

**GOVERNMENT OF INDIA  
HOME AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:1929

ANSWERED ON:08.03.2011

FOREIGN FUNDING OF NGOS

Bais Shri Ramesh;Gowda Shri D.B. Chandre;Ju Dev Shri Dilip Singh;Pandurang Shri Munde Gopinathrao;Pathak Shri Harin;Sampath Shri Anirudhan

**Will the Minister of HOME AFFAIRS be pleased to state:**

- (a) the criteria adopted by the Union Government to grant permission to various Non-Governmental Organisations (NGOs) to receive financial assistance from abroad;
- (b) the details of the NGOs which received financial assistance from abroad during each of the last three years and the current year, country-wise and State-wise;
- (c) the total number of such organisations blacklisted during the said period alongwith the reasons therefor, State-wise;
- (d) whether the Government has received any complaints with regard to irregularities and mis-utilisation of such funds;
- (e) if so, the total number of such cases reported and the details of action taken against the said NGOs alongwith the steps taken to recover for the funds;
- (f) whether the Government has any mechanism to monitor and review the activities, audited records and working of such organisations; and
- (g) if so, the details thereof?

**Answer**

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

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

STATEMENT IN REPLY TO PARTS (a) TO (g) OF LOK SABHA UNSTARRED QUESTION NO. 1929 FOR 08.03.2011.

(a): An Association with a definite cultural, social, economic, educational or religious programme can obtain foreign contribution either by obtaining 'registration' or 'prior permission' from Ministry of Home Affairs, as per the provisions of Foreign Contribution (Regulation) Act, 1976 and rules made thereunder. Guidelines have also been put into place to facilitate the process.

(b): 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 2006-07 to 2008-09 is as follows:

Year	No. of Associations, who have receipt of foreign contribution	Amount of foreign contribution received (Rs. Crore)
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2006-07	18996	11007.43
2007-08	18796	9663.46
2008-09	20088	10802.67

Country-wise and State-wise details of the Associations/Non-Governmental Organisations (NGOs) which have been receiving financial assistance from abroad during these three years, are listed at Annexure-A & Annexure-B.

Accounts of foreign contribution received by Associations for the financial year 2009-10 have been received and are being processed.

(c): There is no black list of association registered under Foreign Contribution Regulation act (FCRA), 1976.

(d) & (e): Yes, Madam. Some cases are reported. On the basis of the complaints received in the past and enquiries made, 41 Associations are prohibited from receiving foreign contribution, 35 Associations are placed in Prior Permission category and accounts of 11 Associations are frozen at present. Further, 9 cases have been referred to CBI for detailed investigations for FCRA

violations. Of these 9 cases, four are on trial, one has been convicted. Two are stayed by Courts, one has been closed due to insufficient evidence and in one case prosecution sanction has been issued. Details of complaints received during the period 2007 to October, 2010 are placed at Annexure-C.

(f) & (g): Yes, Madam. 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 within the extant 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.