

the **IAS** hub



APRIL

7

CRUX 10

10 News. 10 Sources. One Place



The Indian **EXPRESS** live **mint** पॉलिटिक्स

DownToEarth
FORTNIGHTLY ON POLITICS OF DEVELOPMENT,
ENVIRONMENT AND HEALTH

**Science
Reporter**



MK Yadav Sir

Table of Contents

- 1 Chit Funds
- 2 Repo Rate
- 3 Import Duty
- 4 NUE Network
- 5 Fortification of Rice
- 6 Diversion of Forest Land
- 7 Winter Pollution
- 8 El Nino
- 9 IT Rules 2021
- 10 FCRA Violations

Chit Funds Seek Finmin Intervention in Andhra Turmoil

Request ministry & RBI to curb further action against a large fund, fear it may boil over to impact the trade and hurt low-income households

Sugata.Ghosh@timesgroup.com

Mumbai: Chit funds, the vehicles of an age-old rotating finance tool that doubles up as a popular saving and borrowing avenue for millions of Indians, have sought New Delhi's intervention to shield the trade from the high-voltage drama playing out in Andhra Pradesh where the state police has gone after a large, reputed fund in a battle that has taken a political colour.

Officials, representing the funds, are knocking on the doors of the finance ministry and the Reserve Bank of India (RBI), requesting them to restra-

in the Andhra government from taking actions that may boil over to impact the trade and hurt many low-income households.

More than 10 million people across the country deal with 30,000-odd chit funds recording an annual turnover of around ₹60,000 crore.

The Andhra Pradesh CID (Crime Investigation Department) has filed a First Information Report (FIR) against the chairman of Margadarsi Chit

Fund Private Limited, Cherukuri Ramoji Rao, and his daughter-in-law and managing director Cherukuri Sailaja for alleged diversion of funds and violation of other rules.

"The arrest of managers and auditor of the fund, preventing it from conducting monthly auctions and starting new groups may unsettle the industry and stain the reputation of a financial institution that has survived for decades and helped many during crises like the pandemic... this is why the industry wants the government to step in," a person aware of a recent submission to the government told ET.



Context: Chit funds have sought Centre's intervention to shield the trade from the high-voltage drama playing out in Andhra Pradesh where the state police has gone after a large, reputed fund in a battle that has taken a political colour.

- **CID (Crime Investigation Department)** has filed a First Information Report (FIR) against the chairman of Margadarsi Chit Fund Private Limited and his daughter-in-law and managing director for alleged diversion of funds and violation of other rules.
- **Chit funds** refers to an agreement arrived at by a group of individuals to invest a certain amount through periodic installments over a specified period of time.

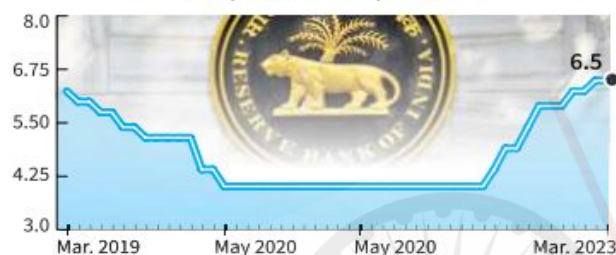
Laws and Regulations

- At present chit funds are governed by **Chit Funds Act of 1962**, **Reserve Bank of India (RBI) Act of 1934**, and **Securities & Exchange Board of India (SEBI) Act of 1992** etc.
- Under the **Chit Fund Act of 1962**, businesses can be registered and regulated only by the respective State Governments.
- Regulator of chit funds is the Registrar of Chits appointed by respective state governments under **Section 61 of Chit Funds Act**.
- Functionally, Chit funds are included in the definition of **Non-Banking Financial Companies (NBFCs)** by RBI under the sub-head Miscellaneous Non-Banking Company (MNBC).
- RBI has **not laid out any separate regulatory framework** for them.

Pause, not pivot, says Das after RBI holds policy rate at 6.5%

Holding steady

The repo rate — the rate at which RBI lends to commercial banks — was held at 6.5%. Graph shows the repo rate since March 2019



Lalatendu Mishra
MUMBAI

In a surprise move on Thursday, the Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) unanimously decided to keep the repo rate unchanged at 6.5%, citing global financial stability concerns as a key factor in the decision. Five of the MPC's six members also voted to keep policy focused on the withdrawal of accommodation to ensure

that inflation progressively aligns with the target, while supporting growth.

