

GOVERNMENT OF INDIA
MINISTRY OF HOME AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 2944

TO BE ANSWERED ON THE 15TH MARCH, 2016/PHALGUNA 25, 1937 (SAKA)

ILLEGAL FUNDS RECEIVED BY NGOS

2944. SHRI RAJESH KUMAR DIWAKER:
SHRI J.C. DIVAKAR REDDY:
SHRI S. RAJENDRAN:
SHRI BHAGWANTH KHUBA:

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 RIJIJU)

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

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

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.

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

State wise number of associations whose FCRA registration cancelled during 2012 for not filing Annual Returns for the financial years 2006-2007,2007-08 and 2008-09

State/U.T	No of Association
Andhra Pradesh	670
Arunachal Pradesh	6
Assam	4
Bihar	20
Chandigarh	6
Chhattisgarh	7
Dadra Nagar Haweli	1
Delhi	299
Goa	10
Gujarat	158
Haryana	21
Himachal Pradesh	23
Jammu & Kashmir	5
Jharkhand	9
Karnataka	296
Kerala	450
Madhya Pradesh	92
Maharashtra	352
Manipur	128
Meghalaya	9
Mizoram	2
Nagaland	35
Orissa	160
Pondicherry	6
Punjab	7
Rajasthan	110
Tamil Nadu	794
Uttar Pradesh	72
Uttarakhand	2
West Bengal	384
Grand Total	4138