

June 2025

# CSR & NPO



**"Leadership is about taking responsibility, not making excuses."**

*-Ratan Tata*

## FROM THE EDITOR'S DESK...

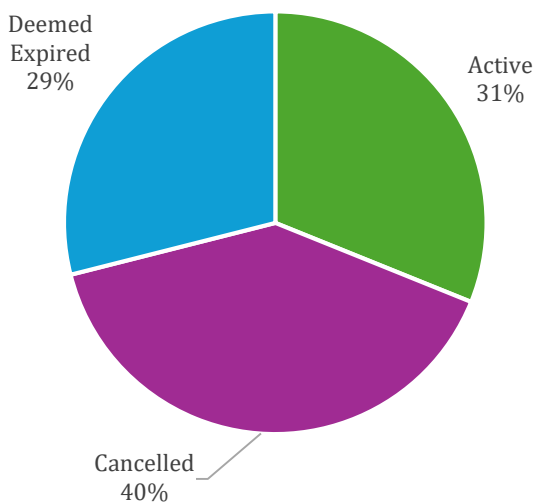
*Taking responsibility for others' actions fosters accountability, teamwork, and empathy. Societies thrive when individuals embrace interconnectedness, ensuring collective progress. Leadership involves guiding others with integrity, learning from mistakes, and upholding shared values. True change emerges when individuals embrace broader responsibilities for a better future*

*In this edition of 'Positive Echoes', we feature one such leader whose organization is leading in helping out NPOs in using technological solutions and helping in bridge the ever-widening gap in technological innovation and adaptation.*

*The issues faced by the Non-profit organisations in raising funds from foreign sources with the FCRA amendments are also elaborated here.*

## FACT FOCUS:

### FCRA Registrations



For receiving foreign contributions and utilizing the same, the NGOs, voluntary organisations and associations need to obtain a certificate of registration / prior permission / renewal (where the registration has ceased on expiry or valid period or whose registration has been cancelled)

The statistics have been depicted in the adjoining figure

Receiving or utilising foreign contributions in absence of a valid FCRA Registration will attract penal provisions

According to the Ministry of Home Affairs ([FCRA Online Services](#)), as on May 23, 2025, the Top 5 states with FCRA Registration is as follows:

1. Tamil Nadu
2. Maharashtra
3. Andhra Pradesh
4. West Bengal
5. Karnataka



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## LEADER SPEAK



**Rekha Koita - Director**  
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*Koita Foundation partners with NGOs to help them scale effectively by integrating digital tools and data-driven strategies into their operations. It also partners with leading academic institutions, hospitals, healthcare technology companies, and NGOs to drive Digital Health adoption in India.*

### 1. What is your vision for the role of technology and capacity building in shaping the future of the NGO sector? .

Technology and capacity building have a multiplier effect in shaping the future of the social sector. Technology can help NGOs to scale and enhance program outcomes while creating operational efficiency. It also allows NGOs to become more innovative in their program delivery and increase their reach. Technology implementation goes hand in hand with capacity building. It includes skills but also reflects on leadership perspectives and staff mindset to adapt effectively. Together, they create resilient and sustainable organizations, fostering collaboration and long-term impact.

### 2. What are the common barriers to technology adoption faced by NGOs?

Key barriers include unclear requirements, inadequate vendor management, poor implementation planning, and insufficient training. Resistance to change and lack of user buy-in further complicate adoption. Financial constraints are significant, with funding often prioritized for programs over tech investment. NGOs face a steep learning curve and require leadership and donor support to embrace change.

Privacy concerns, especially when handling sensitive beneficiary data, are also critical challenges.

### 3. What steps should NGO leaders take to ensure that they are equipped to lead in a rapidly evolving sector?

NGO leaders must embrace technology, prioritize continuous learning, foster collaborations, and focus on data-driven decisions to remain relevant in a rapidly evolving sector.

### 4. How do digital tools and platforms help improve the efficiency and impact of NGOs?

Digital tools help NGOs to streamline and standardise processes and enhance tracking of programs. This enables organisations to scale while maintaining quality and consistency of program delivery. Technology reduces administrative workloads and errors while real-time analytics bolster accountability and governance. These efficiencies lower costs and support impactful storytelling, which aid in fundraising.

### 5. Can you share an example of how the use of digital tools and platforms has led to meaningful social change?

A notable example is the adoption of mobile health applications to improve maternal and child health outcomes. These platforms have empowered community health workers by providing them with digital tools to record patient data, track interventions, flag high-risk cases for timely intervention, plan visits and optimise route selection. By optimizing visits, improving care quality, and enabling scalability, outcomes like reduced malnutrition and better early childcare practices have been achieved.

### 6. What advice would you give corporate donors to better support NGO transformation efforts?

While tech adoption required time and

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investment, the long-term impact on the NGO is invaluable. Donors should encourage NGOs to embark on this journey and provide them the required support. This support is not only in terms of funding for the technology but also for capacity building and team costs. In addition, offering technical expertise, encouraging capacity development, and sharing collaborators can significantly aid the NGO transformation efforts.

