

**GOVERNMENT OF INDIA  
HOME AFFAIRS  
LOK SABHA**

STARRED QUESTION NO:79

ANSWERED ON:14.08.2012

UTILIZATION OF FOREIGN FUNDS BY NGOS

Nagorao Shri Dudhgaonkar Ganeshrao;Singh Shri Bhupendra

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

- (a) the details of the Non-Governmental Organisations (NGOs) which have received foreign funds from abroad during each of the last three years and the current year, State-wise;
- (b) whether foreign funds received by NGOs are allegedly being misused due to corruption prevailing in the monitoring of receipt and use of such funds;
- (c) if so, the details thereof and the steps taken to monitor the functioning of NGOs and utilisation of funds along with scrutiny of accounts and records of NGOs;
- (d) the steps taken for ensuring filing of annual returns by NGOs; and
- (e) the total number of cases of violation of guidelines by NGOs that have been referred to the Central Bureau of Investigation and the State Police for examination?

**Answer**

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

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

STATEMENT IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 79 FOR 14.08.2012.

(a): The amount of foreign contribution received by Associations registered and Associations that were granted prior permission under the Foreign Contribution (Regulation) Act, 2010 during the last 3 years are given below:-

Year	Total amount of foreign contribution received
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2008-2009	Rs.10993.58 Crore
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2009-2010	Rs.10430.59 Crore
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2010-2011	Rs.10303.59 Crore
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As far as foreign contribution received in 2011-12 are concerned, the same are still under compilation as the last date for submission of annual accounts by the NGOs is 31.12.2012. Similarly, details about the current year cannot be finalized at this stage. State-wise details of foreign contribution received are given at Annexure- 'A'.

(b) to (d): As regards complaints of misuse of funds, action has been taken from time to time against certain NGOs in case of violations of various types. The steps taken include (i) cancellation of registration of 4349 NGOs, (ii) placing 35 NGOs in 'prior permission' category, (iii) freezing accounts of 32 NGOs and (iv) prohibition on 72 NGOs from receiving foreign funds. Action has also been initiated in case of complaints of corruption in the monitoring mechanism.

The Government monitors the receipt and utilisation of foreign contribution received by any 'person' including Non-Governmental Organisations in the country in terms of the Foreign Contribution (Regulation) Act, 2010 and the Rules framed under the Act.

The FCRA, 2010 provides for NGOs to receive foreign funds after registration or prior permission. Every application of NGOs for registration or granting Prior Permission is decided with inputs from the concerned security agencies. The NGOs who have been registered/ given prior permission for receiving foreign funds are required to submit annual accounts. These are scrutinized and wherever required, physical inspection is conducted. Based on the findings of the inspection team, appropriate action is taken.

The organizations receiving foreign contribution are required to submit Annual Accounts for each financial year within a period of nine months from the closure of the financial year i.e. by 31st December. Such Annual Accounts are to be submitted in the prescribed format duly audited by a Chartered Accountant. FCRA provides for a reporting mechanism by the recipients of foreign contribution as well as by the Banks.

Steps taken for ensuring filing of annual returns include sending of notices to defaulting organizations, cancellation of registration certificates and inspection of the accounts.

(e): On the basis of the complaints received in the past and enquiries made, 24 cases have so far been referred to CBI and 10 cases have been referred to State Police for investigation.