

# Synopsis of 'FCRA' Annual Report for the Financial Year 2004-05

**The Foreign Contribution (Regulation) Act,** is an act to regulate the acceptance and utilization of foreign contribution or foreign hospitality. According to this act, any donation made in Indian or foreign currency or transfers made by any foreign source are considered as foreign contribution. This foreign contribution and hospitality are generally accepted and utilised by certain persons or associations whether incorporated or not. The Act ensures those parliamentary institutions, political associations and academic and other voluntary organizations as well as individuals working in the national priority sector functions in consistence with the values of a sovereign republic and for matters connected therewith or incidental thereto. Associations having definite cultural, economic, educational, religious or social programme can accept foreign contribution only after obtaining either prior permission or registration from the Central Government. Basic purpose of this act is to ensure that the foreign contribution that is received for specific tasks is not misused for activities detrimental to national interest.

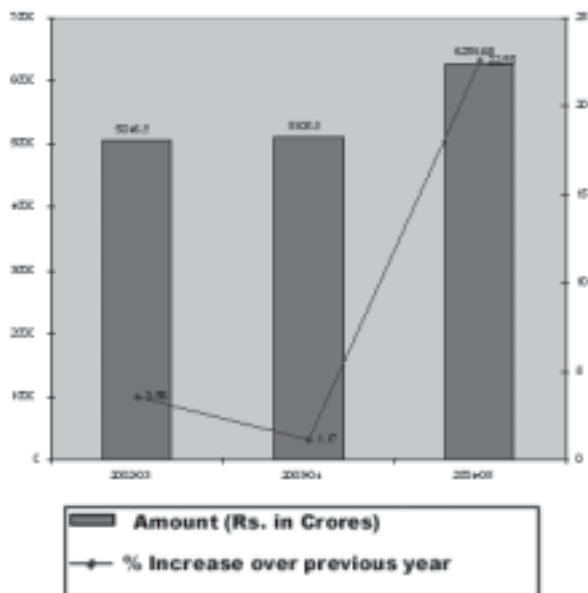
The general policy adopted by the Government of India is not to encourage soliciting of foreign contribution, but if it is intended for genuine activities with a focus on definite cultural, economic, educational, religious or social programme, the same can be accepted either by obtaining prior permission or registration under the act

from the Central Govt. The main purpose behind preparation of FCRA balance sheet seems to regulate the acquisition and disposal of capital assets created out of foreign contribution.

## A comparative analysis of receipt of foreign contribution during the last three years

As on 31st March 2005, 30,321 (thirty thousand three hundred and twenty one) associations were registered and 369 were granted prior permission as per the Act during the Financial Year 2004-05. During the year 2004-05, 18,540 associations reported receipt of foreign contribution including those that submitted a NIL return amounting to Rs. 6,256.68 crores which has increased 22.55% over the previous year's contribution which was amounting to Rs. 5105.50 crores. In last three years amount of foreign contribution has increased every year in terms of gross amount received. But in comparative analysis of receipt of foreign contribution during the last three years if we see the percentage of increase/(decrease) over the previous year then in 2002-03 is 3.58%, in 2003-04 it came down to 1.17% and again in 2004-05 it goes up to 22.55%.

RECEIPT OF FOREIGN CONTRIBUTION		
Year	Amount ( Rs. in Crores )	% Increase over, previous year
2002-03	5046.50	3.58
2003-04	5105.50	1.17
2004-05	6256.68	22.55

