

MR. CHAIRMAN : Hon. Members, please allow the Question Hour proceed ...(*Interruptions*)...

SHRI GOVINDRAO ADIK (Maharashtra) : The Chair has given the ruling...(*Interruptions*)...

MR. CHAIRMAN : Thank you.

श्री रुद्रनारायण पाणि (उड़ीसा) : सभापति महोदय, इस आसन पर आज आपके तीन साल हो गए हैं। हम आपका अभिनंदन करते हैं।

श्री रवि शंकर प्रसाद (बिहार) : सर, पाणि जी ने कितनी अच्छी बात कही है।

MR. CHAIRMAN : He is good friend of mine. Thank you. Question No. 241.

ORAL ANSWERS TO QUESTIONS

Illegal funds from abroad

*241. SHRI MAHENDRA MOHAN : Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government is aware that several anti-national organizations in the country have been receiving huge amount of illegal funds from abroad through various channels and using the same for violent activities;

(b) if so, the facts and the details thereof;

(c) whether the Central Government's efforts to check the flow of funds have been inadequate; and

(d) if so, the latest strategies Government proposes to adopt to stop the flow of illegal funds in the country?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MULLAPPALLY RAMACHANDRAN) : (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) and (b) Under Unlawful Activities (Prevention) Act, 34 terrorist organisations have been banned. Apart from this, the ban order applies also to organisations listed in the Schedule to the UN Prevention and Suppression of Terrorism (Implementation of Security Council Resolution) Order,

2007 made u/s 2 of the United Nations (Security Council) Act, 1947 as amended from time to time. No such banned organisations or their front organisations are given permission to receive foreign contribution under the Foreign Contribution (Regulation) Act, 1976.

(c) and (d) Central intelligence/security agencies work in close cooperation with their counterparts in the State to gather information regarding this matter. In the case of NGOs seeking 'prior permission' or 'registration' under FC(R) Act 1976, no permission is given without scrutiny. The FC(R) Act 1976 is proposed to be replaced by a new Act incorporating provisions for greater transparency and accountability. The regulatory mechanism would also get further strengthened. The Unlawful Activities (Prevention) Act, 1967 was amended in 2008 to reinforce the punitive provisions to combat the terrorism. The Prevention of Money Laundering Act, 2002 was amended in 2009, to *inter-alia*, expand the schedule of offences. Certain offences under the Unlawful Activities (Prevention) Act, 1967 have been included as scheduled offences under Prevention of Money Laundering Act. The FLU-IND is also assisting the law enforcement agencies by way of disseminating financial intelligence. The implementation of Foreign Exchange Management Act, 1999 is done by the Directorate of Enforcement and other concerned agencies. There has been close coordination between the agencies of Ministry of Home Affairs and Ministry of Finance, geared towards combating terror funding.

SHRI MAHENDRA MOHAN : Mr. Chairman, through you, I would like to inform the hon. Minister that in spite of all the laws which he has mentioned in his reply, anti-national organizations are getting funds and they are creating disturbances in day-to-day operations of the Government of India and in various States, especially, in Kashmir, Chhattisgarh, Jharkhand and West Bengal.

So, I would like to know whether he has the information that Interpol has placed the size of *hawala* money in India to the size of 40 per cent of India's Gross Domestic Product, and, according to some figures available from Interpol Website, it can be to the tune of 680 billion dollars. According to the KPMG audit, it can be to the tune of 1.5 trillion dollars. Sir, this money is mostly going for anti-national activities. So, through you, Sir, I would like to know from the hon. Home Minister whether the Government has estimated this amount and identified groups which are laundering this money and whether our legislations have been able to deal with such massive flow of funds.

SHRI P. CHIDAMBARAM : Sir, I think, the question has shifted from the unlawful organizations and anti-national organizations receiving money to money laundering. If a question is to be answered on money laundering, I respectfully submit that that has to be put to the Minister of Finance because money laundering falls under the Ministry Finance. Be that as it may, I am willing to answer the question to the best of my ability. I don't think we should be carried away by these estimates made by an audit organization. KPMG is a well known audit organization. Interpol is simply an international agency which is represented by the different Police organizations. These are estimates which are made. For what its worth, we can look into those estimates but I don't agree with these estimates. I think these are exaggerated estimates. Any specific case where it attracts the Unlawful Activities (Prevention) Act or the Foreign Contribution Regulation Act, I will certainly answer that. But if questions are raised about money laundering, I request the hon. Member to put it to the Minister of Finance who has the Enforcement Directorate under him as well as the Prevention of Money Laundering Act which was passed by this House.

SHRI MAHENDRA MOHAN : Sir, I hope the hon. Minister will agree that these anti-national activities are being conducted only by the funds which they are getting, and, as Home Minister, he has to control these anti-national activities. Sir, you must have also read today about fake currencies. The fake currency movement is there, and, because of all these things, the Maoist activities, the Naxalite activities, the terrorist activities are all happening. Ultimately, the Home Minister has to control them and it is the joint responsibility of the Government through the Finance Minister and the Home Minister to see how it is controlled. The reason why I am saying it is because as per our information, the Maoists are having a Budget to the tune of two thousand crore of rupees and this money is coming to them mostly through anti-national organizations. So, if these laws are not...

MR. CHAIRMAN : Question, please.

SHRI MAHENDRA MOHAN : Sir, my question is, how is he going to stop these anti-national organizations from damaging security of the country?

