

**GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA**

STARRED QUESTION NO:552

ANSWERED ON:05.05.2015

INSPECTION OF NGOS

Patil Shri Shivaji Adhalrao;Yadav Shri Dharmendra

Will the Minister of HOME AFFAIRS be pleased to state:

- (a) whether the Government has recently banned/ put on watch list the activities of certain Non- Governmental Organisations (NGOs) in the country;
- (b) if so, the details thereof including the findings of the inspection carried out;
- (c) whether a number of irregularities including contravention of the relevant provisions of the Foreign Contributions Regulation Act (FCRA), 2010 has been reported in the working of NGOs and if so, the details thereof;
- (d) whether most of the arrests made of volunteers of NGOs were for violations of the Indian Penal Code, Criminal Procedure Code and States Police Acts and had no link to campaigns or non-violent direct action and if so, the details thereof; and
- (e) the action taken/proposed to be taken by the Government/RBI in this regard including suspension of the registration of NGOs under the FCRA Act?

Answer

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

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 552 FOR 05.05.2015.

(a): Yes, Madam.

(b) & (c): The Ministry of Home Affairs is mandated to administer the Foreign Contribution (Regulation) Act, 2010 (FCRA 2010), for regulating the receipt and utilization of foreign contribution by the associations/NGOs. On the basis of inputs from various security agencies, complaints, scrutiny of documents or inputs received from the State Governments, a questionnaire is served to the association. After receipt of the reply to the questionnaire, it is examined to decide whether prima-facie any violations are noticed. In case of any violation, the process of inspection of the association is initiated. On the basis of volume of documents and other relevant data, it is decided whether to conduct an On-site or Off-site inspection of the association. On the basis of inspection report, the observations are communicated to the association. In case no violations are found, no action is initiated. At times, on the basis of scrutiny of data if violation is found, a show cause notice is issued and action is initiated against the association.

During the year 2014, 69 Off-site and 50 On-site inspections were conducted and during 2015, till date 12 Off-site and 24 On-site inspections have been conducted. The violations noticed in majority of the cases were:

(i) Clubbing Foreign Contribution (FC) account with domestic accounts i.e. failure to maintain exclusive accounts as required by FCRA, violation of Section 17(1) of FCRA, 2010.

(ii) Failure to submit annual accounts within the stipulated period, violation of Section 18 FCRA, 2010 read with Rule 17 of FCRR, 2011.

(iii) Transfer of FC to un-registered NGOs, violation of Section 7 of FCRA, 2010 read with Rule 24 of FCRR, 2011.

(iv) Utilisation of FC amount for the purposes different from the grant or different from the objectives of the recipient NGO, violation of Section 8 of FCRA, 2010.

(v) Registration of assets from FC in the individual names of office bearers rather than in the name of the NGO, violation of Section 8 of FCRA, 2010.

(vi) Utilisation of more than 50% of foreign contribution received in a financial year on administrative expenses, violation of Section 8(1)(b) of FCRA, 2010.

(vii) Change of more than 50% of the office bearers without prior approval, violation of Rule 9 (1)(a) of FCRR, 2011.

Depending upon the gravity of violations noticed, punitive action such as suspension, cancellation of registration under FCRA, 2010, compounding of the offence, initiation of prosecution, placing the recipient or the foreign donor under prior permission category are taken.

(d): Violations of provisions of Indian Penal Code, Criminal Procedure Code and State Police Act are dealt with by the concerned State Governments appropriately.

(e): During the year 2014, penalty of Rs. 51,99,526/- was imposed on 24 associations for receiving and utilising foreign contribution without registration/ prior permission. Till date 30 cases of violation involving misappropriation/ mis-utilisation of Foreign Contribution have been referred to CBI of which 6 cases resulted in conviction. 10 cases of violation involving mis-appropriation/ mis-utilisation of Foreign Contribution have been referred to the concerned State Police. Accounts of 34 associations have been frozen for violation of various provisions of FCRA. 69 associations have been prohibited from receiving foreign contributions, 16 foreign donor agencies have been placed under Prior Permission Category. Registration of 10,117 associations has been cancelled for not filling the annual returns continuously for three years and even not responding to show cause notices issued.