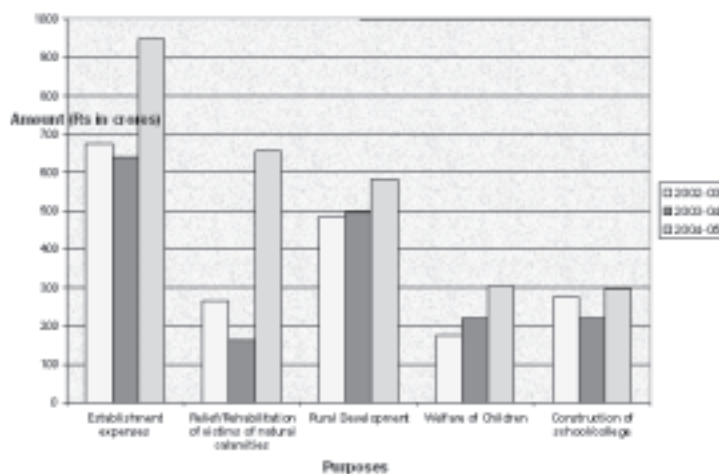


### Purpose wise details of receipt of foreign contribution:

To compensate the loss of property and human life caused by tsunami, many foreign charitable organizations expressed their desire to send contributions to voluntary associations in the country. The amount received by way of relief/rehabilitation of victims of natural calamities was Rs 655.65 crores that was almost 403.08% of the last year amount. Similar to last two previous years the highest amount was received for establishment expenses (Rs 948.20 crores) that was followed by relief/rehabilitation of victims of natural calamities (Rs 655.65 crores), rural development (Rs 582.48 crores) and

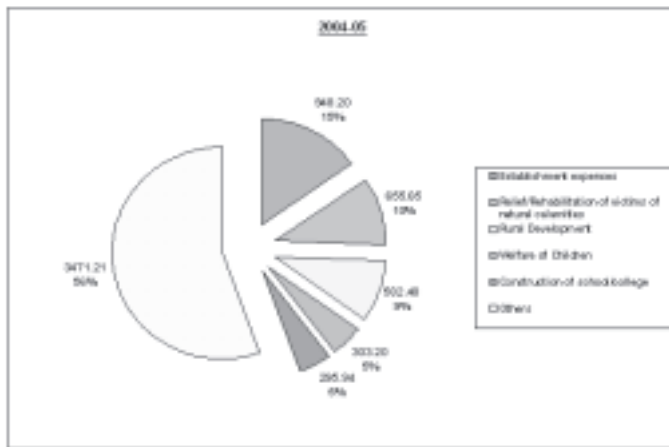
The reason for the sudden significant increase in foreign contribution (in percentage) from its previous year figure is the devastating Tsunami that had hit the coastal areas of Southern States and coastal areas of Andaman & Nicobar Islands, Andhra Pradesh, Tamil Nadu, Pondicherry and Kerala. Because of this natural disaster thousands lost their lives, lakhs of people were rendered homeless and there was massive loss/destruction to property. If the purpose of foreign contribution is properly studied then it will probably be much easier to understand the reason for such rise in the percentage.

TOP FIVE PURPOSES				
Foreign Contribution (Rs in crores)				
PURPOSE	2002-03	2003-04	2004-05	Total
Establishment expenses	673.77	639.31	948.20	2261.28
Relief/Rehabilitation of victims of natural calamities	265.85	162.66	655.65	1084.16
Rural Development	486.50	494.64	582.48	1563.62
Welfare of Children	176.13	221.38	303.20	700.71
Construction of school/college	275.74	221.63	295.94	793.31



Welfare of children (Rs 303.20). As Establishment expenses generally consists of various items like Office administration Cost

Total contribution for the specific purpose's and percentages over the total contribution.



etc. which directly do not contribute to the Development work, so it can be said that the highest amount of contribution for the last three years is under Rural Development head.

#### Top Recipient Association:

During the year, 70 associations received foreign contribution in excess of Rs 10 crores, 112 associations between Rs 5 and Rs 10 crores, 985 associations between Rs 1 crore and Rs 5 crores, and the remaining 17,373 below Rs 1 crore. Among the reporting associations, World Vision of India in the state of Tamil Nadu (Rs 133.57 crores) received the highest amount of foreign contribution, followed by Rural Development Trust, Andhra Pradesh (Rs 118.75 crores), Sri Sathya Sai Central Trust, Andhra Pradesh (Rs 77.57 crores), Caritas India, Delhi (Rs 65.30 crores) and Foster Parents Plan International Inc., Delhi (Rs 64.91 crores). Except Rural Development Trust in Andhra Pradesh all other four top recipient association has received foreign contribution higher than

NAME OF ASSOCIATION	STATE	2003-03	2003-04	2004-05	Total
World Vision	Tamil Nadu	88.01	103.74	133.57	325.32
Rural Development Trust	Andhra Pradesh	84.66	125.99	118.75	329.40
Sri Sathya Sai Central Trust	Andhra Pradesh	68.19	49.96	77.57	195.72
Caritas India	Delhi	48.40	37.54	65.3	151.24
Foster Parents Plan International Inc.	Delhi	53.65	56.8	64.91	175.36

its previous year's received amount. This year the organisation received Rs 118.75 crores which has reduced by 5.75% over its last year contribution received amount.

