

# 1.3 lakh trusts deregistered for not filing audit reports

## Highest Number From City; Drive Began Last Yr

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### Mumbai:

The registrations of over 1.3 lakh public trusts across Maharashtra have been cancelled for non-submission of financial reports for five years and more. Charity commissioner Shivkumar Dige said another one lakh nonprofits are currently under scrutiny.

The state has over eight lakh trusts, of which nearly 50% have not submitted their audit reports or kept the charity commission in the loop about organisational changes over several years or decades. Dige said it became necessary to weed out trusts that didn't fulfil the mandatory requirement of submitting audit reports. The deregistered trusts include educational bodies, sports and residents' associations, women's organisations and Ganesh mandals, among others.

The highest number to lose registration are from Mumbai (9,357) followed by Thane (9,082), Nanded (8,888) and Amravati (7,217). In the drive that began 10 months ago, registrations of 60,000 trusts were cancelled last December after hearings. Showcause notices were later issued to another 70,000 who recently received deregistration notices after they failed to provide an explanation.

Dige said, "We found many of these trusts exist only on

paper. It's crucial for us to study financial papers in order to ensure there is no mismanagement of funds or fraud." Many trusts, including NGOs, may be receiving donations from people. There have been cases where even properties have been usurped by trusts illegally.

The charity commissioner said before the cancellations, trusts were given a month to explain the omission on their part. "We have also found out many trusts and NGOs are active but don't bother to file reports. Some haven't submitted papers in 10-15 years." Trusts are supposed to file audit reports after every financial year.

Some Mumbai-based organisations to lose their registration are the Indian Drug Manufacture Association (IDMA), Indian Sculptors Association, Indian Educational Social and Cultural Organisation, Bhasha Bharti, Harijan Seva Sangh, among others. The move is also part of the larger scheme to digitize all records so public have easy access. Dige said they are moving to a system where all financial records of trusts are available online for people to see it. "It is more of a cleansing drive," he said.

But another official said if any organisation can prove it is doing work but hasn't completed paperwork owing to lack of awareness or some other pressing reason, it could appeal for fresh registration.