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The Private Security Agencies (Regulation) Act, 2005¹

[NO. 29 OF 2005]

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An Act to provide for the regulation of private security agencies and for matters connected therewith or incidental thereto

Be it enacted by Parliament in the Fifty-sixth Year of the Republic of India as follows:—

Prefatory Note—Statement of Objects and Reasons.—Due to increase in the number of business establishments and increasing demands for security, there has been a proliferation of private security agencies in the recent years. The growing tendency to hire security guards from private sources by an industrial or business undertaking has led to coming up of large number of private security agencies all over the country. Though these private security agencies have helped in meeting the security needs of business establishments, there has been a growing concern about the manner of functioning of these agencies, many of which seem to conduct their operations without due care for verifying the antecedents of the personnel employed as private security guards and supervision.

2. Private multi-national security agencies have also established their branches in the country, which unless properly regulated, may have serious security implications. Unless suitable safeguards are devised, these developments are likely to have wide ranging security implications, which may not be in national interest. There is also a danger of the employees of the private security agencies encroaching upon the duties of the police, using weapons in an illegal manner and wearing uniforms which resemble those of the police. In many instances, personnel employed by these agencies have also been involved in criminal activities.

3. For all these reasons, Union Government has been considering to regulate the functioning of these private security agencies, so that they are run within legal parameters and are accountable to a regulatory mechanism. In view of above, it is proposed to regulate the private security agencies through an Act which provides for a Controlling Authority to be appointed by the State Governments for the purpose of granting licences and also to make holding of licences mandatory for the carrying on of business of security agencies and other related matters.

4. The Bill seeks to achieve the above objects.

1. Short title, extent and commencement.—(1) This Act may be called the **Private Security Agencies (Regulation) Act, 2005**.

1. Received the assent of the President on June 23, 2005 and published in the Gazette of India, Extra., Part II, Section 1

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Definitions.—In this Act, unless the context otherwise requires,—

- (a) “armoured car service” means the service provided by deployment of armed guards along with armoured car and such other related services which may be notified by the Central Government or as the case may be, the State Government from time to time;
- (b) “Controlling Authority” means the Controlling Authority appointed under sub-section (1) of Section 3;
- (c) “licence” means a licence granted under sub-section (5) of Section 7;
- (d) “notification” means a notification published in the Official Gazette;
- (e) “prescribed” means prescribed by rules made under this Act;
- (f) “private security” means security provided by a person, other than a public servant, to protect or guard any person or property or both and includes provision of armoured car service;
- (g) “private security agency” means a person or body of persons other than a government agency, department or organisation engaged in the business of providing private security services including training to private security guards or their supervisor or providing private security guards to any industrial or business undertaking or a company or any other person or property;
- (h) “private security guard” means a person providing private security with or without arms to another person or property or both and includes a supervisor;
- (i) “State Government”, in relation to a Union territory, includes the Administrator of that Union territory appointed by the President under Article 239 of the Constitution.

3. Appointment of Controlling Authority.—(1) The State Government shall, by notification, designate an officer not below the rank of a Joint Secretary in the Home Department of the State or an equivalent officer to be the Controlling Authority for the purposes of this Act.

(2) The State Government may, for efficient discharge of functions by the Controlling Authority, provide it with such other officers and staff as that Government considers necessary.

4. Persons or Private Security Agency not to engage or provide private security guard without licence.—No person shall carry on or commence the business of private security agency, unless he holds a licence issued under this Act :

Provided that the person carrying on the business of private security agency, immediately before the commencement of this Act, may continue to do so for a period of one year from the date of such commencement and if he has made an application for such licence within the said period of one year, till the disposal of such application :

Provided further that no private security agency shall provide private security abroad without obtaining permission of the Controlling Authority, which shall consult the Central Government before according such permission.

5. Eligibility for licence.—An application for issue of a licence under this Act shall only be considered from a person after due verification of his antecedents.

6. Persons not eligible for licence.—(1) A person shall not be considered for issue of a licence under this Act, if he has been—

- (a) convicted of an offence in connection with promotion, formation or management of a company (any fraud or misfeasance committed by him in relation to the company), including an undischarged insolvent; or
- (b) convicted by a competent court for an offence, the prescribed punishment for which is imprisonment of not less than two years; or
- (c) keeping links with any organisation or association which is banned under any law on account of their activities which pose threat to national security or public order or there is information about such a person indulging in activities which are prejudicial to national security or public order; or
- (d) dismissed or removed from government service on grounds of misconduct or moral turpitude.

(2) A company, firm or an association of persons shall not be considered for issue of a licence under this Act, if, it is not registered in India, or having a proprietor or a majority shareholder, partner or director, who is not a citizen of India.

