

## Charitable Purpose. What does it mean?

These terms have no definition under Indian law books and statutes. Largely we use these terms in a colloquial way.

**NGO.** NGO meaning non-governmental organization.

We often call ourselves **PVOs** meaning private voluntary organisations.

We sometimes call ourselves **CSOs** which means civil society organizations.

**CBOs** are community based organization working in certain neighbourhoods only.

But the bad news is none of them has any relevance or recognition under law. You say I want to set up an NGO. Is there an NGO act in this country, NO. Is there an NGO commissioner in this country, the answer is NO. Is there a registrar of NGOs in this country, NO. Is this term recognised under law, the answer is NO.

So in essence when you are established by whatever name you wish to call yourself NGO, PVO, CSO, CBO; you exist in law for what is called 'charitable purpose' or for 'religious purpose'. We fit in over here. Now many of us don't even like this term charitable purpose, an archaic term. We are developmental organisations and we prefer to choose those terms. Having said that, Charitable Purpose is the only term that the law recognises including under the Central Income Tax Act and other statutes. So whatever you want to do, you have to fit within this and understand legally that Charitable Purpose is key to you. Anything you want to start or are already doing, your understanding of what is Charitable Purpose is paramount.