The MPC has raised interest rates continuously since May to stem inflation. The RBI said it would remain watchful and would not hesitate to take further action as may be required.

"It's a pause and not a pivot," RBI Governor Shaktikanta Das said at a press conference.

CONTINUED ON
» PAGE 12

Context: In a surprise move, the Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) unanimously decided to **keep the repo rate unchanged** at 6.50% and to remain focused on the withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth.

Repo rate

- **About:** Repo rate is the **rate at which the central bank of a country (Reserve Bank of India in case of India) lends money** to commercial banks in the event of any shortfall of funds.
 - Repo and reverse repo rates form a **part of the liquidity adjustment facility**.
 - Repo rate is used by monetary authorities to **control inflation**.
- **Implications:** In the event of **inflation, central banks increase repo rate** as this acts as a disincentive for banks to borrow from the central bank.
 - This ultimately **reduces the money supply** in the economy and thus helps in arresting inflation.
 - The central bank takes the contrary position in the event of a fall in **inflationary pressures**.

Monetary Policy Committee

- **About:** It is a statutory and institutionalized framework under the **Reserve Bank of India Act, 1934**, for maintaining price stability, while keeping in mind the objective of growth.
 - An RBI-appointed committee led by the then **deputy governor Urjit Patel in 2014 recommended** the establishment of the Monetary Policy Committee.
- **Chairman:** The **Governor of RBI** is ex-officio Chairman of the committee.
- **Functions:** The MPC **determines the policy interest rate** (repo rate) required to achieve the inflation target (4%).

Payment woes: CBIC waives interest fee on EXIM traders

SHREYA NANDI
New Delhi, 6 April

RESPITE FOR IMPORTERS

▶ **Waiver of interest allowed till April 10 in case of delay**

in payment of import duty due to tech glitches



▶ **Govt reverts to manual clearance of perishable items, pharma products that move in cold chain, and liquid bulk cargo, among others**

▶ **Importer has to produce a certificate from a bank, indicating payment of import duty, following which consignment can be cleared**

▶ **CBIC has urged shipping lines to waive detention and demurrage charges till April 10**

The Central Board of Indirect Taxes and Customs (CBIC) on Thursday announced interim relief for traders grappling with difficulties in paying import duty through the automated payment system that went live on April 1.

The government has now allowed a temporary waiver of interest charges till April 10 in case there is a delay in paying duty due to technical glitches. Additionally, the government has also reverted to the manual clearance of certain categories of goods.

According to the Customs Act, if an importer fails to pay the Customs duty within a specified time, 10-36 per cent of interest is levied on duty not paid.

"The trade has, in a large number of cases, faced the difficulty of being unable to complete the process whereby accounting is made in the duty payment process initiated by them because of unanticipated technical dif-

ficulties on the Common Portal and with the authorised banks...as a result...the interest is arising," the CBIC said in a notification.

Turn to Page 6 ▶

Context: The Central Board of Indirect Taxes and Customs (CBIC) announced interim relief for traders grappling with difficulties in paying **import duty** through the automated payment system that went live on April 1.

- According to the **Customs Act**, if an importer fails to pay the Customs duty within a specified time, 10-36 percent of interest is levied on duty not paid.

Import Duty

- About:** It is a tax **collected on imports** and some exports by customs authorities of country.
 - It is usually **based on value of goods** that are imported.
 - Depending on context, import duty may also be referred to as **tariff, import tax, customs duty and import tariff**.
- Objectives:** The purpose of import duty is to **raise income for local government** and to give market advantage to locally grown or produced goods that are not subject to import duties.
 - It is sometimes used as **tool to penalize a particular nation** by charging high import duties on its products.

CUSTOMS DUTY

Anti-Dumping Duty Vs. Customs Duty



'Didn't get any good plan for NPCI rival'

Gopika Gopakumar
gopika.g@htlive.com
MUMBAI

The Reserve Bank of India on Thursday said it didn't receive any innovative proposal from the industry on creating a rival entity to retail payments umbrella entity National Payments Corporation of India (NPCI), effectively putting it on the backburner three years after issuing the guidelines.

