

**GOVERNMENT OF INDIA  
SOCIAL JUSTICE AND EMPOWERMENT  
LOK SABHA**

UNSTARRED QUESTION NO:236  
ANSWERED ON:26.02.2013  
MISUSE OF FUNDS BY NGOS  
Krishnaswamy Shri M.

**Will the Minister of SOCIAL JUSTICE AND EMPOWERMENT be pleased to state:**

- (a) whether the Government has received complaints with regard to misuse of funds provided to various Non-Governmental Organisations (NGOs)/Voluntary Organisations (VOs) under the different welfare schemes of the Ministry;
- (b) if so, the details thereof;
- (c) whether the Government is contemplating to set up a National panel to check misuse of the Government funds by the NGOs/VOs;
- (d) if so, the details thereof; and
- (e) if not, the preventive measures taken by the Government in this regard?

**Answer**

MINISTER OF STATE FOR SOCIAL JUSTICE AND EMPOWERMENT (SHRI P. BALRAM NAIK)

- (a) & (b): The Ministry has received 69 complaints in respect of misuse of funds by the Non-Governmental Organisations under various welfare schemes of the Ministry.
- (c) to (e) : There is no such proposal to set up any panel. The Ministry ensures the utilization of funds under various schemes/programmes in the following ways:
  - (i) Fresh/subsequent releases of grants to implementing agencies during a year are made only on receipt of Utilization Certificates in respect of previous year's grants, which have become due.
  - (ii) Review of schemes/programmes by the officers of the Ministry during their visits to the States.
  - (iii) The schemes/programmes implemented through NGOs are also expected to be monitored by respective State Governments/UT Administrations.
  - (iv) The Ministry also sponsors evaluation studies from time to time through independent evaluation agencies, inter alia, to check proper utilization of funds by the implementing agencies under various Schemes/Programmes.
  - (v) In the event of proven misappropriation of funds by an NGO, the Ministry initiates action to blacklist the NGO.