

F.No.II/21022/58(0047)/2013-FCRA(MU)
GOVERNMENT OF INDIA
MINISTRY OF HOME AFFAIRS
FOREIGNERS DIVISION
(FCRA wing)

**NDCC-II Building, Jai Singh Road,
(Opposite Jantar Mantar), Connaught Place
New Delhi-110 001**

Dated : 09th September, 2015

ORDER

Whereas, the association **Sabrang Trust, Nirant, Juhu Tara Road, Juhu Mumbai**, is registered under the Foreign Contribution (Regulation) Act, 2010 vide Registration No. **083781099R**;

Whereas, on the basis of available inputs against the association regarding violation of FCRA provisions, an on-site inspection of records and accounts of the association was conducted from 9th to 11th April, 2015 in the registered office of the association in Mumbai; and the findings of the inspection were communicated to the association on 05th June, 2015.

Whereas, the Ministry examined the reply given by the association vide their letter dated 25th June, 2015 and found not satisfactory on the following grounds:-

Whereas, the Section 3 (1) (b) & (h) of FCRA, 2010 says correspondent, columnist, cartoonist, editor, owner, printer or publisher of a registered newspaper; (h) *correspondent or columnist, cartoonist, editor, owner of the association or company referred to in clause (g), are prohibited to accept foreign contribution*. During course of inspection of records of Sabrang Trust, it was noticed that both, Ms. Teesta Setalvad and Mr. Javed Anand are Chief Functionary/Trustee of associations of Sabrang Trust, which is registered under FCRA, 1976 (repealed with FCRA, 2010). Both are also working as Directors, co-Editors, printers, and publisher in company namely Sabrang Communications & Publishing Pvt. Limited having RNI No. MAHEG/1993-1148 and Published a Magazine called "Communalism Combat". Further both, from time to time keep on writing various articles in Newspapers & Magazines. As per the provisions of above Section of FCRA, 2010 they are completely prohibited to take foreign contribution from foreign source. Thus the association have violated Section 3(1) (b) & (h) of FCRA, 2010.

Whereas, on inspection of accounts of Sabrang Trust it was noticed that the association has received total donation of ₹48,42,557/- and ₹49,10,353/- in the year 2010-11 and 2011-12 respectively out of which they have spent ₹30,97,690/- and ₹27,07,864/- which comes to 64.23% and 55.14 % respectively on administrative expenses. As per Section 8 (1) (b) of FCRA, 2010 requires approval of Ministry of Home Affairs before

incurring expenses on administrative head exceeding fifty per cent limit. Thus, it is a violation of Section 8 (1) (b) of FCRA, 2010.

Whereas, Section 7 and 8 (1) (a) of FCRA, 2010 read with Rule 24 of FCRR, 2011 says Prohibition to transfer foreign contention *to other person unless such other person is also registered and had been granted the certificate or obtained the prior permission under this Act.* Rule 24 of FCRR, 2011 and every person, who is registered and granted a certificate or given prior permission under this Act and receives any foreign contribution – shall utilise such contribution for the purposes for which the contribution has been received. But during course of inspection of books & records of the association it was noticed that payments of ₹50 lakhs were made by Sabrang Trust to Sabrang Communications & Publishing Pvt (SCPPL) Limited which seems to be used for personal gain. Thus the association has violated Section 7 read with Rule 24 of FCRR, 2011 and 8 (1) (a) of FCRA, 2010.

Whereas, on review of vouchers of Sabrang Trust it has been noticed that association has transferred an amount of ₹ 2,46,954.00 from its FC designated account to Sabrang Trust domestic account on 14.01.2011 vide cheque no. 136035 without any logical reasons. This raises the suspicion of mixing of funds by the association and it can be treated as non utilization of foreign contribution for the purpose which it was received and mixing of foreign contribution with domestic contribution. This is a violation of section 8(1) (a) and Section 17 (1), of FCRA 2010.