Mint reported on 25 August 2021 that RBI has put this initiative on hold owing to data safety concerns. At least six consortiums, including those led by Amazon, Google, Facebook and the Tata group, applied for the so-called new umbrella entities (NUEs) licences, in partnership with companies such as Reliance Industries Ltd and ICICI Bank Ltd after RBI invited expressions of interest in 2020.

"The objective was to introduce through the New Umbrella Entity mechanism some innovative infrastructural value add facility into the system. We didn't want something either incremental or a substitute of existing ideas or technology. Of the proposals we have received, we didn't quite see any innovative or infrastructural solution that had come up," said Rabi Sankar, deputy governor, RBI at the monetary policy press conference.

RBI had issued guidelines in 2020 for corporates to set up for profit new umbrella entities with an aim to set up, man-



RBI's move to set up NPCI rival was met with criticism from bank unions. MINT

age, and operate new payment systems in the retail space. The move was aimed at developing a network parallel to NPCI, which can maintain interoperability with services such as UPI and yet foster innovation and inclusion in the payments space.

But Mint had reported that RBI's step to set up an NUE was met with criticism from bank unions from the start, and neither were state-run lenders happy about their exclusion. The unions raised concerns about allowing foreign entities to set up payment networks in India. The data breaches at several fintechs also could have made RBI to rethink about the risks involved in allowing private sector manage payment transactions.

"I thought their purpose of NUE was primarily derisking and not innovation which is part of their own guidelines," said one of the applicants who spoke on condition of anonymity.

Context: The Reserve Bank of India said it didn't receive any innovative proposal from the industry on creating a rival entity to retail payments umbrella entity National Payments Corporation of India (NPCI), effectively putting it on the backburner three years after issuing the guidelines.

New Umbrella Entity (NUE)

- **About:** NUE is an entity (under the Companies Act 2013) that will **manage and operate the new payment system** in the retail sector such as ATMs, POS, UPI etc.
- **Key Features:** NUEs will be set up for **profit entities** that will manage payments in the retail space.
 - These could **offer a host of retail payment services**, including setting up of ATMs, offering white-label, point of sale terminals, Aadhaar-based payments, remittance services, and develop newer payment methods.
 - They will also **manage clearing and settlement systems** that could be an alternative to the bank-promoted NPCI.
 - They will be allowed to **charge fees for transactions** (unlike the existing NPCI).
 - All NUEs will have to be interoperable with the **National Payments Corporation of India (NPCI)**.

New Umbrella Entity

Cos can set up a pan-India payment network which can launch and govern its own payment systems like NPCI

WHO'S INTERESTED? Reliance Industries, Paytm, NSE and BSE

- Cos think they have infra, expertise to handle payment settlement at scale
- It may pave way for several collaborative products
- RBI wants to 'derisk' India's burgeoning payments ecosystem by introducing competition to NPCI

RBI can hand out more than one licence based on the number of applications and strength of proposals. The plan is to issue at least a couple of licences by 2020-end



269 districts in 27 states distributing Fortified Rice under Targeted Public Distribution System

Context: A total of 269 districts in 27 states have started distributing **fortified rice under Targeted Public Distribution System (TPDS)**, achieving a 100% target set for Phase II by March 2023 in Rice Fortification Programme, informed by Department of Food and Public Distribution.

- The **Food Safety and Standards Authority of India (FSSAI)** defines fortification as "deliberately increasing the content of essential micronutrients in a food so as to improve the nutritional quality of food and to provide public health benefit with minimal risk to health". For example, adding iodine and iron to edible salt.

Fortified rice under TPDS

- The Ministry of Consumer Affairs, Food and Public Distribution had launched a centrally sponsored **pilot scheme on "Fortification of Rice and its Distribution under Public Distribution System (PDS)"** for a period of three years beginning 2019-20 with a total budget outlay of Rs.174.64 crore.
- The pilot scheme focuses on 15 districts in 15 states. Under the scheme, the **blending of rice is done at the milling stage**.
- **Maharashtra and Gujarat** have started distribution of fortified rice under PDS in the Pilot Scheme.
- The Scheme is **funded by the Government of India** in the ratio of 90:10 in respect of North Eastern, hilly and island states and 75:25 in respect of the rest.
- India is considering **compulsory fortification of rice** from 2024 as a significant percentage of the population continues to suffer from malnutrition and anemia.
- **FSSAI the regulatory/licensing authority for food fortification**, has drafted Standards for FRK, Pre-mix and provided the direction to all the stakeholders for operationalization of draft standards with immediate effect.

