



**160**

**PARLIAMENT OF INDIA  
RAJYA SABHA**

**DEPARTMENT-RELATED PARLIAMENTARY STANDING  
COMMITTEE ON HOME AFFAIRS**

**ONE HUNDRED AND SIXTIETH REPORT**

**ON**

**THE UNLAWFUL ACTIVITIES (PREVENTION)  
AMENDMENT BILL, 2011**

---

**(PRESENTED TO RAJYA SABHA ON 28 MARCH, 2012)  
(LAID ON THE TABLE OF LOK SABHA ON 28 MARCH, 2012)**

**RAJYA SABHA SECRETARIAT  
NEW DELHI  
..MARCH, 2012/ CHAITRA, 1933 (SAKA)**

**PARLIAMENT OF INDIA**  
**RAJYA SABHA**

**DEPARTMENT-RELATED PARLIAMENTARY  
STANDING COMMITTEE ON HOME AFFAIRS**

**ONE HUNDRED AND SIXTIETH REPORT**

**ON**

**THE UNLAWFUL ACTIVITIES (PREVENTION)  
AMENDMENT BILL, 2011**

---

**(PRESENTED TO RAJYA SABHA ON 28 MARCH, 2012)  
(LAID ON THE TABLE OF LOK SABHA ON 28 MARCH, 2012)**



**RAJYA SABHA SECRETARIAT  
NEW DELHI  
MARCH, 2012/ CHAITRA, 1933 (SAKA)**

## CONTENTS

	PAGES
COMPOSITION OF THE COMMITTEE	(i)
PREFACE	(ii) - (iii)
REPORT	1 - 19
*OBSERVATIONS/CONCLUSIONS AND RECOMMENDATIONS OF THE COMMITTEE AT A GLANCE	
* RELEVANT MINUTES OF MEETINGS OF COMMITTEE	
*ANNEXURES	
I. The Unlawful Activities (Prevention) Amendment Bill, 2011	
II. Press Communiqué dated 13 <sup>th</sup> February, 2012 on the Bill	

---

**\* To be appended at the printing stage**

**Composition of the  
Department-related Parliamentary Standing  
Committee on Home Affairs  
(re-constituted w.e.f. 31<sup>st</sup> August, 2011)**

**Rajya Sabha**

1. Shri M. Venkaiah Naidu - Chairman
2. Shri Rishang Keishing
3. Dr. N. Janardhana Reddy
4. Shri S.S. Ahluwalia
5. Vacant\*
6. Shri Prasanta Chatterjee
7. Shri Tariq Anwar
8. Dr. V. Maitreyan
9. Shri D. Raja
10. Shri Javed Akhtar

**Lok Sabha**

11. Shri L.K. Advani
12. Shri Sansuma Khunggur Bwiswmuthiary
13. Shri Khagen Das
14. Dr. Kakali Ghosh Dastidar
15. Shri Ramen Deka
16. Shri Lagadapati Raja Gopal
17. Shri Mohammad Asrarul Haque
18. Shri Naveen Jindal
19. Shri Jitender Singh Malik
20. Shri Babulal Marandi
21. Shri Baijayant Panda
22. Shri Lalubhai B. Patel
23. Shri Natubhai Gomanbhai Patel
24. Dr. Nilesh N. Rane
25. Shri Navjot Singh Siddhu<sup>#</sup>
26. Shri Adhi Sankar
27. Shri Hamdullah Sayeed
28. Shri Neeraj Shekhar
29. Shri Ravneet Singh
30. Shri Harsh Vardhan
31. Shri Dinesh Chandra Yadav

**SECRETARIAT**

Shri P.P.K. Ramacharyulu, Joint Secretary  
Shri A.K. Gandhi, Director  
Shri D.K. Mishra, Joint Director  
Shri Bhupendra Bhaskar, Assistant Director  
Shri Sanjeev Khokhar, Committee Officer  
Shri Anurag Ranjan, Committee Officer

(i)

---

\* Consequent upon resignation of Shri Naresh Chandra Agrawal from the membership of Rajya Sabha w.e.f. 13<sup>th</sup> March, 2012.

# Shri Navjot Singh Siddhu nominated w.e.f. 3 January 2012 *vice* Shri Bishnu Pada Ray who was nominated to the Committee on Rural Development.

## PREFACE

I, the Chairman of the Department-related Parliamentary Standing Committee on Home Affairs, having been authorized by the Committee to submit the Report on its behalf, do hereby present this One Hundred and Sixtieth Report on the Unlawful Activities (Prevention) Amendment Bill, 2011.

2.0 In pursuance of the rules relating to the Department-related Parliamentary Standing Committees, the Chairman, Rajya Sabha, referred\* the Unlawful Activities (Prevention) Amendment Bill, 2011, as introduced in Lok Sabha on 29<sup>th</sup> December 2011 and pending therein, to the Committee on Home Affairs on 13<sup>th</sup> January, 2012, for examination and report thereon by 31<sup>st</sup> March, 2012.

3.0 The Unlawful Activities (Prevention) Amendment Bill, 2011 seeks to amend certain Sections of the Unlawful Activities (Prevention) Act (UAPA), 1967 (as amended in 2004 and 2008).

4.0 The Committee in its sitting held on 13<sup>th</sup> February, 2012, considered the Unlawful Activities (Prevention) Amendment Bill, 2011 and felt that the provisions and contents of the Bill have far reaching implications. The Committee, therefore, decided to issue press release (Annexure-I) inviting written memoranda from the individuals/organisations, etc. on the Bill. The Committee, while taking into consideration the fact that the State Governments/UTs are also involved in implementing the Unlawful Activities (Prevention) Act, felt that it would be necessary to seek comments from the various State Governments and Union Territories on the Bill to have comprehensive and meaningful discussion on the Bill and accordingly, State/UT Governments were requested to furnish their comments. However, in response to that, ten individuals/organizations and only State Government of Karnataka, and Union Territory Administration of Daman & Diu furnished their comments on the Bill. Out of ten, two public memoranda were found relevant which, alongwith the views of the Government of Karnataka, were forwarded to the Ministry of Home Affairs for furnishing comments thereon. The Government of Daman & Diu agreed to the provisions of the Bill.

---

\* vide Rajya Sabha Parliamentary Bulletin Part II No. 49211 dated 16<sup>th</sup> January, 2012.