7. Application for grant of licence.—(1) An application for grant of licence to a private security agency shall be made to the Controlling Authority in such form as may be prescribed.

(2) The applicant shall submit an affidavit incorporating the details in relation to the provisions contained in Section 6, ensure the availability of the training for its private security guards and supervisors required under sub-section (2) of Section 9, fulfilment of conditions under Section 11 and of cases registered with police or pending in a court of law involving the applicant.

(3) Every application under sub-section (1) shall be accompanied by a fee of—

- (a) Rupees Five thousand if the private security agency is operating in one district of a State;
- (b) Rupees Ten thousand if the agency is operating in more than one but up to five districts of a State; and
- (c) Rupees Twenty-five thousand if it is operating in the whole State.

(4) On receipt of an application under sub-section (1), the Controlling Authority may, after making such inquiries as it considers necessary and obtaining no objection certificate from the concerned police authority, by order in writing, either grant a licence or refuse to grant the same within a period of sixty days from the date of receipt of application with complete particulars and the prescribed fee :

Provided that no order of refusal shall be made unless—

- (a) the applicant has been given a reasonable opportunity of being heard; and
- (b) the grounds on which licence is refused is mentioned in the order.

(5) A licence granted under this section—

- (a) shall be valid for a period of five years unless the same is cancelled under sub-section (1) of Section 13;
- (b) may be renewed from time to time after the expiry of five years, for a further period of five years on payment of such fee as may be prescribed; and
- (c) shall be subject to such conditions as may be prescribed.

8. Renewal of licence.—(1) An application for renewal of licence shall be made to the Controlling Authority, not less than forty-five days before the date of expiry of the period of validity thereof, in such form as may be prescribed and shall be accompanied by the requisite fee and other documents required under Sections 6, 7 and 11 of this Act.

(2) The Controlling Authority shall pass an order on application for renewal of licence within thirty days from the date of receipt of application complete in all respects.

(3) On receipt of an application under sub-section (1), the Controlling Authority may, after making such inquiries as he considers necessary and by order in writing, renew the licence or refuse to renew the same :

Provided that no order of refusal shall be made except after giving the applicant a reasonable opportunity of being heard.

9. Conditions for commencement of operation and engagement of supervisors.—(1) Every private security agency shall, within six months of obtaining the licence, commence its activities.

(2) Every private security agency shall ensure imparting of such training and skills to its private security guards and supervisors as may be prescribed :

Provided that the person carrying on the business of private security agency, before the commencement of this Act, shall ensure the required training to its security guards and supervisors within a period of one year from the date of such commencement.

(3) Every private security agency shall, within sixty days from the date of issue of the licence, employ such number of supervisors, as may be prescribed.

(4) A private security agency shall not employ or engage a person as a supervisor unless he fulfils the conditions specified in sub-section (1) of Section 10.

(5) While engaging a supervisor of private security guards, every private security agency shall give preference to a person who has experience of serving in the Army, Navy, Air Force or any other Armed forces of the Union or State Police including armed constabularies and Home Guards for a period of not less than three years.

10. Eligibility to be a private security guard.—(1) A private security agency shall not employ or engage any person as a private security guard unless he—

- (a) is a citizen of India or a citizen of such other country as the Central Government may, by notification in the Official Gazette, specify;
- (b) has completed eighteen years of age but has not attained the age of sixty-five years;
- (c) satisfies the agency about his character and antecedents in such manner as may be prescribed;
- (d) has completed the prescribed security training successfully;
- (e) fulfils such physical standards as may be prescribed; and
- (f) satisfies such other conditions as may be prescribed.

(2) No person who has been convicted by a competent court or who has been dismissed or removed on grounds of misconduct or moral turpitude while serving in any of the armed forces of the Union, State Police Organisations, Central or State Governments or in any private security agency shall be employed or engaged as a private security guard or a supervisor.

(3) Every private security agency may, while employing a person as a private security guard, give preference to a person who has served as a member in one or more of the following, namely:—

- (i) Army;
- (ii) Navy;
- (iii) Air Force;

- (iv) any other armed forces of the Union;
- (v) Police, including armed constabularies of States; and
- (vi) Home Guards.

11. Conditions of licence.—(1) The State Government may frame rules to prescribe the conditions on which licence shall be granted under this Act and such conditions shall include requirements as to the training which the licensee is to undergo, details of the person or persons forming the agency, obligation as to the information to be provided from time to time to the Controlling Authority regarding any change in their address, change of management and also about any criminal charge made against them in the course of their performance of duties of the private security agency or as the case may be, a private security guard employed or engaged by them.

