

**GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:174

ANSWERED ON:21.07.2015

Foreign Funding of NGOs

Adsul Shri Anandrao ;Charitra Shri Ram;Chavan Shri Ashok Shankarrao;Dhurve Smt. Jyoti;Gaikwad Dr. Sunil Baliram;Gupta Shri Sudheer;Kirtikar Shri Gajanan Chandrakant;Patil Shri Bheemrao Baswanthrao;Patil Shri Shivaji Adhalrao;Pradhan Shri Nagendra Kumar;Raut Shri Vinayak Bhaurao;Senguttuvan Shri Balasubramaniam;Shewale Shri Rahul Ramesh;Shinde Dr. Shrikant Eknath;Shrirang Shri Chandu Barne;Singh Shri Kunwar Haribansh;Venugopal Dr. Ponnusamy;Yadav Shri Dharmendra

Will the Minister of HOME AFFAIRS be pleased to state:

- (a) the guidelines laid down by the Government for the Non-Governmental Organisations (NGOs) receiving funds from abroad;
- (b) whether the Government has identified the NGOs which have violated the Foreign Contributions Regulation Act (FCRA) guidelines and/or are using the funds for anti-national activities;
- (c) if so, the details thereof including the number of such NGOs identified and the action taken against them including the number of NGOs served with show cause notices, licences cancelled, Bank Accounts frozen etc. in the current year;
- (d) whether the Government has received inputs/recommendations from Intelligence Bureau on foreign funding of NGOs and if so, the details thereof and the response of the Government thereto; and

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- (e) the steps being taken by the Government to step up the scrutiny of foreign funded NGOs including amendment in the FCRA rules and mandatory reporting of forex remitted to the accounts of such NGOs not registered under the FCRA Act by the Banks etc.?

Answer

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

(a) The acceptance and utilization of foreign contribution is regulated under Foreign Contribution (Regulation) Act, 2010 (FCRA) and Foreign Contribution (Regulation) Rules, 2011 (FCRR) framed thereunder. They provide for procedure to grant registration and prior permission for receipt of foreign contribution and its utilization, maintenance of accounts, inspection of accounts of the associations, etc. They also prescribe various offences and penalties that may be imposed, including suspension and cancellation of registration in case of violation of the provisions of FCRA and FCRR.

(b) & (c) Instances of non-Governmental Organisations violating provisions of the FCRA and FCRR have come to Government's notice. FCRA and FCRR came into force with effect from 01.05.2011. Since then, notices were issued to around 21,000 associations in 2011 and to 10,343 associations in 2014 for not filing annual returns continuously for three years. Consequently, registration of 4138 associations was cancelled in July 2012 and of 10,117 in March 2015 after issue of Show Cause Notices to such associations and giving them adequate opportunity. After inspections and scrutiny of accounts, 15 cases were referred to CBI and 10 to State Police for further investigation and prosecution. Accounts of 23 associations have been frozen. 20 associations have been prohibited from receiving foreign contribution. In 2014, penalty amounting to Rs.5,20,82,031/- has been imposed on 341 associations for late/non-submission of mandatory annual returns and of Rs. 51,99,526/- on 24 associations for receipt and utilization of foreign contribution without obtaining registration or prior permission under the FCRA.

(d) The Government receives inputs from various security agencies, including Intelligence Bureau, from time to time, about the violations of FCRA, however, action is initiated against the alleged violators only after due scrutiny and following due process as prescribed in the said Act.

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(e) Expeditious action is taken as and when adverse inputs of violations of provisions of the Act are received against any association. The Government also intends to amend certain provision of FCRR to simplify the procedure for application and grant of registration and prior permission, making the process online and user-friendly, enhancing transparency and accountability. The changes are also expected to help in effective monitoring and expeditious reporting by banks of receipt of foreign contribution by persons/ associations not registered under the FCRA.