5.0 The Committee heard the official presentation of the Home Secretary on 21<sup>st</sup> February, 2012. In the Committee's next sitting held on 1<sup>st</sup> March, 2012, the Home Secretary apprised the Members that the proposed amendment in the principal Act is meant to comply with the guidelines of Financial Action Task Force (FATF), an inter-governmental organization founded in 1989 on the initiative of G-7 with the purpose to develop policies to combat money laundering and terrorist financing. India got the membership of FATF in 2010 on the assurance that India would make suitable amendments in the Act in consonance with the guidelines of the organization in the time horizon i.e. by 31<sup>st</sup> March, 2012. The Home Secretary, in the Committee's next sitting held on 13<sup>th</sup> March, 2012, apprised the Committee that the non-compliance of India's commitment to FATF would lead to diminution in the stature of the country and India could be placed under the 'enhanced follow up procedure' which, in turn, would require giving a progress report every four months to the FATF.

6.0 The Committee in its sitting held on 19<sup>th</sup> March, 2012 took up the Clause-by-clause consideration of the Bill.

7.0 The Committee in its sitting held on 26<sup>th</sup> March, 2012 considered and adopted this Report.

8.0 As per practice, the Secretaries and senior officers of the Legislative Department and the Department of Legal Affairs were also present in all the sittings to respond to the queries of the Members.

9.0 For facility of reference and convenience, observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

26<sup>th</sup> March, 2012/New Delhi

**M. Venkaiah Naidu**  
**Chairman**  
Department-related Parliamentary  
Standing Committee on Home Affairs

# REPORT

## 1.1 INTRODUCTION

1.1.1 The Unlawful Activities (Prevention) Amendment Bill, 2011 seeks to make amendments in the provisions of the Unlawful Activities (Prevention) Act, 1967 as amended in 2004 & 2008. According to the Statement of Objects and Reasons of the Bill, the proposed amendments to the Unlawful Activities (Prevention) Act, 1967 aim to bring more clarity to the existing legal regime, and remove the deficiencies identified in the implementation of the provisions of the said Act by the Central and State intelligence and investigating agencies.

1.1.2 The Unlawful Activities (Prevention) Act, 1967 was enacted to provide for the more effective prevention of certain unlawful activities of individuals and associations and for matters connected therewith. The scope of the Act was widened in 2004 by bringing the terrorist activities under its ambit. The Unlawful Activities (Prevention) Act, 1967 (UAPA), now inter alia, deals with matters relating to combating of terrorism in all its facets, including terrorist financing.

1.1.3 According to the background note as furnished by the Ministry of Home Affairs, the act was amended in 2004 and 2008 to overcome some of the difficulties in its enforcement and to bring/update the legislation at par with international commitments. The UAPA was amended in 2004 by criminalizing raising of funds for a terrorist act, holding proceeds of terrorism, membership of a terrorist organization, support given to a terrorist organization and raising funds for a terrorist organization by inserting specific chapters. The UAPA was further amended by the Unlawful Activities (Prevention) Amendment Act, 2008 by enlarging the scope of the provision of “funds” to ensure a broader coverage of the financing of terrorism offences. The definition of property was expanded to bring the legislation in line with the requirements of the International Convention for the Suppression of the Financing of Terrorism (CFT). A new section 51A was inserted to give effect to the United Nations Security Council Resolutions 1267 and 1373 and to establish a mechanism for “freezing, seizing or attaching funds”.

1.1.4 According to the Statement of Objects and Reasons of the Bill, the circumstances which led to bring the Bill and the purpose of the proposed amendment are as under:-

*“An Inter-Ministerial Group was constituted to evaluate the existing provisions of the Unlawful Activities (Prevention) Act, 1967 and to recommend necessary amendments to the said Act. In addition to the above, the Financial Action Task Force, an Inter-Governmental organisation set-up to devise policies to combat money laundering and terror financing admitted India as its 34th member. On the basis of commitment made by India at the time of admission to the said Financial Action Task Force, various legislative and other legally binding measures were required to be taken on a medium term basis, i.e., by 31st March, 2012. These recommendations, were examined and it is proposed to amend the Unlawful Activities (Prevention) Act, 1967 to make it more effective in prevention of unlawful activities and dealing with terrorist activities.”*

1.1.5 The Ministry of Home Affairs apprised the Committee that FATF is an inter-governmental organization founded in 1989 on the initiative of the G-7. FATF is an inter-governmental body with 36 members, and with the participation of over 180 countries through an international network of FATF-style regional bodies. The members comprise of 34 countries

and two Regional bodies viz. the EU and the GCC. Asian member countries are India, Japan, China, South Korea, Singapore and Hong Kong.

1.1.6 The Committee was further apprised by the Ministry that after considering India's Action Plan to overcome the deficiencies identified in the Mutual Evaluation Report, and the significant progress made by India and based on the modified Action Plan given by India, the member countries supported India's membership. Finally, India was admitted as 34th Member Country of FATF in June 2010.

1.1.7 The Ministry of Home Affairs further stated that India launched its bid to be admitted as a member of FATF in 2009. To this end, mutual consultations between FATF and Government of India were held in November-December 2009 and the mutual evaluation report was adopted on 25<sup>th</sup> June 2010 in FATF Plenary. As per the Mutual Evaluation Report (MER) some technical concerns have been identified with regard to the "coverage" of the extant Indian legislation for combating financing of terrorism.

1.1.8 The Ministry of Home Affairs further informed the Committee that the UAPA and the anti-terrorist regime in India are comprehensive and basically all the concerns of FATF do stand addressed. However, at par with the previously admitted countries viz. China and Korea, FATF offered membership to India on the conditional basis of India's commitments to be contained in a 'Plan of Action' by India, setting out the steps to be taken and time frame to "improve" the Anti-Money Laundering (AML)/ International Convention for the Suppression of the Financing of Terrorism (CFT) regime in the country (as was done by the last two FATF admitted members viz., China and Korea).