(2) The State Government may make provision in the rules to verify about imparting of required training by the private security agency under sub-section (2) of Section 9 and to review continuation or otherwise of licence of such private security agency which may not have adhered to the condition of ensuring the required training.

12. Licence to be exhibited.—Every private security agency shall exhibit its licence or copy thereof in a conspicuous place of its business.

13. Cancellation and suspension of licence.—(1) The Controlling Authority may cancel any licence on any one or more of the following grounds, namely:—

- (a) that the licence has been obtained on misrepresentation or suppression of material facts;
- (b) that the licence holder has used false documents or photographs;
- (c) that the licence holder has violated the provisions of this Act or the rules made thereunder or any of the conditions of the licence;
- (d) that the licence holder has misused information obtained by him during the discharge of his duties as the private security agency to any industrial or business undertaking or a company or any other person;
- (e) that the licence holder by using any letter-head, advertisement or any other printed matter or in any other manner represented that the private security agency is an instrumentality of the Government or such agency is or has been using a name different from that for which licence has been granted;
- (f) that the licence holder is or has been impersonating or permitting or aiding or abetting any body to impersonate as a public servant;
- (g) that the private security agency had failed to commence its activities or to engage a supervisor within the specified time period;
- (h) that the licence holder is or has wilfully failed or refused to render the services agreed to any person;
- (i) that the licence holder has done any act which is in violation of a court order or an order of a lawful authority or is or has been advising, encouraging or assisting any person to violate any such order;
- (j) that the licence holder has violated the provisions of the Acts given in the Schedule which may be modified by the Central Government, by notification in the Official Gazette;
- (k) that there have been repeated instances when the private security guard or guards provided by the private security agency—

- (i) failed to provide private security or were guilty of gross negligence in not providing such security;
 - (ii) committed a breach of trust or misappropriated the property or a part thereof which they were supposed to protect;
 - (iii) were found habitually drunk or indisciplined;
 - (iv) were found to be involved in committing crimes; or
 - (v) had connived or abetted a crime against the person or property placed under their charge; or
- (l) that the licence holder has done any act which poses a threat to national security, or did not provide assistance to the police or other authority in the discharge of its duties or acted in a manner prejudicial to national security or public order or law and order.

(2) Where the Controlling Authority, for reasons to be recorded in writing, is satisfied that pending the question of cancelling of licence on any of the grounds mentioned in sub-section (1), it is necessary to do so, that Controlling Authority may, by order in writing, suspend the operation of the licence for such period not exceeding thirty days as may be specified in the order and require the licence holder to show cause, within fifteen days from the date of issue of such order, as to why the suspension of the licence should not be extended till the determination of the question of cancellation.

(3) Every order of suspending or cancelling of a licence shall be in writing and shall specify the reasons for such suspension or cancellation and a copy thereof shall be communicated to the person affected.

(4) No order of cancellation of licence under sub-section (1) shall be made unless the person concerned has been given a reasonable opportunity of being heard.

14. Appeals.—(1) Any person aggrieved by an order of the Controlling Authority refusing the licence under sub-section (4) of Section 7 or renewal under sub-section (3) of Section 8 or order of suspension of licence under sub-section (2) of Section 13 or cancellation of licence under sub-section (1) of that section, may prefer an appeal against that order to the Home Secretary of the State Government within a period of sixty days of the date of such order :

Provided that an appeal may be admitted after the expiry of the said period of sixty days if the appellant satisfies the State Government that he has sufficient cause for not preferring the appeal within that period.

(2) Every appeal under sub-section (1) shall be made in such form as may be prescribed and shall be accompanied by a copy of the order appealed against.

(3) Before disposing of an appeal, the State Government shall give the appellant a reasonable opportunity of being heard.

15. Register to be maintained by a private security agency.—(1) Every private security agency shall maintain a register containing—

- (a) the names and addresses of the persons managing the private security agency;
- (b) the names, addresses, photographs and salaries of the private security guards and supervisors under its control;
- (c) the names and addresses of the persons whom it had provided private security guards or services; and
- (d) such other particulars as may be prescribed.

(2) The Controlling Authority may call for such information as it considers necessary from any private security agency, supervisor or private security guard to ensure due compliance of the Act.

16. Inspection of licence, etc.—The Controlling Authority or any other officer authorised by it in this behalf may at any reasonable time, enter the premises of the private security agency and inspect and examine the place of business, the records, accounts and other documents connected with the licence and may take copy of any document.

17. Issue of photo identity card.—(1) Every private security guard shall be issued a photo identity card, by the private security agency employing or engaging the guard.

(2) The photo identity card under sub-section (1) shall be issued in such form as may be prescribed.