## KNOW THE PERSPECTIVE:

**The FCRA Overhaul:  
Challenges, Adaptation  
& the Role of CSR**

*- Nasreen Contractor*



Historically, Non-Government Organizations (NGOs) in India have benefited from grants from foreign sources. The average foreign philanthropy from 2009-2019 was around Rs.14,000 Crores approximately. This support has nurtured civil society in the country. These organizations, ranging from small grassroots groups to large umbrella networks, research bodies to youth groups, have worked extensively to address social issues such as child welfare, women's empowerment, and the social inclusion of marginalized communities, including tribal groups, farmers, and the urban poor. They have done so through service, empowerment, and advocacy.

The State has long been vigilant about foreign interference in India's politics, enacting the Foreign Contribution Regulation Act (FCRA) in 1976. The Act has undergone several amendments, with the government continuously monitoring the flow and use of foreign contributions. However, regulatory scrutiny intensified in 2020, requiring all charitable trusts and institutions to revalidate their registration. Additional compliance measures were introduced, including GST obligations, a cap on administrative expenses from foreign funds at 20%, and the requirement to maintain a mandatory bank account at a designated SBI branch.

Then, in September 2023, FCRA was amended to provide that foreign funds received by an entity could not under any circumstances be transferred to another entity, even if it was a FCRA registered entity. This amendment had a profound impact on the sector. Many grassroots organizations that relied on partnerships with larger, well-connected NGOs for funding found themselves cut off from financial support.

Although there is no precise data on how severely the NGO sector has been affected, it is estimated that tens of thousands of staff members have been laid off. Financial constraints have put many NGOs in dire straits, forcing them to downscale their activities or shut down entirely. This has directly impacted health, education, and other projects aimed at serving the most vulnerable and needy communities. Particularly hard hit are initiatives supporting marginalized communities—minorities, people with disabilities, individuals with HIV/AIDS, LGBTQIA+ groups, sex workers, unorganized labour, and gender equity efforts. Projects that adopt a rights-based approach, as opposed to traditional charity, have been the most vulnerable.

With foreign funding restricted, NGOs have turned to Indian donors and corporations. Corporate Social Responsibility (CSR) laws mandate that companies above a certain size allocate 2% of their profits to prescribed social causes. According to the National CSR portal, in the financial year 2022-23, total amount spent on CSR amounted to Rs 29,986 Crores approximately.

Notably, several NGOs have successfully adapted to this new donor environment by forging new relationships and rethinking their strategies. New support organizations have emerged to bridge the gap between NGOs and corporates, enhancing NGO visibility, facilitating funding access, systematizing reporting, ensuring transparency and due diligence for corporations.



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The CSR regulations have undergone multiple amendments, shifting the focus from mere “spending” to “utilization.” This evolving funding landscape necessitates deeper synergy between NGOs and corporates. While engagement with new donors has compelled NGOs to “Corporatize” their operations—emphasizing transparency, reporting, and upskilling—corporates also need to “NGO-ize” themselves by fostering empathy and engagement. Building confidence and supporting NGOs through capacity-building initiatives are crucial.

Sustained funding and strategic, long-term investments are essential for NGOs to create meaningful developmental impact, as social progress often requires years, if not decades, of committed effort.

The social return on investment may not always be quantifiable due to its complex qualitative aspects. While certain impacts may not appear significant initially, they often materialize only after years of continuous and dedicated efforts. NGOs characteristically have a process driven approach to social development work, and this is necessary to build communities and grass root leadership capacities. Thus, NGOs would be significantly more effective if donors take a long-term partnership perspective rather than target driven short-term funding mandates.

So, a more broad-based, inclusive and humane approach to corporate engagement in the social sector can help foster grassroots-driven solutions and innovations for the most disadvantaged communities. After all, doing good—and doing it well—is equally important for both NGOs and corporations!

*Nasreen Contractor has a background in social development studies and has worked in the NGO sector for over four decades in senior positions at the local and international levels.*



## CNK'S CHANGE AGENT



**Ankan Rastogi Gupta**

Director  
Internal Audit  
Vile Parle

### **The Happy Yard Sale: By the Community, For the Community**

The Happy Yard Sale began as a small initiative by a few women rehoming gently used toys and books. It soon grew into an annual fundraiser, with residents enthusiastically donating items and setting up food and game stalls. All proceeds are directed to charitable causes.

Held around Diwali, the event invites everyone, including society staff and children, to shop for affordable, pre-loved items. Donations include toys, books, household goods, and unopened gift items, benefiting the housekeeping and security staff, who find joy in discovering bargains.

This year, ₹1.6 lakhs were raised, and NGOs like Robin Hood Army and Kshitiz participated to showcase their work. The funds were used for:

1. Ration distribution for tribals in Wada (Robin Hood Army).
2. Tree plantation in Aarey Forest (Waghoba Foundation).
3. Sanitary napkins for schoolgirls in Wada.
4. Ration for society housekeeping, security, STP, and office staff.
5. Bed linen and groceries for an old age home in Andheri.

Through teamwork, including seniors managing money and children tagging and sorting items, the Yard Sale brings the community together for a common cause. It fosters unity, purpose, and the profound joy of giving—a true “Giver's High.”

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