1.1.9 The Ministry of Home Affairs further stated that as per FATF Membership Policy, a country should score at least 8 Largely Compliant (LC) out of 14 key and core recommendations. India was short of 3 Compliant/Largely Compliant (C/LC) in Core and Key recommendations to qualify for membership of FATF, which *inter alia* include (a) Criminalization of Money Laundering; (b) Criminalization of Terrorist Financing; and (c) Confiscation and provisional measures. Therefore, India was required to send an Action Plan to bring its policies and standards closer to the FATF compliance zone. Action Plan envisages three types of timeframe to fulfil the commitments made, viz., Immediate, Short and Medium. The immediate plan was to be completed by the end of June, 2010 and Short Term was to be completed by March, 2011 while Medium Term is to be completed by March, 2012. The Ministry informed that the Immediate and Short Term Action Plan items have been completed within the given timelines. The Ministry also informed the Committee that major items for the Medium term are:-

- (i) To amend UAPA to make it compliant with FT Convention. ( Being undertaken by MHA); and
- (ii) To amend the PMLA to make it compliant with Vienna and Palermo Convention. ( Being undertaken by Dept. of Revenue, Ministry of Finance)

1.1.10 According to the Ministry, the purpose of the FATF is to develop policies to combat money laundering and terrorist financing. The primary policies issued by the FATF are the forty recommendations on money laundering and the nine special recommendations on terrorist financing. Together, the 40+9 recommendations set the international standards on anti-money laundering measures and combating the financing of terrorism acts. They set out the principles for actions and implementation of these principles according to the particular circumstances and constitutional framework of different countries. Both sets of FATF recommendations are



intended to be implemented at the national level through legislation and other legally binding measures. The legislative framework dealing with terrorist activities and money laundering of all countries is being continuously reviewed by the Financial Action Task Force.

## **1.2 OBJECTIVES OF THE BILL**

1.2.1 The Ministry of Home Affairs informed the Committee that proposals for amendments to UAPA in order to account for implementation challenges, court interpretation etc., [independent of the FATF discussions] were also being received in the MHA. Accordingly, an Inter-Ministerial Group was constituted to evaluate the UAPA provisions as they stand in relation to both – the FATF discussions and our own internal assessment. This process held that the proposed changes (as recommended by FATF) are relevant and required. It further, in addition, suggested certain other amendments.

1.2.2 According to the Statement of Objects and Reasons, UAPA Bill, 2011 seeks to achieve to following objectives:-

- (1) Increase the period of declaration of an association as unlawful from two years to five years as specified under section 6;
- (2) Amendment in Section 15 of the principal act with a purpose of enlarging the ambit of ‘terrorist act’ by incorporating the ‘economic security’ of the country and to protect the monetary stability of India by way of production or smuggling or circulation of high quality counterfeit Indian paper currency, coin or of any other material. The international/intergovernmental organizations have been covered explicitly;
- (3) To bring the cohesiveness in the legal framework, the provision of section 16A is proposed to be brought as clause (d) after clause (c) of the section and the existing 16A is being deleted;
- (4) Amendments are based on IMG recommendations in order to explicitly criminalise high quality counterfeiting. Amendments are based on FATF recommendations to meet the international commitment. All the nine Treaties annexed to the International Convention for the Suppression of the Financing of Terrorism (CFT) specifying various types of terrorist acts which constitute an offence are now to be listed in Second Schedule to this Act;
- (5) Enlarging the scope of Section 17 of the Act relating to punishment for raising funds for terrorist act and include within its scope, raising of funds, both from legitimate or illegitimate sources, by a terrorist organization or by terrorist gang or by an individual terrorist;
- (6) Insert new sections 22A, 22B and 22C in the aforesaid Act to include within its scope, offences by companies societies or trusts and provide punishment therefor;
- (7) Insert a new section 24 in the aforesaid Act so as to enlarge the scope of proceeds of terrorism to include therein any property intended to be used for terrorism; and

(8) Insert sub-sections (3) to (5) in section 33 of the aforesaid Act to confer power upon the court by order to provide-

- (i) for attachment or forfeiture of property equivalent to the counterfeit Indian currency involved in the offence, including the face value of such currency which are not defined to be of high quality but are part of the common seizure along with the high quality counterfeit Indian currency;
- (ii) for attachment or forfeiture of property equivalent to or the value of the proceeds of terrorism involved in the offence; and
- (iii) for confiscation of movable or immovable property on the basis of the material evidence where the trial cannot be concluded on account of the death of the accused or the accused being declared as a proclaimed offender or any other reason.

### **1.3 PRESENTATION MADE BY THE MINISTRY**

1.3.1 The Committee in its sitting held on 21<sup>st</sup> February, 2012 heard the presentation of Home Secretary on the Bill. As per practice, Secretaries, Department of Legal Affairs and Legislative Secretary, Ministry of Law & Justice were also present.

1.3.2 During the course of the presentation, the concerned Joint Secretary dwelt on the salient features of the Bill and briefed the Committee about the circumstances which led to the piloting of the Bill. He briefed the Committee that the proposed amendment is intended to remove the difficulties in the enforcement of the law and to update or bring the legislation at par with the international commitment and to make the provisions of the Act more effective and stringent. He also gave a detailed background and objectives sought to be achieved through the amendments which have already been dealt in the preceding paragraphs.

1.3.3 The Home Secretary during his oral evidence before the Committee apprised the Committee that basically three categories of amendments have been proposed in the Bill:-

- (i) One major category pertains to the amendments that have been recommended by FATF. After discussions with officers of Government of India and after having gone through all laws of India, gaps in the legal framework were reviewed and accordingly proposed to be filled up;
- (ii) The second major category of amendments comes from the requirement to make high quality fake Indian currency notes and the production and distribution thereof also a terrorist offence. Government of India wants to do that because there is mounting evidence to suggest that this high quality fake Indian currency note is actually being printed across the border and being distributed from there, both for financing terrorism as well as for disturbing the monetary stability of our country. With regard to high quality Counterfeit Indian Currency, it is understood that it can only be breached by sovereign support. Therefore, the Government wanted to make it a terrorist offence. This necessitated some amendments and some insertions; and

- (iii) The third category of amendments pertains to the amendments, which are felt necessary on account of clarifying some issues. For example, the original Act had provisions regarding confiscation of proceeds of terrorism. The original Act included the funds for financing of terrorism also within the definition of proceeds of terrorism. That led to this important aspect of funds being collected for financing of terrorism, somehow escaping from the radar. So, the Government wants to make this more explicit so that the law enforcement agencies would also be able to clearly cite these provisions when seizing funds, which are meant for financing terrorism.

