

FCRA LICENCES OF NGOS EXTENDED BY 3 MONTHS

Relevant for: Developmental Issues | Topic: Role of NGOs, SHGs, Donors & Charities, and Institutional & other Stakeholders in Development Process

The extension in “public interest” will, however, bring no relief to Missionaries of Charities (MoC), founded by Mother Teresa, as the Ministry said non-governmental organisations (NGOs) whose request for renewal was turned down would not be eligible to receive or utilise the foreign contributions in their designated bank accounts.

The Home Ministry had earlier said in a statement that it refused to renew the FCRA registration of the MoC on December 25 as “some adverse inputs were noticed”, adding that its registration was valid till October 31 and it was subsequently extended till December 31 along with that of other FCRA associations whose renewal applications are pending. According to returns filed by the MoC, the NGO has over Rs. 100 crore in its account.

A registration under the FCRA is mandatory for any NGO or association to receive foreign funds and it is renewed every five years.

According to Dhaval Udani, founder of DanaMojo, an online payment platform for NGOs, there are no set rules around what can be done on rejection of renewal.

“The standard practice is to either ask for a review of the decision or re-apply for a fresh application. But for that, they would need to know the reason for the rejection of their renewal to correct any shortcomings. If the government does not share that, they may need to approach the courts,” Mr. Udani said.

The Hindu reported on December 28 that the registration of thousands of non-governmental organisations (NGO) and associations that were up for renewal in October 2021 were stuck and the deadline for the same was December 31.

The Hindu reported that only around 5,000 renewal applications were processed so far while there are 22,762 NGOs registered under FCRA. Mr. Udani added, “As per a study done by AccountAid on the four Metros and Bangalore the renewal rate was so far 4% as of 21 December, 2021.”

In an order issued on Friday, the Ministry stated, “... the Central Government, in public interest, has decided to extend validity of FCRA registration certificates up to March 31, 2022 or till the date of disposal of the renewal application.” It added two conditions — the FCRA registration certificates of such entities is expiring between September 29, 2020 — March 31, 2022, and that they have applied or apply for renewal on the FCRA portal before expiry of certificate of registration. As per FCRA rules, an NGO has to apply for renewal within six months of expiry.

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