SHRI P. CHIDAMBARAM : Sir, anti-national organizations are able to raise money. Where there

is evidence that money is coming from abroad, we do take action against these organizations. In fact, the Unlawful Activities Prevention Act has a special section on funding of an unlawful association or a terrorist organization. Now, fake currency is a separate problem. All major currencies in the world are, to some extent, affected by counterfeit currency. The Indian rupee is no exception. We have investigated a number of cases of fake currency. We have interdicted a number of consignments of fake currency. I have answered questions in Parliament; I am willing to answer questions in Parliament on fake currency. Now, as far as raising resources is concerned -- you mentioned CPI (Maoists) -- you would do well to remember that the CPI (Maoists) is able to raise money within India. They raise money by looting banks. They raise money by levying amounts on businesses in their areas. For example, only a few days ago, in Orissa, a vehicle carrying 49 lakhs of rupees of the State Bank of India was waylaid, commandeered and the money was looted. The matter is under investigation. They are able to raise money within India. We have no evidence so far that the CPI (Maoists) is getting money from abroad, certainly not through legal channels some money is flowing in. There is no hard evidence of that. The CPI (Maoists) is able to raise money within India by coercion, extortion and by looting.

PROF. P.J. KURIEN : Sir, the hon. Minister has said in his reply that no permission is given under the FOR Act, 1976 without adequate scrutiny. Now, since alot of money is coming from abroad and many agencies are receiving and spending it in the country, have you got any mechanism to monitor how this money is being spent by these agencies? If so, what is the mechanism for monitoring it and upon monitoring, in how many cases have you found out malpractices?

SHRI P. CHIDAMBARAM : Yes, Sir. There is mechanism to monitor use of money. Every organization that receives money under the FCRA is required to file an account. Some don't and, therefore, action is taken. I can give you a list of the broad category of cases. In nine cases, matter has been referred to the CBI and the CBI has filed chargesheets in some of those cases. Forty-one associations have been prevented from receiving foreign contribution. Thirty-five associations, which were earlier in the registration category, have been moved to the prior permission category, and in

eleven cases, the accounts of the recipients have been frozen under section 12 of FCRA. So, we have taken action in nearly a hundred cases. Because the provisions of the law on use of funds are rather weak, we are now introducing the new Foreign Contribution Regulation Act. The old law will be replaced by a new law once Parliament approves it.

श्री अविनाश राय खन्ना : सभापति जी, मैं माननीय मंत्री जी से जानना चाहूंगा, इस काम के लिए तीन एजेंसीज एन्चोल्ड होती हैं, एक तो मिनिस्ट्री ऑफ फॉरेन अफेयर्स, दूसरा मिनिस्ट्री ऑफ होम अफेयर्स और तीसरा मिनिस्ट्री ऑफ फाइनांस। इन तीनों मिनिस्ट्रीज में अगर कोई इन्फॉर्मेशन किसी एक को मिलती है कि फॉरेन में पैसा भेजने के लिए कौन सी ऑर्गनाइजेशन काम कर रही है, तो क्या इन तीनों में ऐसा कोई कोऑर्डिनेशन है कि ये इन्फॉर्मेशन शेयर होती हो? क्या तीनों में कोई ऐसा मैकेनिज्म बनाया गया है?

SHRI P. CHIDAMBARAM : There is the Central Economic Intelligence Bureau under the Ministry of Finance. That is the nodal point at which all the agencies meet regularly and share information under the guidelines of the CEIB. Information that has to be acted upon peremptorily is shared immediately with the other agencies. CEIB is the clearing house for all this information.

DR. K.P. RAMALINGAM : Sir, can I know from the hon. Home Minister regarding the action taken against the person who received unauthorised huge funds from foreign country which have been deposited in the nationalised banks and utilised*and saying, "I don't know about the funds, where it has come from, who has sent us"? For how many days, or, how many years, the case will be dragged on? In Tamil Nadu, the then Chief Minister received unauthorised funds...(Interruptions)...

DR. V. MAITREYAN : Sir, this is highly objectionable. I strongly object. It should be expunged. He has said that funds were used...(Interruptions)...

MR. CHAIRMAN : Hon. Member has asked his question. Let the hon. Minister reply.

DR. V. MAITREYAN : Sir, it should be withdrawn. I strongly object to it...(Interruptions)...

MR. CHAIRMAN : Records will be examined and whatever is incorrect will be deleted.

DR. V. MAITREYAN : Sir, he should not be allowed to ask the question.

*Withdrawn by hon. Member.

DR. K.P. RAMALINGAM : Sir, I will withdraw the remark*. But, the question should be answered.

DR. V. MAITREYAN : The matter is *sub judice*. It cannot be discussed in the House.

MR. CHAIRMAN : Listen to the Minister...*(Interruptions)*....

SHRI P. CHIDAMBARAM : Listen to my answer, Sir, if I recall the facts of the case, there is an allegation that the Foreign Exchange Management Act has been violated. The matter is under investigation and, therefore, I cannot answer any more on that case because FEMA falls under the Ministry of Finance.

DR. K.P. RAMALINGAM : For how long, the case will be dragged on?

MR. CHAIRMAN : Please, no supplementaries on supplementaries. Now, Question No. 242.

Effect of invasive procedures declared illegal

*242. SHRI ISHWAR SINGH : Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether presently an accused in India enjoys the right against self-incrimination, the right to remain silent and the right against giving information under physical or mental pressure;

(b) if so, whether the current invasive procedures such as narco analysis, brain-mapping and polygraph tests are brazen violations of such rights as recently held by the Supreme Court declaring that such procedures constitute a gross abuse of human rights; and

(c) whether in the absence of these now-barred investigative procedures, third degree methods of interrogation will get further entrenched?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MULLAPPALLY RAMACHANDRAN) : (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) As per Article 20(3) of the Constitution of India no person accused of any offence shall be compelled to be a witness against himself.

* Withdrawn by hon. Member.