1.3.4 When the Committee sought to know as to whether the States have been consulted before piloting the Bill, the Home Secretary replied as under:-

*“I do not think so, Sir, because one category is the FICN, the other category pertains to the amendments sought by the FATF. So far as FATF amendments are concerned, they wanted to include threats from terrorism to international organizations or inter-governmental bodies to be included. That is something which pertains to the Union Government. Then, they wanted an insertion therein providing for confiscation of not only the proceeds of terrorism or the funds meant for financing terrorism, but also the equivalent value thereof. Then, they also wanted to bring in various bodies, which can be used to funnel terrorist funds, also to be brought in. We said that that is already included in the juridical definition of person. But they wanted explicit mentioning of those bodies, NGOs, etc.”*

1.3.5 On a query as to whether the definition of the term ‘persons’ which includes an association of person or a body of individual would also cover the trade unions which are registered under the category of associations, the Home Secretary replied as under:-

*“This refers to an association which is being used to funnel funds for terrorism, which is used to give funds or divert funds or provide funds or source funds for terrorism. So, that is where this comes in. Apart from that, any association or a company or organisation which is engaged in printing, distribution etc. of high quality fake Indian currency, this is only with reference to that. UAPA refers to only such crimes.”*

1.3.6 Clarifying further on a query as to why the Government does not mention the names of the organizations falling under the Act, the Home Secretary stated as below:-

*“...the associations and unions which are engaged in the normal activities don’t come within the ambit of this Act at all. This Act is meant only for juridical persons, or natural-born persons who are engaged in terrorism-related activities or unlawful activities.”*

1.4. The members of the Committee during the course of the presentation on the Bill and the subsequent sittings held on 1<sup>st</sup>, 13<sup>th</sup> and 19<sup>th</sup> March, 2012 raised some queries which were responded by the Ministry of Home Affairs. Since, the queries raised pertained to specific clauses, the queries raised and the response of the Ministry thereto are being dealt under the clause-by-clause consideration of the Bill. The suggestions received from individuals/organizations and views of the State/UT Government also pertained to specific clauses. Therefore, such views and the comments of the Ministry thereon are also being dealt under clause-by-clause consideration.

## **1.5 CLAUSE BY CLAUSE CONSIDERATION**

1.5.1 The Committee, in its sitting held on 19<sup>th</sup> March, 2012, took up the Clause-by-clause consideration of the Bill. Besides Home Secretary, Secretary, Department of Legal Affairs and Law Secretary were also present during the course of the clause-by-clause consideration. The details of the clause-wise discussion are enumerated below:-

### **Clause 2**

1.5.2 Clause 2 seeks amendment in Section 2 of the Unlawful Activities (Prevention) Act (UAPA), 1967 which pertains to definitions of the select terms used in the Act. Under Clause 2 (i) after clause (ea) of the principal Act, a new clause (eb) is proposed to be inserted to define the "person" as an individual, a Hindu undivided family, a company, a firm, an association of persons or a body of individuals, whether incorporated or not, every artificial juridical person, not falling within any of the preceding sub-clauses and any agency, office or branch owned or controlled by any person falling within any of the preceding sub-clauses.

1.5.3 The Committee was apprised that under the existing definition of proceeds of terrorism, the property belonging to an individual terrorist has not been explicitly covered. Further, at present the definition of funds/property intended to be used for terrorism is embedded in the last clause of definition of "proceeds of terrorism" i.e. existing Section 2(g). In order to make this, i.e. fund/property intended to be used for terrorism more explicit/clear, existing sub-clause (g) is proposed to be subdivided as proposed in clause 2 (ii) of the Bill. Similar cascading changes are proposed in Chapter V dealing with "forfeiture of proceeds of terrorism" which will be discussed later.

1.5.4 Under Clause 2(iii) the definition of property under Section 2(h) is proposed to be further refined in order to cover the entire range of property and assets by inserting the phrase 'including but not limited to'. The proposed amendment intends to facilitate to bring the definition of funds in line with CFT.

### **Inclusion of Hindu Undivided Family under the definition of "Person"**

1.5.5 The Committee discussed in detailed the definition of the term 'person' in the proposed amendment particularly with reference to Hindu Undivided Family. Members expressed reservations over bringing Hindu Undivided Family under the definition of person. The concerned Joint Secretary in this regard clarified as under:-

*"In the FATF recommendations, one of the concerns is the non-profit organizations being used as means for terrorist financing and funding. Therefore, there was a need to categorically capture the definition of person consistent with PMLA, Income Tax Act. When you talk of non-profit organizations, which become charitable organizations or trusts, all these become germane to the assessment."*

1.5.6 The Committee pointed out that the definition of Hindu Undivided Family (HUF) is not convincing as the issue connected with the Income Tax and Prevention of Money Laundering

Act are altogether different where there is a relevance for HUF. But UAPA the issue is connected with terrorism where HUF does not come into the picture. Clarifying this, the Home Secretary stated as under:-

*“Under the Prevention of Money Laundering Act, ‘terrorism’ is a predicate offence. That means, the Prevention of Money Laundering Act will operate against the funds which arise out of a category of crimes. There are a number of categories of crimes, one of which is terrorism. So, if any fund which is generated by terrorism is involved, then, the Prevention of Money Laundering Act operates and this Act also operates. Such actions come under both the Acts. Therefore, there is a requirement to make sure that these sections correspond to each other.”*

1.5.7 On the Committee’s observation that the definition is not convincing and there is a need to change the wordings, the concerned Joint Secretary stated as under:-

*“As finance is the lifeline of terrorism, the endeavour of the Government is to also invoke provisions of various relevant laws, such as PMLA, Income Tax Act, Foreign Exchange Management Act to check financing of terrorism. It may kindly be noted that the offence of financing of terrorism is a scheduled offence in the PMLA..... It is not about a legitimate Hindu Undivided Family or Trade Unions; it is a game of misusing the Trust. So, the entities may not know and they are exploited. So, what the FATF said is, “Aim to put in place such legal provisions that would prevent misuse of legal structures so that they are not exploited for channelising funds for terrorism or money laundering. Special recommendation no. 8 which relates to non-profit organisation reads as follows – it is a recommendation -- “Country should review the adequacy of law and regulation that relates to entity, that can be abused for financing of terrorism. Non-profit organisations are, particularly, vulnerable and country should ensure that they cannot be misused (i) by terrorist organisations posing as legitimate entities; (2) to exploit legitimate entities as conduit for terrorist financing, including for the purpose of escaping asset freezing measures. Because when we come back to asset freezing, what they will do is, without the Trust or the Association knowing, they will park the money as a charitable donation and park it there. (3) to conceal or obscure the clandestine diversion of funds intended for legitimate purposes to various organizations. It is in this background that IMG felt that while we strive to bring laws in consonance with international standard, it would only be befitting to harmonize the definitions and provisions of related domestic laws and accordingly suggested that a person may be defined in the Amendment Bill accordingly. So, for all the three Acts which feed into the UAPA, we cannot have a distinct definition and this is more in terms of a preventive measure because it is a game of misusing the trust of a legitimate organization and using it to hide funds. That is the purpose.”*