Fortification of Rice

- According to the Food Ministry, fortification of rice is a **cost-effective and complementary strategy** to increase vitamin and mineral content in diets.
- According to FSSAI norms, 1 kg fortified rice will contain iron (28 mg-42.5 mg), folic acid (75-125 microgram) and Vitamin B-12 (0.75-1.25 microgram).
- In addition, **rice may also be fortified with micronutrients**, singly or in combination, with zinc, Vitamin A, Vitamin B1, Vitamin B2, Vitamin B3 and Vitamin B6.

89k ha of forest land diverted for devpt projects in 5 years

Land Used For Roads, Mining, Irrigation & Transmission Lines: Govt

TIMES NEWS NETWORK

New Delhi: India during the last five years diverted over 88,903 hectares of forest land — a size more than the area of Mumbai and Kolkata put together — for non-forestry purpose, with the highest of over 19,424 hectares being for road construction followed by 18,847 hectares for mining, 13,344 hectares for irrigation projects, 9,469 hectares for transmission lines and 7,630 hectares for defence projects.

Responding to a Parliament question of BJP member Sushil Kumar Modi, junior environment minister Ashwini Kumar Choubey informed Rajya Sabha that the Centre allowed these diversions for various development works under the provisions of the Forest (Conser-



At 19,424 hectares, road projects have claimed the most forest land

TIMES VIEW: Sometimes diverting forest land for non-forestry purposes becomes unavoidable. Planting lakhs of saplings cannot immediately compensate for the loss caused to the environment. One hopes, though, that sincere attention has been paid to restorative processes that would lead to afforestation in future.

vation) Act, 1980.

The data shared by him for the five-year period (April 1, 2018 - March 31, 2023) show that the Centre had taken decisions for diversions for over 25 kinds of projects/works including those concerning railways (4,769 hectares), thermal power plants, solar power works and drinking water facilities among others.

"The term 'forest cover'

refers to all lands, more than one hectare in area with a tree canopy density of more than 10%, irrespective of ownership and legal status. Such lands may not necessarily be a recorded forest area. It also includes orchards, bamboo and palm. All lands covered in the definition of forest cover have certain ecological or biodiversity value," said Choubey in his written response.

As per India State of Forest Report 2021, the area under 'very dense forest' is 87,742 sq km, while 'moderately dense forest' has an area of 2,39,564 sq km within the total 'recorded forest area/green wash area' of 7,38,373 sq km in the country. The proportion of 'very dense' and 'moderately dense' forests within the total 'recorded forest area' of the country is 44.33%.

DIVERSION OF FOREST LAND

(Syllabus: GS Paper 3 - Env & Eco)

Context: India during the last five years diverted over 88,903 hectares of forest land for non-forestry purpose, with the highest of over 19,424 hectares being for road construction followed by 18,847 hectares for mining, 13,344 hectares for irrigation projects, 9,469 hectares for transmission lines and 7,630 hectares for defence projects, Centre informed in the Parliament.

Key Points

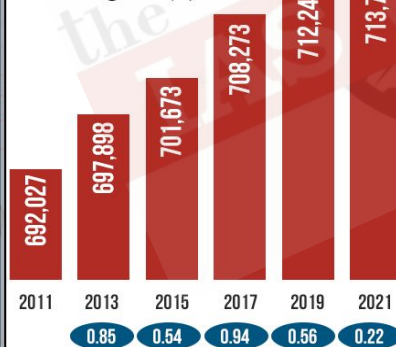
- The term **forest cover** refers to all lands, more than one hectare in area with a tree canopy density of more than 10%, irrespective of ownership and legal status.
 - Such lands may not necessarily be a recorded forest area.
 - It also includes **orchards, bamboo and palm**.
 - All lands covered in the definition of forest cover have **certain ecological or biodiversity value**.
- As per **India State of Forest Report 2021**, the area under 'very dense forest' is 87,742 sq km, while 'moderately dense forest' has an area of 2,39,564 sq km within the total 'recorded forest area/green wash area' of 7,38,373 sq km in the country.
 - The proportion of 'very dense' and 'moderately dense' forests within the total 'recorded forest area' of the country is 44.33%.