#### Top Recipient States / Union Territories and Districts:

This year total number of reporting organization is 18,540 out of which 2,990 associations are from Tamil Nadu and this is the highest

number of reporting associations from any state or union territory similarly 2,211 associations from Andhra Pradesh, 1,592 from Kerala, 1,568 from west Bengal and 1,522 from Maharashtra. Among the States and Union Territories, Tamil Nadu (Rs. 1,190.64 crores) reported the highest receipt of foreign contribution followed by Delhi (Rs. 1,075.23 crores), Andhra Pradesh (Rs. 913.17 crores), Maharashtra (Rs 552.41 crores) and Karnataka (Rs. 511.99 crores).

Among the districts in different States, Chennai (Rs 560.40 crores) reported the highest receipt of foreign contribution by its 712 reporting associations, followed by Bangalore (Rs 376.97 crores), Mumbai (Rs 321.82 crores), Ananthapur (Rs 287.70 crores), Kolkata (Rs 206.35 crores) and Hyderabad / Secunderabad (Rs 178.11 crores).

#### List of Top Donor Agencies with country:

The list of foreign donors is headed by the Foundation Vincent E Ferrer, Spain (Rs 183.31 crores), followed by World Vision International, USA (Rs 123.25 crores), Gospel for Asia, USA (Rs 110.12 crores), Plan International, USA (Rs.65.60 crores), and Compassion International, USA (Rs 60.93 crores). And the list

TOP RECIPIENT STATES / UNION TERRITORIES				
Foreign contribution (Rs. in crores)				
STATE/UT	2002-03	2003-04	2004-05	Total
Tamil Nadu	774.99	800.22	1190.64	2765.85
Delhi	880.77	857.12	1075.23	2813.01
Andhra Pradesh	629.76	684.20	913.17	2227.13
Maharashtra	505.13	480.61	552.41	1538.15
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of donor countries is headed by USA (Rs. 1926.95 crores), followed by Germany (Rs. 930.92 crores), UK (Rs. 764.13 crores), Italy (Rs. 432.88 crores) and the Netherlands (Rs. 353.51 crores).

#### Conclusion:

By analyzing the last three years data from 2002-2003 to 2004-2005, we may conclude that

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TOP DONOR COUNTRIES				
Foreign Contribution (Rs in crores)				
Country	2002-03	2003-04	2004-05	Total
USA	1679.84	1584.26	1926.95	5191.05
Germany	715.04	757.13	930.92	2403.09
UK	685.38	676.14	764.13	2125.65
Italy	315.82	350.01	432.88	1098.71
Netherlands	261.88	304.04	353.51	919.43

United States of America is the top donor country by contributing a sum of Rs. 5,191.05 crores in the last three years. among individual

contributors Foundation Vincent E Ferrer, Spain contributed the highest amount of foreign contribution of Rs 397.62 crores appx. At the receiving end among the states and district, Delhi and Chennai district are in the top of the list by receiving the highest amount of foreign contribution amounting to Rs 2,813.12 crores and 1,308.38 crores respectively and among the various associations World Vision of India, Tamil Nadu received the highest amount of foreign contribution of Rs 335.32 crores. Though we have already stated earlier the reason for the sudden significant increase in foreign contribution (in percentage) from its previous year figure, is the devastating Tsunami. Due to this natural disaster thousands lost their lives, lakhs of people were rendered homeless and there was massive loss/ destruction to property. The highest amount received for Rural Development purposes was Rs 1,563.62 crores. So lastly it can be said apart from the relief/ rehabilitation work of victims the Development Work is going on in its own speed.

(Compiled by Research Team of FMSF)