

**GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2944

ANSWERED ON:15.03.2016

Illegal Funds Received by NGOs

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Will the Minister of HOME AFFAIRS be pleased to state:

- (a) whether the Government is aware of the illegal funds received by Non-Governmental Organisations (NGOs) in the country;
- (b) if so, the details thereof and the number of such cases reported during each of the last three years and the current year, country, NGO and State-wise;
- (c) whether the Government has cancelled the licences of NGOs receiving foreign funds, if so, the details thereof and the total number of licence cancelled during the said period, NGO and State-wise including Karnataka;
- (d) whether cases of fake address have also been detected while initiating proceedings against NGOs under Foreign Contribution Regulation Act (FCRA), if so, the details thereof and the action taken against such NGOs during the said period, NGO and State-wise; and
- (e) the steps taken by the Government to check such cases in future and to stop illegal flow of funds to NGOs in the country?

Answer

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

(a) & (b): The Ministry of Home Affairs is mandated to administer the

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Foreign Contribution (Regulation) Act, 2010 (FCRA, 2010) and Foreign Contribution (Regulation) Rules, 2011 (FCRR, 2011), for regulating the receipt and utilization of Foreign Contribution by the Associations/NGOs for charitable purposes. FCRA, 2010 and FCRR, 2011 came into force with effect from 01.05.2011. Complaints/inputs are received from various sources including security agencies of the alleged receipt of foreign contribution without obtaining the permission of the Central Government under Foreign Contribution Regulation Act, 2010(FCRA, 2010). Action against such violation is taken after conducting inspection of the records and accounts giving due opportunity to the concerned association/NGO. In 2014, penalty amounting to Rs. 51,99,526/- on 24 associations and in the year 2015 an amount of Rs.80,11,010/- on 7 associations for compounding the offence for receipt and utilization of foreign contribution without obtaining registration or prior permission under the FCRA, 2010 was imposed.

(c) to (e): Instances of some non-Government Organizations violating provisions of the FCRA and FCRR have come to Government's notice. Since implementation of FCRA, 2010 and FCRR, 2011, notices were issued to around 21,000 associations in 2011 and to 10,343 associations

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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. State wise number of associations, including Karnataka, whose FCRA registrations were cancelled during the said period is at annexure-I & II. Names of associations against whom actions of cancellation has been taken are available on the website www.fcraonline.nic.in of the Ministry of Home Affairs.

Recently, a number of steps have been taken for enhancing the transparency, accountability and effective monitoring of foreign contribution received by the associations registered under the FCRA, 2010. The old system of FCRA monitoring has been replaced with 'Online System', for facilitation of all stakeholders and effective monitoring. Certain amendments have also been made in the Foreign Contribution (Regulation) Rules, 2011 (FCRR, 2011). Number of online forms have been reduced and simplified. The bank accounts of the associations under FCRA have also been linked to Public Financial Management System (PFMS) for better monitoring. Integration of Bank Payment Gateway has been made functional to facilitate online payment of fees, etc. by various applicants.

Annexure-II

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State wise number of associations whose FCRA registration cancelled during 2015 for not filing Annual Returns for the financial years 2009-2010, 2010-11 and 2011-12

State/U.T No of Association
Andaman & Nicobar Islands 7
Andhra Pradesh 1420
Arunachal Pradesh 27
Assam 126
Bihar 642
Chandigarh 14
Chhattisgarh 34
Daman and Diu 1
Delhi 391
Goa 46
Gujarat 365
Haryana 75
Himachal Pradesh 46
Jammu & Kashmir 36
Jharkhand 114
Karnataka 805
Kerala 527
Madhya Pradesh 195
Maharashtra 967
Manipur 289
Meghalaya 33
Mizoram 15
Nagaland 56
Orissa 630
Pondicherry 14
Punjab 68
Rajasthan 149
Sikkim 10
Tamil Nadu 1068
Tripura 14
Uttar Pradesh 1147
Uttarakhand 48
West Bengal 738
Grand Total 10117