Whereas, during the review of vouchers it was found that association had made the payment to Sabrang Communications & Publishing Pvt. Limited for purchase of Bulk SMS from Sandesha Online services, 213, Master Mind IV, IT Park, Aarey Colony, Goregaon (E), Mumbai-65. This action of association amounts to non-utilization of foreign contribution for the purpose for which they have received as well as transferring of FC to non-registered association. Thus, the association has violated Section 7, 8 (1) (a) & 17(1) of FCRA, 2010.

Whereas, on review of vouchers of the association it is found that Sabrang Trust has made direct payments of approximate ₹ 12 lakhs from FCRA designated account to Citi Bank and Union Bank of India on account for Credit Cards belonging to Ms. Teesta Setalvad and Mr. Javed Anand respectively as payments. The Cards are issued in the name of individuals and the above mentioned payment appears that the foreign contribution has been used for personal gain. This amounts to use the foreign contribution for the purposes not authorized as per provisions of FCRA, 2010 thus has violated Section 8 (1) (a) of FCRA, 2010.

Whereas, as per Voucher No. 294 dated 13.02.12 a sum of ₹ 1174/- was paid to AIMCO Forex (P) Limited towards International Medical Policy in favour of Shri Javed Anand for attending Lahore Conference and voucher No. 28 dated 02.05.2011 of ₹ 4227/- was paid to Shri Javed Anand towards purchase of books and travel expenses with regard to attending the People Union for Civil Liberty (PUCL) meeting. The above mentioned payment appears that the foreign contribution has been used for personal gain This amounts to violation of Section 8 (1) (a) of FCRA, 2010.

Whereas, during course of inspection of books & records of the association it was noticed that payments of ₹ 50 lakhs were made by Sabrang Trust to Sabrang Communications & Publishing Pvt (SCPPL) Limited which appears to be used for personal gain. SCPPL is also is not registered under FCRA 2010. Thus the association has violated Section 7 read with Rule 24 of FCRR, 2011 and 8 (1) (a) of FCRA, 2010.

Whereas, on review of Registration Certificate of the association, 'Sabrang Trust', it was noticed that it was registered under FCRA, 1976 (repealed with FCRA 2010) vide registration Number 083781099R under nature of 'Educational and Social'. On scrutiny of FC-3 (now FC-6) return FY 2007-08 it was noticed that association has received ₹1,52,593/- as foreign contribution under the nature 'Cultural'. Further this amount has been reflected in FC-3 return in two different Columns as ₹ 1,02,593/- under 'Maintenance of place of Historical and Culture importance' and ₹ 50,000/- under 'other expenses'. This indicates that the association has received the FC for the purpose which is not permitted as per mandate of Registration Certificate allotted by Central Government under Foreign Contribution (Regulation) Act, 1976 (repealed with FCRA, 2010) and has violated the mandate of Registration Certificate.

Whereas, it has been noticed that association has transferred an amount of ₹ 2,46,954.00 from its FC designated account to Sabrang Trust domestic account on 14.01.2011 vide cheque no. 136035 without any logical reasons. This may be treated as non utilization of foreign contribution for the purpose for which it was received and mixing of foreign contribution with domestic contribution. This is a violation of section 8(1) (a) and Section 17 (1), of FCRA 2010.

Now, therefore, in exercise of the powers conferred by Section 13 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010), the Central Government hereby suspends the registration of Sabrang Trust, Nirant, Juhu Tara Road, Juhu Mumbai, (FCRA Registration No. 083781099R) for a period of one hundred and eighty days with effect from the date of this order.

On the basis of above violations committed by Sabrang Trust, the said association may explain why the FCRA Registration No.083781099R in respect of Sabrang Trust, Nirant, Juhu Tara Road, Juhu Mumbai (Maharashtra) should not be cancelled under Section 14 (2) of FCRA, 2010. Your reply should reach this Ministry by 12.10.2015

This has approval of the competent authority.

(Mahendra Kumar)
Deputy Secretary to the Govt. of India (MU)
Tel : 011 23438035

To

The Chief Funtionary
SABRANG TRUST
'Nirant', Juhu Tara Road
Juhu, Mumbai (Maharashtra)