1.5.8 The Committee sought the observation of the Law Secretary on the definition of the term 'HUF' in the proposed amendment. The Law Secretary stated that the Ministry of Law & Justice had examined the issue and fully concurs with the viewpoints of the Ministry of Home Affairs. Thereon, the Home Secretary further clarified as under:-

*“When we are criminalizing acts by persons, we include the following categories; and persons includes both ‘a natural person’ as well as ‘a legal or juridical*

*person'. The categories of juridical persons are: company, firm, society, association, etc. These are all categories of legal persons or juridical persons. Now, Hindu Undivided Families also in the financial terms are legal/juridical persons. So, when you are expounding on that definition of person or a juridical person, then you include all these categories. Now, this does not mean that any firm will get prosecuted just because it is a firm, or, any company will get prosecuted because it is a company, or, an association will get prosecuted because it is an association. It only means that if that association or firm is used to park funds meant for financing terrorism, if it is used to raise and collect funds for financing terrorism, then, that firm will get prosecuted."*

1.5.9 The Members of the Committee felt that the definition of the term HUF in the Income Tax Law is meant to give some relief in the Income Tax to the people belonging to that category, and using HUF as an association or a firm is beyond convincing. The Home Secretary clarifying the point replied as under:-

*"The question is whether the funds, resources or property can be held in the name of a Hindu Undivided Family or not. If funds can be held in the name of a Hindu Undivided Family, then funds could be parked there without the Hindu Undivided Family knowing the origin of those funds. And because those funds are parked in the name of a Hindu Undivided Family, if it is not included, it will be outside the mischief of this law."*

1.5.10 The Committee wanted to know as per the provision of the proposed amendment whether a criminal act committed by the head of the family and the funds parked under his name would implicate the entire HUF, the Joint Secretary, Department of Revenue, Ministry of Finance made the following observation:-

*"In the Prevention of Money Laundering Act also, 'person' has been defined as an individual, a Hindu Undivided Family, a company, a firm, an association of persons or a body of individuals and every other artificial juridical persons, etc. We are in agreement with the logic which has been given by the Home Secretary and officials of the Home Ministry. Actually, certain measures are being taken to prevent money laundering. There are certain obligations for the financial institutions, banking companies, etc. When they are dealing with opening of accounts, etc., whether of an individual or a company, they are subjected to certain rigors. They have to follow the 'Know Your Customer' norms and also apply customer due diligence, etc. Now, it is only through these measures, whether it is individual accounts or any company's accounts, that an oversight mechanism is put in place by which it can be inferred whether any money laundering has taken place. So, these entities are subjected to some kind of a reporting system. The financial institutions are supposed to apply the same due diligence measures whether these are accounts of individuals, companies or corporates, etc. So, because a large number of Hindu Undivided Families were also holding bank accounts, they could not be separated. That is why, they have also been kept under the purview of the definition of 'persons'."*

1.5.11 Some Members pointed out that Income Tax Act, Prevention of the Money Laundering Act and Unlawful Activities (Prevention) Act have different scope and purpose, the later being related to the criminal activities of a person. Therefore, it is necessary to bring in all other such

corporates, which are relevant in the case of financial matters, but not relevant insofar as individual crimes are concerned.

1.5.12 The Home Secretary made an attempt to convince the Committee on bringing HUF under the definition “Person” as under:-

*“Our stand before the financial action taskforce was that ‘person’ includes a juridical person and, therefore, no further exposition is necessary. The Financial Action Task Force was not agreeable. They wanted a detailed definition that would include companies, firms and all other juridical persons to be specified. Now how this Act is concerned with people who are bodies, associations, etc., in two ways. One is with regard to attachment of proceeds of terrorism or attachment of funds for financing terrorism or for future funds for financing terrorism and for forfeiture of funds generated out of terrorism. The other is through FIC, that is, Fake Indian Currency, distribution thereof, printing thereof, etc.”*

1.5.13 The Home Secretary further opined that:-

*“The term ‘HUF’ can be avoided by this mechanism by saying this will also include persons as defined in section so and so of the PMLA Act. That is suffice.”*

1.5.14 Thereupon, some Members felt that the meaning would be the same. The Members also felt that the term ‘person’ should be used in the Unlawful Activities (Prevention) Amendment Act which is generally used in the criminal law.

1.5.15 The Home Secretary, agreeing to the view of the Committee, subscribed as under:-

*“There are two types of crimes. One is crime which can be committed only by an individual. There a ‘person’ means an individual. The other types of crimes are those which can be committed by an individual or by an association or a body of person or a firm. They can also commit crime. The funds are parked many times in the names of some association, some NGOs. In fact, Sir, we are now coming to the conclusion that cross-border trade, which is happening, is somehow being used to finance terrorism in Kashmir through hawala. ....This has a relation to finance. We are seizing funds which have been generated by terrorism and we are confiscating funds which have been generated by terrorism and we are confiscating funds which have been collected to finance terrorism. We can consider changing the definition accordingly.”*

**1.5.16 The Committee is not convinced by the inclusion of 'Hindu Undivided Family' under the term 'person' in the Unlawful Activities (Prevention) Bill, 2011. Though the Home Secretary has tried to convince the necessity of bringing HUF under the term 'person' in view of the similar definition available in the Prevention of Money Laundering Act (PMLA) and Income Tax Act, but the Committee feels that it should not be the reason to bring the similar amendment in the UAPA Act. The Committee feels that a person means a person only and the terminology should be so used which is generally used in the criminal law. The Committee also feels that the suggestion of the Home Secretary that instead of using the term 'HUF', it can be avoided by including persons, as defined in the PMLA Act, is also not tenable because it would ultimately amount the same interpretation.**

**However, since the Home Secretary has agreed to change the definition, the Committee suggests that a *via media* may be found out under which HUF is not brought under the purview of UAPA Act.**

### **Definition of Associations**

1.5.17 The Committee also discussed in detail the proposed amendment in Clause 2(i) where under the term 'person' includes an association of persons or a body of individuals, whether incorporated or not. The Committee apprehended that under the categorization of Associations, the Trade Unions may also be included in such case they are likely to be harassed. The Home Secretary clarifying this, stated as under:-