Diversion of forest land

- Diversion of forest land in India is governed by the provisions under **Forest (Conservation) Act, 1980 (FCA)**.
- As per the FCA, any diversion of land for non-forest purposes has to be pre-approved by the Advisory Committee instituted under the **Ministry of Environment, Forest and Climate Change (MoEFCC)**.
- Proposals seeking diversion of forest land upto 40 hectares are processed by regional offices of MoEFCC under the instituted **Regional Empowered Committees (REC)**.
- Proposals that pertain to diversion of land greater than 40 hectares are sent directly to the central ministry.
- To recognise the **rights of local communities** whose livelihoods are inextricably linked to the forest lands they inhabit, the central government enacted the **Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006**, more commonly known as the **Forest Rights Act (FRA)**.
- The Act aims to **protect the marginalised socio-economic class of citizens** and balance the right to environment with their right to life and livelihood.

FOREST COVER

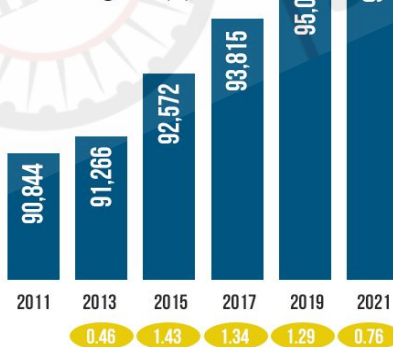
■ In Sq Km
■ Biennial growth (%)



Source: India State of Forest Report, 2021

TREE COVER

■ In Sq Km
■ Biennial growth (%)



WINTER POLLUTION

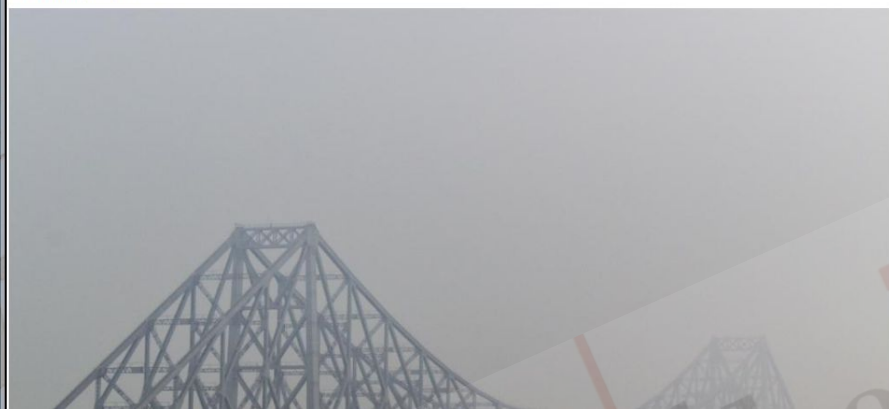
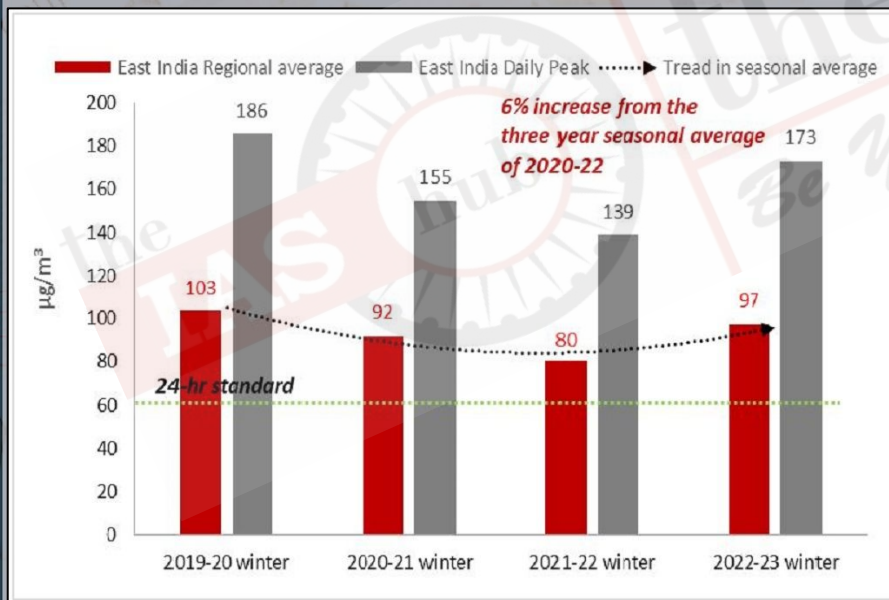
(Syllabus: GS Paper 3 - Env & Eco)

