

**GOVERNMENT OF INDIA
MINISTRY OF HOME AFFAIRS**

RAJYA SABHA

QUESTION NO03.03.2010

ANSWERED ON

TIGHTENING NORMS FOR NGOS SEEKING FOREIGN CONTRIBUTION .

647

Shri V. Hanumantha Rao

Will the Minister of COALHEALTH AND FAMILY WELFARE INFORMATION AND BROADCASTING HOME AFFAIRS be pleased to state :-

- (a) whether Government is all set to tighten norms for NGOs and other associations seeking foreign contribution by making it mandatory for them to seek clearance on a case to case basis;
- (b) if so, whether according to Home Ministry records, out of nearly 34,000 registered associations, only about 18,000 submit annual audited returns within 9 months of closure of financial year; and
- (c) if so, what action Government proposes to take against those who have not submitted their annual audit returns and what are other steps being taken against those NGOs who deal with foreign funds?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS

(SHRI MULLAPPALLY RAMACHANDRAN)

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

STATEMENT IN REPLY TO PARTS (a) TO (c) OF RAJYA SABHA UNSTARRED QUESTION NO. 647 FOR 3.3.2010 REGARDING TIGHTENING NORMS FOR NGOs SEEKING FOREIGN CONTRIBUTION.

(a) to (c):An Association with a definite cultural, social, economic, educational or religious programme can obtain foreign contribution either by obtaining 'registration' or 'prior permission' from Ministry of Home Affairs, in consonance with provisions of Foreign Contribution (Regulation) Act, 1976 and rules thereof, Guidelines have also been put into place to facilitate the process.

The 'Association(s)' receiving foreign contribution after registration or else after obtaining prior permission, are required to submit Annual returns in the prescribed form FC-3, accompanied with a balance sheet and receipt and payment account, duly certified by a Chartered Accountant. This Annual return is required to be submitted for each financial year within a period of nine months from the closure of the financial year i.e. by 31st December each year. The Associations which are reporting receipt of foreign contribution are indicated in column (3) of the table below:-

Year No. of registered associations (As on 31st March of Financial Year) No. of Associations reporting receipt of Foreign Contribution Amount of Foreign contribution
(Rs. in Crore)

(1)	(2)	(3)	(4)
2007-08	34803	18796	9663.46

'Registered Association(s)' which do not submit FC-3 annual returns within the stipulated period may, by a notification published in the Official Gazette by directed by the Central Government, not to receive foreign contribution without obtaining prior permission. Those 'Association(s)' which receive foreign contribution after seeking prior permission but do not submit annual returns within the stipulated period, are not granted further 'prior permission'/ 'registration' to receive foreign contribution and till submission of their annual returns.