*“This refers to an association which is being used to funnel funds for terrorism, which is used to give funds or divert funds or provide funds or source funds for terrorism. So, that is where this comes in. Apart from that, any association or a company or organisation which is engaged in printing, distribution etc. of high quality fake Indian currency, this is only with reference to that. UAPA refers to only such crimes. ....The Associations and Unions which are engaged in the normal activities don't come within the ambit of this Act at all. This Act is meant only for juridical persons, or natural-born persons who are engaged in terrorism-related activities or unlawful activities.”*

1.5.18 Some Members further pointed out that the term 'an association of persons or a body of individual has been imported from Prevention of Money Laundering Act where the conditions and circumstances are different whereas UAPA relates to terrorist activities. The Committee apprehended that associations, which may be labor union, club association, football association etc. and the proposed expression in the Bill gives leverage to the investigating officer and scope for harassment of innocent persons. The Members also felt that there should be some parameters/safeguards. The Members also referred to some cases where initially the wrong persons were arrested, wrong people confessed, and the wrong trial started and wrong people punished. The Members, therefore, felt that there should be some safeguard against such wrong proceedings. Responding to the issue, the Home Secretary commented as under:-

*“The expression 'an association of persons or a body of individuals, whether incorporated or not' is just to include those groups of people who are not incorporated according to the companies law. This is to include those groups of people who may form a group or an association which is not incorporated according to the company law or any other law. Otherwise, if we had not included this, the liability would not have been fastened on that group of persons because it has not been incorporated. So, that is a distinction between this -- a company and a firm. I would give you just one example; that would make things clear. In the North East, there are some clubs; they call themselves 'clubs'. They are not registered anywhere. There are some unions; they call themselves 'unions', but they are not registered under any law. But those clubs or unions get funds for terrorist groups for underground groups and hold funds for underground groups. It is such bodies which are covered here.”*

1.5.19 Further clarifying the issue, the Home Secretary stated as under:-



*“This whole Act is addressed towards fighting terrorism, and it is only when terrorist acts are committed or are planned, organized or funded that this Act comes into force. About the possibility of the Police misusing this law to harass innocent individuals, any criminal action can be taken against any person or group of persons only when it is seen that that person or that group has a common purpose of aiding terrorist activity or financing terrorist activity. Unless and until that is proved or established, no crime is made out. It is only when it is established that a person or a group or a group of persons or an association has committed some act which is in violation of this law, that a person, association or group becomes culpable. Now, there can be one question that there may be some members of a association, group or a company who were not associated with that decision to keep terrorist funds or with the decision of financing terrorism. It is possible, but there is also a provision here that where any person, any member of a firm or any member of a company is not associated with it, he can produce evidence for that purpose to show that he is not associated with that. That is the safeguard. He can produce evidence to show that he is not associated. By and large, what happens is that when a company, a firm, an association, body of individuals or an individual commits a crime, he either receives funds which are proceeds of terrorism, or collects funds for financing terrorism, or harbours funds for financing terrorism, the presumption is that it is the office bearers, those who had in their hands the management of that group or company or firm, who are liable, not every member. There is no doubt that not in one case but in many cases there would have been instances of people being accused without sufficient evidence. That is why the law says that whenever a person is arrested he is to be produced before the Magistrate within 24 hours. If a person is convicted of murder and this conviction has been upheld right up to the Supreme Court, and that person has kept saying, 'Look, I am innocent'. It is possible. What I am saying, Sir, is that it is a question of some material or some evidence seeming to be sufficient evidence to fasten the guilt, and some additional evidence not coming to light at that point of time which comes to light later. So, it is not peculiar to a particular law. It is not only an association or a firm, etc., which can be wrongly accused; individuals can also be wrongly accused. And, there have been cases like that. So, it is not peculiar either to this association or to this law. That is something for which the law has provided safeguards. If a person is innocent, he has to bring that evidence before the Court. He has to be presented before the Court. That is why, everything has not been left to the Police. That is why, we have the courts.”*

**1.5.20 Money laundering and terrorism are very closely linked nowadays because a lot of terrorism that the country faces is cross-border or international. A very large part of it is funded through some kind of money laundering but the Committee agrees with the apprehensions of some Members that bringing association of persons or a body of individuals under the definition of 'person' gives a leverage to the investigating officer. There could be a large number of cases of harassment of associations or unions due to which innocent people could be affected. The Committee is of the view that the Ministry may consider putting a rider and safeguards so that innocent people are not harassed.**

**1.5.21 Subject to the above observations, the Clause is adopted.**

**Clause 3**

1.5.22 The Clause 3 intends to amend Section 6 of the principal Act with the purpose of increasing the duration of declaring an association as unlawful from the existing two years to five years.

1.5.23 Giving the background on this, the Ministry stated that a necessity was felt to increase the duration of declaring an association as unlawful from the existing two years to five years. In this regard, in the background note the Ministry furnished the following justification:-

*“Under Section 3 of UAPA, if the Central Government is of opinion that any association is, or has become, an unlawful association, it may by notification in the official gazette declare such association as “unlawful”. Further, under existing Section (6) of UAPA, subject to the provisions of sub-section (2), a notification issued under section (3) shall, if the declaration made therein is confirmed by the tribunal by an order made under section (4), remain in force for a period of 2 years from the date on which the notification becomes effective. It is understood that several jurisdictions are imposing such proscription for more than five years. This will give ample time to properly collect and compile data, intelligence inputs, status of various cases filed in the court, status of sanction obtained by the police from the State Government, etc. This will further facilitate to reduce the cost of administering the ban. Accordingly, it is proposed to amend the Section (6) suitably to enhance the period of ban from existing 2 years to 5 years under the said circumstances.”*

1.5.24 A Member of the Committee felt that the duration of five years is not sufficient, and should be increased. Replying to this, the Home Secretary stated as under:-

*“Right now, once you hold an association to be unlawful, and, after the tribunal has upheld that finding, then, the association stays banned only for two years. Take for example, SIMI. After every two years, we have to bring a fresh proposal. The whole exercise itself takes a year, and, then, the Tribunal takes three, four months. So, that is why, it is being increased to five years..... we are open but then there can be accusation from the other parties that having a very long period will be draconian.”*

**1.5.25 The Clause is adopted without change.**

#### **Clause 4**

1.5.26 The Clause 4 proposes amendment in Section 15 of chapter IV of the principal Act which deals with punishment for terrorist activities. As per the existing provisions of UAPA under Section 15, an international/inter Governmental organization has not been covered explicitly. The same is now proposed to be incorporated in the clause (c) of Section 15. Similarly, all the 9 treaties annexed to the CFT have now been mentioned under a new Schedule to the Act to be read with the proposed Section 15(2). A separate clause is proposed to be inserted after existing clause (c) which will state “demands any bomb, dynamite or other explosive substances or inflammable substances or fire arms or other lethal weapons or poisonous or noxious or other chemicals or any biological, radiological, nuclear material or device with the intention of aiding, abetting or committing terrorism”.