West Bengal, Odisha, Bihar experience most polluted winter in three years: CSE report

Problem shifting to smaller cities & towns of the region, analysts note

By DTE Staff

Published: Tuesday 04 April 2023



Context: The average PM2.5 level from October 1, 2022 to February 28, 2023 across nine cities of east India with functional monitoring stations was 97 micrograms per cubic metre ($\mu\text{g}/\text{m}^3$), according to the annual winter pollution report by **Delhi-based non-profit Centre for Science and Environment**.

- This is 6 percent higher than the average of the previous three winters.
- The analysis covered 50 **continuous ambient air quality monitoring stations (CAAQMS)** spread across 32 cities in West Bengal, Odisha and Bihar.
- **CAAQMS** monitors pollutants using different analyzers and working principles, thereby, which reduces the chances of manual error, generate data within minutes, and transmit the data. The data generated is disseminated online through a digital display board to the public.

Particulate Matter

- **About:** Particulate Matter (PM), also called **particle pollution**, is a term for a **mixture of solid particles and liquid droplets** found in the air.
 - **PM 2.5:** It refers to **fine particulate matter** smaller than 2.5 micrometres in diameter.
 - **PM10:** inhalable particles, with diameters that are **generally 10 micrometres and smaller**.
- **Sources of PM:** Some are emitted directly from a source, such as **construction sites, unpaved roads, fields, smokestacks or fires**.

Centre for Science and Environment (CSE)

- **About:** CSE is a **public interest research** and advocacy organisation based in New Delhi.
- **Functions:** It **researches into, lobbies for and communicates** the urgency of development that is both sustainable and equitable.

Government Notifies Amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics code) rules, 2021 for an Open, Safe & Trusted and Accountable Internet

Context: The Ministry of Electronics and IT, Government of India notified amendments to the **Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021**, related to online gaming and spread of false and misleading information regarding government business.

Key Amendments

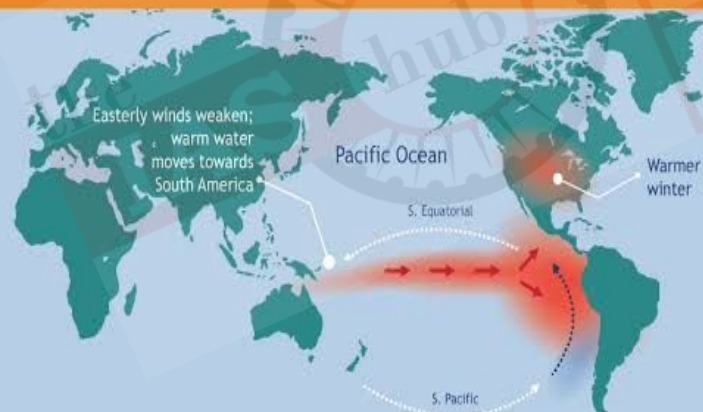
- It has been made obligatory on the part of intermediaries to make a reasonable effort to **not host, publish or share any online game** that can cause the user harm, or that has not been verified as a permissible online game by an online gaming self-regulatory body/bodies designated by the Central Government.
 - The intermediary will also have to ensure that **no advertisement or surrogate advertisement or promotion of an online game** that is not a permissible online game, is hosted on its platform.
- The self-regulatory body will have the authority to inquire and satisfy itself that **the online game does not involve wagering on any outcome**, that the online gaming intermediary and the game comply with the rules, the requirements under law for being competent to enter into a contract (currently at 18 years), and a framework made by the self-regulatory body regarding safeguards against user harm, including psychological harm, measures to safeguard through parental controls, age-rating mechanism, and measures to safeguard users against the risk of gaming addiction.
- The amended rules also cast additional obligations on online gaming intermediaries in relation to **online games involving real money**.
 - These include the **displaying of a mark of verification by the self-regulatory body** on such games; informing their users of the policy for withdrawal or refund of the deposit, manner of determination and distribution of winnings, fees, and other charges payable; obtaining the KYC details of the users; and not giving credit or enabling financing by third parties to the users.
 - If in case the Central Government issues a notification in the interest of users or other specified grounds, the same rules and obligations will be made applicable to even those **games where the user is not required to make any deposit** for winnings.
- The Government **may notify multiple self-regulatory bodies**, which shall be representative of the online gaming industry but it will function at arm's length from their members, and a Board consisting of Directors who are free from conflict of interest and represent all relevant stakeholders and experts, including online games users, educationists, psychology or mental health experts, ICT experts, persons with child rights protection experience and individuals having experience in relevant fields of public policy and administration.
 - The rules provide for the **obligations to become applicable** once a sufficient number of self-regulatory bodies have been designated so that the online gaming industry has adequate time to comply with its obligations.
- The amended rules now also make it obligatory for the intermediaries **not to publish, share or host fake, false, or misleading information** in respect of any business of the Central Government.
 - This fake, false, or misleading information will be **identified by the notified Fact Check Unit of the Central Government**.
 - The **existing IT rules** already required the intermediaries to make reasonable efforts to **not host, publish or share any information which is patently false** and untrue or misleading in nature.

