convicted under any law for the time being in force nor any prosecution for any offence pending against him;
- (e) in case the person being other than an individual, any of its directors or office bearers has neither been convicted under any law for the time being in force nor any prosecution for any offence is pending against him;
- (f) the acceptance of foreign contribution by the person referred to in sub-section (1) is not likely to affect prejudicially –
 - (i) the sovereignty and integrity of India; or
 - (ii) the security, strategic, scientific or economic interest of the State; or

- (iii) the public interest; or
 - (iv) freedom or fairness of election to any Legislature; or
 - (v) friendly relation with any foreign State; or
 - (vi) harmony between religious, racial, social, linguistic, regional groups, castes, or communities;
 - (g) the acceptance of foreign contribution referred to in sub-section (1),
 - (i) shall not lead to incitement of an offence;
 - (ii) shall not endanger the life or physical safety of any person.
- (5) Where the Central Government refuses the grant of certificate or does not give prior permission, it shall record in its order the reasons therefor and furnish a copy thereof to the applicant:

Provident that the Central Government may not communicate the reasons for refusal for grant of certificate or for not giving prior permission to the applicant under this section in cases where there is no obligation to give any information or documents or records or papers, under the Right to information Act, 2005.

- (6) The certificate granted under sub-section (3) shall be valid for a period of five years and the prior permission shall be valid for the specific purpose or specific amount of foreign contribution proposed to be received, as the case may be."

(No. 14) That at page 10, lines 1 to 35 be deleted.

The questions were put and the motions were adopted.

Clause 12, as amended, was added to the Bill.

Clause 13 was added to the Bill.

Clause 14 – Cancellation of certificate

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 14. There are two Amendments (No. 15 and 16) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 15) That at page 11, for line 13, the following be substituted, namely:-

"or order made thereunder; or".

(No. 16) That at page 11, after line 13, the following be inserted, namely:-

"(e) if the holder of the certificate has not been engaged in any reasonable activity in its chosen field for the benefit of the society for two consecutive years or has become defunct."

The questions were put and the motions were adopted.

Clause 14, as amended, was added to the Bill.

(Contd. By NBR/3N)

Clause 15 was added to the Bill.

Clause 16 – Renewal of certificate

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 16. There are three Amendments (Nos. 17 to 19) By Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 17) That at page 11, line 34, for the words "renew the certificate", the words "renew the certificate, ordinarily within ninety days from the date of receipts of application for renewal of certificate" be substituted.

(No. 18) That at page 11, after line 35, the following proviso be inserted, namely:-

"Provided that in case the Central Government does not renew the certificate within the said period of ninety days, it shall communicate the reasons therefore to the applicant."

(No. 19) That at page 11, line 36, for the words "Provided that", the words "Provided further that" be substituted.

The questions were put and the motions were adopted.

Clause 16, as amended, was added to the Bill.

Clause 17 – Foreign contribution through scheduled bank

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 17. There is one Amendment (No. 20) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 20) That at page 12, line 3, for the words "the words " the amount of foreign remittance", the words "prescribed amount of foreign remittance" be substituted.

The question was put and the motion was adopted.

Clause 17, as amended, was added to the Bill.

Clauses 18 to 31 were added to the Bill.

Clause 32 – Revision of orders by Central Government

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 32. There is one Amendment (No. 21) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 21) That at page 15, line 9, for the words "for revision, call for and examine", the words "call for and examine" be substituted.

The question was put and the motion was adopted.

Clause 32, as amended, was added to the Bill.

**Clause 33 – Making of false statement, declaration
or delivering false accounts**

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 33. There is one Amendment (No. 22) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 22) That at page 15, line 37, for the words "three years", the words " six months" be substituted.

The question was put and the motion was adopted.

Clause 33, as amended, was added to the Bill.

Clauses 34 to 37 were added to the Bill.

Clause 38 – Prohibition of acceptance of foreign contribution

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 38 of the Bill. There is one Amendment (No. 23) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 23) That at page 16, line 20, for the words "three years", the words "five years" be substituted.

