

**GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA**

STARRED QUESTION NO:38
ANSWERED ON:27.07.2010
MISUTILISATION OF FOREIGN FUNDS
Adsul Shri Anandrao Vithoba;Roy Shri Arjun

Will the Minister of HOME AFFAIRS be pleased to state:

- (a) the details of the Non-Governmental Organisations (NGOs) who have been receiving financial assistance from abroad during each of the last three years and the current year, State-wise;
- (b) whether the Government has any mechanism to monitor the receipt and utilisation of foreign funds by NGOs and exercise any control over their annual accounts;
- (c) if so, the details thereof;
- (d) whether there are complaints of corruption/irregularities in the monitoring of foreign funds of NGOs resulting in misutilisation of such funds; and
- (e) if so, the reaction of the Government thereto and the remedial measures taken in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MULLAPPALLY RAMACHANDRAN)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 38 FOR 27TH JULY,2010

(a) As per the information available, the amount of foreign contribution received by Associations registered and Associations granted prior permission under the Foreign Contribution (Regulation) Act, 1976 during the period 2005-06 to 2007-08 is as follows:

Year	No.of Associations, who have reported receipt of foreign contribution	Amount of foreign contribution (Rs. Crore)
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2005-06	18,570	7,877.57
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2006-07	18,996	11,336.97
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2007-08	18,796	9,663.46
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State-wise details of the Associations/Non-Governmental Organisations (NGOs) which received financial assistance from abroad during these three years, are listed at Annexure-A.

Every Association registered under FCRA, 1976 is required to submit audited annual returns of foreign contribution received every financial year. The said details are to be submitted within nine months of the closure of the financial year, i.e. 31st December.

Accounts of foreign contribution received by Associations for the financial year 2008-09 have been received and are being processed. Details of foreign contribution received by Associations for the financial year 2009-10 will be received by 31st December 2010.

(b) to (e) Monitoring of receipt and utilisation of foreign contribution by Associations is done through scrutiny of audited annual returns

filed by Associations. After scrutiny of annual audited accounts, in case of any complaint or adverse inputs against an Association indicating violations of the provisions of the Act, an inspection of the books of accounts and records of such Association is carried out and appropriate action is taken under the Act. Where there is no misutilisation / diversion of foreign contribution for undesirable purposes, and after evaluation on a case to case basis, appropriate decision is taken under the provisions of FCRA, 1976.

However, if any Association is found involved in serious violations, action is initiated against such Association. Actions include (i) placing the Association in Prior Permission category, (ii) prohibiting it from receiving foreign contribution, (iii) freezing its bank accounts and (iv) prosecuting it in a court of law.

On the basis of the complaints received and inquiries made, 41 Associations are prohibited from receiving foreign contribution / Annexure-B, 35 Associations are placed in Prior Permission category / Annexure-C, and accounts of 11 Associations are frozen at present / Annexure-D. Further, at present 9 cases have been referred to CBI for detailed investigations for FCRA violations Annexure-E.