1.5.27 The Ministry also stated that due consideration has also been given to economic security; being an important dimension of national security. Accordingly, production or smuggling or circulation of high quality counterfeit Indian currencies (paper, coin or of any other material) are proposed to be explicitly criminalized. For this purpose, high quality counterfeit Indian currency is proposed to be defined by providing a separate explanation under Section 15.

1.5.28 On being asked to clarify the reasons for inserting the words “economic security” after the word “security” in the clause 1 of sub-section (1) of Section 15, the Home Secretary stated as under:-

*“Economic security is an aspect, which until now, in our common understanding of, and, fight against terrorism, has been overlooked. Economic security or stability of a country is not undermined only by the use of bombs and guns, and, we have associated terrorism only with the use of bombs, guns, and, killing people, whereas the economic security of a country is as important as other aspects of security.”*

1.5.29 One Member pointed out that the Reserve Bank of India takes care of the economic stability of the country through its Monetary Policy whereas the proposed amendment also talks of economic security and wanted to know the source and reasons for bringing the term ‘economic security’ in the proposed amendment. He also felt that the word ‘economic security’ should be defined in the definition clause and only thereafter it should be inserted. Responding to that the Home Secretary stated as under:-

*“Let me explain as to why it has come. Sir, over the past many years, we have been seeing that one particular country has been printing fake Indian currency notes in factories, which we have reasons to believe, are sovereign factories belonging to that Government, and, they have been determinedly pushing such fake Indian currency notes into our country for two reasons. One, of course, is to finance terrorism directly, and, the other is to disturb our economic security, and, the quantities are huge. So, that is something which we need to fight against. That is another instrument, which one of our adversaries has hit upon.”*

1.5.30 The Home Secretary clarifying that the provisions have been related with the sovereign country or the nation which is involved in terrorist activities stated as under:-

*“There are two things. One is the point which you made about some people being caught because of some fake currency notes coming out, four or five. I think, what you wanted to put across was that counterfeiting can also be for purposes other than terrorism. It need not necessarily be associated with terrorism. That is why what we have criminalized here is not counterfeiting which is done by other small-time groups. What we have criminalized here is counterfeiting which can be done only by sovereign parties. That is why we have said high quality counterfeit notes, and we have defined that high quality counterfeit notes will be such counterfeit notes which have duplicated the features which have been mentioned in, I think, Schedule 3. Basically, I would like to draw your attention to this. I will read out the section again. “Whoever does any act with intent to threaten or likely to threaten the unity, integrity, security, economic security or sovereignty of India or with intent to strike terror or likely to strike terror in the people or any section of the people in India or in any foreign country” by doing any of these things, and*

*one of the things is damage to the monetary stability of India by way of production. That means clause 1 by itself is not sufficient. You have to read it with sub-clauses (a), (i), (ii), (iii), (iiia), etc. Sir, sub-clause (iiia) says, “damage to, the monetary stability of India by way of production or smuggling or circulation of high quality counterfeit Indian paper currency, coin or of any other material.”*

**1.5.31 The Committee feels that the objective to provide definition is to relate economic security with the terrorist organizations indulging in counterfeit currency and circulating them in a big way. This is necessary to support the system.**

**1.5.32 The Committee, therefore, recommends that the term 'economic security' may be defined in Section 2 of the Act before its insertion in Section 15.**

**1.5.33 Subject to the above observation, the Clause is adopted.**

#### **Clause 5**

1.5.34 The Clause 5 seeks to omit Section 16A of the principal Act as first part of the provision has been taken as new clause (d) of Section 15 and the punishment part is proposed to be covered by Section 16 which is relating to punishment for terrorist act.

**1.5.35 The Clause is adopted without any change.**

#### **Clause 6**

1.5.36 The Clause 6 seeks to amend Section 17 of the principal Act with the purpose of redefining the criminalization of raising funds for terrorist act. The Section 17 of UAPA is proposed to be amended by inserting following phrases in between, – ‘whether from a legitimate or illegitimate source’, ‘or raise or collect’, ‘a legitimate or illegitimate source’, ‘in full or in part’, ‘or by a terrorist organization or by a terrorist gang or by an individual terrorist’. For the sake of the clarity, participating, organizing or directing in any of the acts mentioned in the Section is proposed to be explicitly criminalized as an offence by providing an “Explanation” under section 17. Similarly, raising funds through production or smuggling or circulation of counterfeit Indian currency note is proposed to be explicitly criminalized by providing an “Explanation” under Section 17. Keeping in view the ongoing trend of providing “Social Security” type support to the families of the terrorists’ (killed/arrested or still active), raising or collecting or providing funds to an individual terrorist, terrorist gang or terrorist organisation for the purpose not specifically defined under Section 15 is also proposed to be criminalised as an offence under Section 17. Accordingly, an “Explanation” is proposed to be added to section 17.

1.5.37 One of the Members pointed out that terrorists have been collecting lakhs of rupees for terrorist activities. They also serve notices to the people, and shoot those who do not oblige. Even the members of their family are killed and their houses are attacked. He, therefore, felt that in this case, the minimum punishment should be ten years which may extend to imprisonment for life and shall also be liable to fine and the amount of fine has not been defined here. Responding to the query raised, the Home Secretary stated as under:-

*“The fine can be anything which the court, in its discretion, seeks to impose. It depends upon the quantity of funds which are being collected or which have been collected. If the funds collected are to the tune of Rs.50 crores or Rs.100 crores, the fine will be proportionate. ....the maximum punishment for this is punishment for life. Five years is the minimum punishment. So, that means, no court can give a punishment of less than five years.”*

**1.5.38 The Committee, however, felt that the minimum punishment should be increased to seven years.**

**1.5.39 The Ministry informed the Committee that the words 'or provide funds' in the proposed Section 17 after the words 'collect funds' were erroneously omitted.**

**1.5.40 In view of the above, the Committee suggest the following amendments may be made in the Clause 6 of the Bill:**

- (i) In line 13, after the words 'collect funds' add the words 'or provide funds';**
- (ii) In line 19, the words 'five years' be substituted by the words 'seven years'.**