(3) Every private security guard or supervisor shall carry on his person the photo identity card issued under sub-section (1) and shall produce it on demand for inspection by the Controlling Authority or any other officer authorised by it in this behalf.

18. Disclosure of information to unauthorised person.—(1) Any person who may be or has been employed or engaged as a private security guard by the private security agency shall not divulge to anyone other than the employer, or in such manner and to such person as the employer directs, any information acquired by him during such employment with respect to the work which he has been assigned by such employer, except such disclosure as may be required under this Act or in connection with any inquiry or investigation by the police or as may be required by an authority or process of law.

(2) All private security guards of a private security agency shall render necessary assistance to the police or to such authority in the process of any investigation pertaining to the activities of that agency.

(3) If violation of any law is noticed by any private security guard during the course of discharge of his duties, he shall bring it to the notice of his superior, who in turn shall inform the police either through his employer or agency or on his own.

19. Delegation.—The State Government may, by notification, direct that any power or function (except the powers to make rules under Section 25)—

(a) which may be exercised or performed by it, or

(b) which may be exercised or performed by the Controlling Authority,

under this Act, may, in relation to such matter and subject to such conditions, if any, as may be specified in the notification, be also exercised or performed by such officer or authority subordinate to the Government or officer subordinate to the Controlling Authority, as may be specified in such notification.

20. Punishment for contravention of certain provisions.—(1) Any person who contravenes the provisions of Section 4 shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to twenty-five thousand rupees, or with both.

(2) Any person or private security agency who contravenes the provisions of Sections 9, 10 and 12 of the Act, shall be punishable with a fine which may extend to twenty-five thousand rupees, in addition to suspension or cancellation of the licence.

21. Penalty for unauthorised use of certain uniforms.—If any private security guard or supervisor wears the uniform of the Army, Air Force, Navy or any other armed forces of the Union or Police or any dress having the appearance or bearing any of the distinctive marks of that uniform, he and the proprietor of the private security agency shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to five thousand rupees, or with both.

22. Offences by companies.—(1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section—

- (a) “company” means any body corporate and includes a firm or other association of individuals; and
- (b) “director”, in relation to a firm, means a partner in the firm.

23. Indemnity.—No suit, prosecution or other legal proceeding shall lie against the Controlling Authority or any other officer authorised by it in respect of anything in good faith done or intended to be done under this Act.

24. Framing of model rules for adoption by States.—The Central Government may frame model rules in respect of all or any of the matters with respect to which the State Government may make rules under this Act, and where any such model rules have been framed the State Government shall, while making any rules in respect of that matter under Section 25, so far as is practicable, conform to such model rules.

25. Power of State Government to make rules.—(1) The State Government may, by notification, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) the procedure for verification of character and antecedents under clause (c) of sub-section (1) of Section 10; the type of training under clause (d) of sub-section (1) of Section 10; the physical standard under clause (e) of sub-section (1) of Section 10; and other conditions under clause (f) of sub-section (1) of Section 10;
- (b) the number of supervisors to be employed under sub-section (3) of Section 9;
- (c) the form of an application for grant of licence under sub-section (1) of Section 7;
- (d) the form in which the licence to be granted under sub-section (4) of Section 7 and conditions subject to which such licence to be granted under Section 11;
- (e) the form of an application for renewal of licence under sub-section (1) of Section 8;
- (f) the form under sub-section (2) of Section 14 for preferring an appeal;
- (g) particulars to be maintained in a register under sub-section (1) of Section 15;
- (h) the form in which photo identity card under sub-section (2) of Section 17 be issued;
- (i) any other matter which is required to be, or may be, prescribed.

(3) Every rule made by the State Government under this section shall be laid, as soon as may be after it is made, before each House of the State Legislature where it consists of two Houses, or where such Legislature consists of one House, before that House.

(4) In respect of Union territories, every rule made to carry out the provisions of the Act shall be laid before each House of Parliament and where there exists a Legislative Assembly, before that Assembly.

THE SCHEDULE

[See Section 13(1)(j)]

- (1) The Payment of Wages Act, 1936 (4 of 1936).
 - (2) The Industrial Disputes Act, 1947 (14 of 1947).
 - (3) The Minimum Wages Act, 1948 (11 of 1948).
 - (4) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (19 of 1952).
 - (5) The Payment of Bonus Act, 1965 (21 of 1965).
 - (6) The Contract Labour (Regulation and Abolition) Act, 1970 (37 of 1970).
 - (7) The Payment of Gratuity Act, 1972 (39 of 1972).
 - (8) The Equal Remuneration Act, 1976 (25 of 1976).
 - (9) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 (30 of 1979).
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