

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

STARRED QUESTION NO:385
ANSWERED ON:05.08.2014
MISUSE OF FUNDS BY NGOS
Dubey Shri Nishikant ;Giluwa Shri Laxman

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

- (a) whether the Government provides Grants-in-aid to various Non Governmental Organisations (NGOs) under various schemes for the welfare of weaker sections of the society;
- (b) if so, the details of funds sanctioned/ utilised by these NGOs during each of the last three years and the current year, Scheme and State-wise including Jharkhand;
- (c) whether cases of alleged misuse of funds by these NGOs have come to the notice of the Government;
- (d) if so, the details thereof during the said period along with the action taken by the Government against such NGOs; and
- (e) the mechanism put in place by the Government to monitor the proper utilisation of funds by these NGOs?

Answer

MINISTER FOR SOCIAL JUSTICE AND EMPOWERMENT (SHRI THAAWAR CHAND GEHLOT)

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

Statement referred to in Reply to Lok Sabha Starred Question No. 385 for 5-08-2014

The Government provides grants-in-aid to Non Government Organisations (NGOs) working for implementing various Schemes for welfare of Scheduled Castes, Other Backward Classes, Senior Citizens Victims of alcoholism and substance abuse and Persons with Disabilities.

The details about number of NGOs, funds sanctioned/released and utilized Scheme-wise, State-wise during each of the last three years and current year is given at Annexure-I hereto. Twenty-six cases of alleged misuse of funds by grantee NGOs have come to the notice of the Government. The details of NGOs who were allegedly found misusing funds and the action taken against them in the matter is given at Annexure-II hereto. The Ministry ensures monitoring of the schemes to enhance transparency and accountability in the following manner:

- (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.
- (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 monitored by respective State Governments/UT Administrations.
- (iv) The Ministry 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 and
- (v) Inspection of NGOs across all States / UTs by officers of the Ministry.

In the event of proven misappropriation of funds by an NGO, the Ministry initiates action to blacklist that NGO.