

**GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1866
ANSWERED ON:22.07.2014
DISCLOSURE OF FOREIGN FUNDS DONATIONS
Meinya Dr. Thokchom;Roy Prof. Saugata

Will the Minister of HOME AFFAIRS be pleased to state:

- (a) whether it is mandatory for any Organisation/Institute to take permission before they are allowed to receive any funds/donations from Foreign Agencies and if so, the details thereof;
- (b) the number of Voluntary Organisations (VOs)/Non-Governmental Organisations (NGOs) registered under Foreign Contribution (Regulation) Act, 2010 to receive foreign funds, State/UTwise;
- (c) whether the Government has conducted any physical inspection and scrutinised the foreign funds received by VOs/NGOs during each of the last three years and the current year and if so, the details thereof including the findings of the inspection team along with the action taken against the defaulting VOs/NGOs;
- (d) whether the Government/Reserve Bank of India (RBI) have directed all banks to disclose the funds/donations received by various VOs/NGOs in India including from Green Peace International, Climate Works Foundation, Amnesty International and Human Rights Watch and to block the foreign funds received by them; and
- (e) if so, the details thereof and the reasons therefor along with the steps taken/being taken by the Government to check illegal receipt of foreign funds by VOs/NGOs?

Answer

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI KIREN RIJU)

- (a): Section 11 of the Foreign Contribution (Regulation) Act, 2010 stipulates that no person having a definite cultural, economic, educational, religious or social programme shall accept foreign contribution unless such person obtains a certificate of registration or prior permission from Central Government.
- (b): As on 16/07/2014, a total number of 42,569 organisations have been registered under the Foreign Contribution (Regulation) Act, 2010. The state-wise details of the organizations is given at Annexure.
- (c) to (e): Inspection of records and accounts of the associations is carried out where alleged violations of any of the provisions of the Foreign Contribution (Regulation) Act, 2010 (FCRA) and Foreign Contribution (Regulation) Rules, 2011 (FCRR) is received from various sources, including field agencies and also on the basis of the complaints received from public. The number of on-site inspections carried out from the year 2011 is as under:

Year (Jan - Dec) Number of On-site Inspection

2011	55
2012	29
2013	33
2014 (Up to June)	27

The irregularities detected, in general, range across the following categories:

- (i) Receipt of foreign contribution without registration or prior permission under FCRA.
- (ii) Not maintaining exclusive accounts for Foreign Contribution (FC) as required under FCRA.
- (iii) Non-submission of mandatory annual returns within the stipulated period.
- (iv) Transfer of FC to associations not registered under FCRA.
- (v) Utilization of FC amount for the purposes different from the grant or different from the objectives of the recipient association.
- (vi) Registration of assets from FC in the individual names rather than in the name of the association.
- (vii) Change of bank or bank account number without the prior permission of the Government.
- (viii) Changing the registered office of the association without intimation to the Government.

On the basis of inspection, action has been taken against the defaulting associations, which include cancellation of registration, prohibiting the association from receiving foreign contribution, suspension & freezing of bank account, referring cases for further investigation and prosecution to CBI/ concerned State Police, compounding of offence by payment of prescribed monetary penalty.

Under FCRA, 2010 and FCRR, 2011, every bank has been mandated to report receipt of foreign contribution by persons not having registration/ prior permission thereunder as well as sending report to the Central Government within thirty days of receipt of any foreign contribution in excess of one crore rupees or equivalent in a single transaction or in transactions within a duration of thirty days by any person. Besides, from time to time, on receipt of adverse inputs against a particular foreign donor, banks are advised through Reserve Bank of India to seek prior approval of the Government for crediting of funds in to the recipient account from such donor.