**1.5.41 The Committee further recommends that the quantum of fine may also be defined.**

**1.5.42 Subject to the above, the Clause is adopted as amended.**

#### **Clause 7**

1.5.43 Clause 7 seeks to insert fresh Sections 22A after Section 22 of the principal Act which gives provision for offence by company. On the lines of the Coinage Bill, 2011 of Ministry of Finance a new Section 22A is proposed to be incorporated in order to criminalise the offence committed on behalf of company with regard to “counterfeiting” offences. The “Company” and “Director” have been defined by giving a separate “explanation” under the proposed Section. A new Section 22B is proposed to be incorporated in order to criminalise the offence committed by Societies or Trusts. The “Society” and “Director” have been defined by giving a separate explanation under the proposed Section. Moreover, the provision for punishment for offences by Companies, Societies or Trusts is proposed to be incorporated as a new Section 22C. It is proposed to impose to a minimum fine of Rs 5 crore which may extend to Rs. 10 crore for offences under the Act.

**1.5.44 The Clause is adopted without any change.**

#### **Clause 8**

1.5.45 Clause 8 proposes to amend in Section 23 of the principal Act. In order to widen the scope of enhanced penalties, unauthorized possession of high quality counterfeit Indian currency is also proposed to be brought under the enhanced penalty category under Section 23.

**1.5.46 The Clause is adopted without any change.**

### **Clause 9**

1.5.47 Clause 9 proposes change in the heading of Chapter V of the principal Act by inserting the words ‘or any property intended to be used for terrorism’ after the word ‘Terrorism’.

1.5.48 The Committee pointed out that according to the Government of Karnataka, the words ‘or any property intended to be used for terrorism’ makes the heading of the chapter too long and inconvenient to use. The Home Secretary replied that the proposed amendment is appropriate. The Committee agreed to the viewpoint of the Home Secretary.

**1.5.49 The Clause is adopted without any change.**

### **Clause 10**

1.5.50 Clause 10 intends to substitute a Section 24 by two new sections 24 and 24A. The proposed Section 24 provides for reference to proceeds of terrorism to include any property intended to be used for terrorism. The proposed section 24A provides “confiscation of corresponding value” and enabling the law enforcement agencies to forfeit/confiscate the property of corresponding value.

**1.5.51 The Clause is adopted without any change.**

### **Clause 11**

1.5.52 Clause 11 seeks to add three new sub-Sections in Section 33 of the principal Act. Sub-section (3) provides to empower the courts to forfeit property relating to offence of counterfeiting. sub-Section (4) is based on the recommendations of FATF to empower the court for attachment/forfeiture of the value of proceeds of terrorism. Sub-Section (5) is based on the recommendations of FATF to empower the court on the basis of material evidence to confiscate the property of all kind of the accused in case of death of a person or a person is declared a proclaimed offender.

1.5.53 The Committee sought to know whether the punishment provided in the proposed sub-sections (3) and (4) of Section 33 would be as per the Indian Penal Code (IPC) as counterfeiting of currency note comes under the IPC. Clarifying this, the Home Secretary stated as under:-

*“There are two sides to it. One is that if somebody is guilty of either collecting funds or being involved in a terrorist act or providing funds to a terrorist, he will be punished and he will have to go to jail or he will have to pay fine. That is one part of it. The other part is that the property which he has amassed either through terrorism or the property which he has collected for financing terrorism will be forfeited. Section 33 deals with that. The forfeiture is against the funds and the punishment is against the persons involved..... apart from the punishment prescribed under the Indian Penal Code, specific punishment has been prescribed under the proposed amendment because we have taken this under the definition of a terrorist act.”*

1.5.54 When a Member sought to know whether the Ministry would define high quality counterfeit Indian currency, the Special Secretary, Ministry of Home Affairs responded as under:-

*“The punishment which is prescribed in section 33 will be imposed only if it is a high quality counterfeit Indian currency. This section deals with only forfeiture.....we have defined three features in the Third Schedule. If there is a violation of these three features, it will be a high quality counterfeit currency and it will be attested by a notified expert of a forensic laboratory.”*

**1.5.55 The Clause is adopted without any change.**

### **Clause 12**

1.5.56 Clause 12 seeks to amend Section 35 of the principal Act in order to empower the Central Government to add/remove or amend the contents of the Second and Third Schedule by Notification. The Chairman sought to know as to after a legislation is passed, how can a schedule be removed by an executive order. Clarifying this, the Home Secretary furnished the following justifications for amendment

*“There are three Schedules. The First Schedule would have a list of organizations which are proscribed under this Act. Now, we would need to either add to that list of organizations if we proscribe any additional ones, or remove any organization from that list. That is an existing provision. So, that shall be the provision for the First Schedule. Earlier, we had only one Schedule. Now we are increasing it by two more. The Second Schedule is a list of UN Conventions which we have acceded to and the offences under which we are criminalizing under the amendment. So, if in future some additional Convention is added and we accede to it – and one of the requirements would be that we criminalise it as a terrorist act –Government will have this facility of adding to that....if we feel that some terrorist organization or some organization that has been proscribed as a terrorist organization for some reasons, either because it has gone to a court and that order of proscription has been set aside or whatever, for any reason, if it is decided to remove a terrorist organization from the Schedule, that provision has to be there. That is an existing provision.”*

**1.5.57 The Clause is adopted without any change.**

### **Clause 13**

1.5.58 Clause 13 pertains to amendment in Section 40 of the principal Act which is intended to extending the scope of offence of raising funds for a terrorist organization. Production or smuggling or circulation of counterfeit Indian currency as a means of raising or collecting or providing funds to terrorist organization is also proposed to be criminalized under section 40. Accordingly, an explanation is proposed to be inserted to this effect.

**1.5.59 The Clause is adopted without any change.**

### **Clause 14**

1.5.60 Clause 14 seeks to make amendment to the effect that the existing Schedule shall be renumbered as the First Schedule, and after the First Schedule as so renumbered, the Second and the Third Schedules are also proposed to be inserted.

**1.5.61 The Clause is adopted without any change.**

**Enacting Formula and the Title**

**1.5.62 Clause 1, the Enacting Formula and the Title are adopted with some changes which are of consequential/drafting nature, namely “2011” and ‘Sixty-Second’ to be substituted by ‘2012’ and ‘Sixty-third’ year, respectively.**

**1.5.63 The Committee adopts the Bill as amended and commends that the Bill as amended may be passed subject to other observations made by it.**

\*\*\*\*\*