El Nino on its way, will likely impact monsoon: Experts

It could also cause heatwaves and droughts in India, South Africa, Australia, Indonesia, the Pacific Islands



NEXT NEWS >

NORMAL YEAR**EL NIÑO YEAR**

Source: Lantini Taylor depiction based on source data from National Oceanic and Atmospheric Administration (NOAA), National Aeronautics and Space Administration (NASA) and various media reports.

Context: An **El Nino event** in the equatorial Pacific Ocean may be developing sooner than expected as many climate models have forecasted an El Nino as soon as in May 2023.

- The **development of an El Nino in May or June** may cause a possible weakening of the southwest monsoon season, which brings around 70 per cent of the total rainfall India receives and on which most of its farmers still depend.

El Nino

- **About:** It is the name given to the occasional development of warm ocean surface waters **along the coast of Ecuador and Peru**. El Niño events occur irregularly at intervals of 2–7 years, although the average is about once every 3–4 years.
 - After El Nino event weather conditions **usually return back to normal**.
 - However, in some years the trade winds can become extremely strong and an **abnormal accumulation of cold water** can occur in the central and eastern Pacific. This event is called a **La Niña**.
- **Impact on monsoon rainfall in across the globe:** El Nino **impacts ocean temperatures**, the speed and strength of ocean currents, the health of coastal fisheries, and local weather from Australia to South America and beyond.
 - **Rainfall increases drastically** in South America, contributing to coastal flooding and erosion.
- **Impacts on monsoon rainfall in India:** El Nino and Indian monsoons are **inversely related**.
 - The most **prominent droughts in India** – six of them – since 1871 have been El Nino droughts, including the recent ones in 2002 and 2009
 - However, **not all El Nino years led to a drought** in India. For instance, 1997/98 was a strong El Nino year but there was no drought (Because of IOD).
 - On the other hand, a **moderate El Nino in 2002** resulted in one of the worst droughts.
 - **El Nino directly impacts India's agrarian economy** as it tends to lower the production of summer crops such as rice, sugarcane, cotton, and oilseeds.

Alleging violations of FCRA, Home for CBI probe into Oxfam

Fully compliant, says Oxfam India, plea for licence renewal is in Delhi HC

MAHENDER SINGH
MANRAL
NEW DELHI, APRIL 6

THE UNION Ministry of Home Affairs (MHA) has recommended a CBI probe into Oxfam India for alleged violations of the Foreign Contribution (Regulation) Act, 2010.

"The MHA found that Oxfam India continued to transfer foreign contributions to various entities even after registering under the FCRA, which prohibits such transfers," said MHA sources.

When contacted, an Oxfam India spokesperson said: "Oxfam India is fully compliant with Indian laws and has filed all its statutory compliances, including FCRA returns, in a timely manner since its inception. Oxfam India has been cooperating with all government agencies since its FCRA registration wasn't renewed in December 2021. We have filed a plea in the Delhi High Court against the decision to not renew

our FCRA registration. The High Court has asked the Union government to respond to our plea."