The question was put and the motion was adopted.

Clause 38, as amended, was added to the Bill.

Clauses 39 to 44 were added to the Bill.

Clause 45 – Protection of action taken in good faith

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 45 of the Bill. There is one Amendment (No. 24) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 24) That at page 17, line 44, for the words "referred to",
the words "referred to in" be substituted.

The question was put and the motion was adopted.

Clause 45, as amended, was added to the Bill.

Clause 46 was added to the Bill.

Clause 47 – Delegation of powers

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 47 of the Bill. There is one Amendment (No. 25) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 25) That at page 18, line 5, for the word and figure

"section 22", the word and figure "section 48" be substituted.

The question was put and the motion was adopted.

Clause 47, as amended, was added to the Bill.

Clause 48 – Power to make rules

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 48. There are seven Amendments (Nos. 26 to 32) by Shri Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 26) That at page 18, for lines 17 and 18, the following be substituted, namely:-

"(d) guidelines specifying the ground or grounds one which an organization may be specified as an organization of political nature under sub-section (1) of section 5;"

(No. 27) That at page 18, after line 18, the following be inserted, namely:-

"(da) the activities or business which shall be construed as speculative business under the proviso to clause (a) of sub-section (1) of section 8;"

(No. 28) That at page 18, line 21, for the words "and manner", the words "and the manner" be substituted.

(No. 29) That at page 18, line 24, for the words "and manner", the words "and the manner" be substituted.

(No. 30) That at page 18, line 45, for the words "form, and manner", the words "prescribed amount of foreign remittance, the form and manner" be substituted.

(No. 31) That at page 19, line 1, for the words " and manner", the words "and the manner" be substituted.

(No. 32) That at page 19, line 7, for the words "and manner", the words "and the manner" be substituted.

The question were put and the motions were adopted.

Clause 48, as amended, was added to the Bill.

Clauses 49 to 54 were added to the Bill.

Clause 1 – Short title, extent, application and commencement

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up Clause 1 of the Bill. There is one Amendment (No. 2) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 2) That at page 1, line 5, for the figure "2006", the figure "2010" be substituted.

The question was put and the motion was adopted.

Clause 1, as amended, was added to the Bill.

ENACTING FORMULA

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): We shall, now, take up the Enacting Formula. There is one Amendment (No. 1) by Shri P. Chidambaram.

SHRI P. CHIDAMBARAM: Sir, I move:

(No. 1) That at page 1, line 1, for the word "Fifty-seventh:",

The word "Sixty-first" be *substituted*.

The question was put and the motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill.

SHRI P. CHIDAMBARAM: Sir, I move: That the Bill, as amended, be passed.

The question was put and the motion was adopted.

The Land Ports Authority of India Bill, 2010

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI AJAY MAKEN): Sir, on behalf of my senior colleague, Shri P. Chidambaram, I beg to move:

"That the Bill to provide for the establishment of the Land Ports Authority of India to put in place systems which address security imperative and for the development and management of facilities for cross border movement of passengers and goods at designated points along the international borders of India and for matters connected therewith or incidental thereto, as passed by Lok Sabha, be taken into consideration".

The Land Ports Authority of India Bill, 2009, as introduced in the Lok Sabha on 7th August, 2009, was referred to the Department-related Parliamentary Standing Committee on Home Affairs for its examination and report. The Committee considered the Bill and presented its report to Rajya Sabha on 24.02.2010.

The infrastructure available with the Customs, Immigration and other regulatory authorities at the existing border-crossing points on our land borders are generally inadequate. The supporting non-sovereign facilities are also either inadequate or absent and all regulatory and support functions are generally not available in one premises. Even where the facilities are located in close proximity, there is no single agency responsible for coordinated functioning of various Government agencies/ service providers. To overcome such bottle necks at such border-crossing points and with a view to facilitate legitimate cross border trade and commerce and movement of passengers, it has been decided to develop 'integrated check post' (ICPS), which are envisage to provide required facilities