

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4482
ANSWERED ON:19.12.2014
TERROR LINKS OF CHIT FUNDS
Rao Shri Rayapati Sambasiva

Will the Minister of FINANCE be pleased to state:

- (a) whether any specific measures have been undertaken to know the terror links across the country in terms of flow of funds from various chit funds companies;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) the punitive action contemplated against those involved in terror links; and
- (d) the number of persons taken to task for their terror links during the last three years and the current year?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) to (d): The National Investigation Agency (NIA) has not come across any instance in its investigation which indicates any terror links across the country in terms of flow of funds from various chit fund companies. The NIA has investigated 69 cases relating to national security / terrorism during the last 3 years and 2014 till date. In these cases, 307 persons have been chargesheeted.

The Unlawful Activities (Prevention) Act, 1967 has adequate provisions to deal with all aspects of terrorism including combating financing of terrorism. The provisions under the Unlawful Activities (Prevention) Act, 1967 are quite deterrent and comprehensively cover various facets of both terrorist funding and benefits from proceeds of terrorism. The Unlawful Activities (Prevention) Act, 1967 empowers both the Union Government and the State Government agencies to take action where specific cases come to light. The Unlawful Activities (Prevention) Act, 1967 has been further strengthened in 2012 to combat terrorism in all its manifestations including financing of terrorism.

To address the multi-dimensional aspects of illegal inflow of funds for terrorist activities, several agencies such as Reserve Bank of India (RBI), Ministry of Finance (MoF), Ministry of Home Affairs (MHA), Intelligence and Law Enforcement Agencies of the centre and states are working in tandem to have effective check. Further, based on the experience gained and gaps identified, Government continuously upgrades technical, coordination and forensic capabilities of the Central Intelligence and Investigation Agencies to effectively deal with the threat. The Government has also created a separate cell, i.e., Combating the Financing of Terrorism (CFT) in the Ministry of Home Affairs. A Terror Funding and Fake Currency cell (TFFC) has also been formed in NIA to focus on terror funding the fake currency cases.