"In times of growing inequality and greater need for action on poverty eradication, Oxfam India has been and will continue to work in public and national interest. Oxfam India believes this is our constitutional duty as an organisation, irrespective of obstacles and hurdles in the path," said the spokesperson.

While Oxfam India's FCRA licence expired in December 2021, the MHA rejected its application for renewal. The global non-profit organisation has moved the Delhi High Court, which is hearing the matter.

On September 7 last year, the Income Tax Department had conducted "surveys" of the premises of Oxfam India, think tank Centre for Policy Research (CPR), and the Independent and Public Spirited Media Foundation (IPSMF) that funds a range of digital media entities.

CONTINUED ON PAGE 4

FCRA VIOLATIONS

(Syllabus: GS Paper 3 - Internal Security)

Context: Two years after rejecting Oxfam India's application for renewing its **Foreign Contribution (Regulation) Act (FCRA) registration**, the Ministry of Home Affairs (MHA) recommended a CBI inquiry into alleged FCRA violations by the global non-profit organisation.

- Oxfam India was registered under the **FCRA, 2010** for undertaking social activities and their registration was valid up to December 31, 2021.
- During this time, the MHA allegedly found several major violations following which they referred it to the CBI for legal action.

Foreign Contribution (Regulation) Act (FCRA), 2010

- **About:** Foreign funding in India is regulated under FCRA act and is **implemented by the Ministry of Home Affairs**.
 - The Act ensures that the recipients of **foreign contributions** adhere to the stated purpose for which such contribution has been obtained.
- **Eligibility:**
 - **Individuals:** They are **permitted** to accept foreign contributions without permission of MHA.
 - However, the monetary limit for acceptance of such foreign contributions shall be **less than Rs. 25,000**.
 - **Organisations/NGOs:** Under the Act, organisations are **required to register** themselves every five years.
 - Registered NGOs can receive foreign contributions **for five purposes: Social, educational, religious, economic and cultural**.
- **Foreign Contribution (Regulation) Amendment Act, 2020:**
 - **Prohibition:** The Act **bars public servants** from receiving foreign contributions.
 - Public servant includes any person who is in service or paid by the government, or remunerated by the government for the performance of any public duty.
 - **Transfer:** The Act prohibits the transfer of foreign contribution **to any other person not registered** to accept foreign contributions.
 - **Aadhaar for registration:** The Act makes **Aadhaar number mandatory for all office bearers**, directors or key functionaries of a person receiving foreign contribution, as an identification document.
 - **FCRA account:** The Act states that foreign contributions must be **received only in an account designated by the bank as FCRA account** in such branches of the State Bank of India, New Delhi.
 - **Reduction in use of foreign contribution for administrative purposes:** The Act proposes that not more than **20% of the total foreign funds** received could be defrayed for administrative expenses. In FCRA 2010 the limit was 50%.
 - **Surrender of certificate:** The Act **allows the central government** to permit a person to surrender their registration certificate.

Secure Top Rank with the **IAShub** Courses

Prelims 2023 Courses

01

Prelims Crash Course
Score Enhancement
Program (SEP)

02

INA Current Affairs
(Prelims)

03

TACKLE - Prelims
Test Series

04

Geography - Prelims
Crash Course

Quality Enrichment Courses (Mains 2023)

01

Quality Enrichment Program (QEP)

02

Science of Answer Writing (SAW)

Prelim Cum Mains 2024 Courses

01

NEEV GS Foundation 2024/25

02

INA Current Affairs Pre Cum Mains - 2024

FREE



Download PDF



Login to theiashub.com



**Aaj Ka
Quality Enrichment**
(Toppers' Favourite PDF)



News-CRUX-10
(10 News. 10 Sources. One Place)



Monthly Editorials
(The Hindu & Indian Express)



Daily Quiz (Prelims)



**Government Schemes &
Ministry Wise Year End
Review**



Free Enrichment PDFs
(Tailor Made Crisp Study Material)

FREE

**India's Best Answer Writing Sessions
with**



Ritika Jindal



Simi Karan



Gaurav Budania



Mridul Shivhare

IAS OFFICERS

Log On To Our Unique
Free Answer Writing Sessions with Toppers (FAST) Portal
& Start Practicing!



**SCAN
HERE**



9560082909



t.me/theiashub



www.theiashub.com



/mkyadav



www.theiashub.com