

**Government of India
Ministry of Finance
Department of Economic Affairs**

**LOK SABHA
UNSTARRED QUESTION NO. †4832
TO BE ANSWERED ON FRIDAY, 16th DECEMBER, 2016
(AGRAHAYANA 25, 1938 (SAKA))**

NON-GOVERNMENTAL FOUNDATIONS

†4832. SHRI OM PRAKASH YADAY:
SHRI JANARDAN MISHRA:

Will the Minister of FINANCE (वित्त मंत्री) be pleased to state:

- (a) whether the Government has prescribed the norms for providing grants to Non-Governmental Foundations;
- (b) if so, the details thereof; and
- (c) the number of such Non-Governmental foundations provided grants by the Government, State/UT-wise?

ANSWER

**MINISTER OF STATE IN THE
MINISTRY OF FINANCE**

(SHRI ARJUN RAM MEGHWAL)

(a)&(b): General Financial Rules prescribe that as a general principle, grants-in-aid can be given to a person or a public body or an institution having a distinct legal entity subject to the following major stipulations:

- (i) Any institution or organisation seeking grant from Government will be required to submit an application which includes all relevant information such as Articles of Association, bye-laws, audited statement of accounts, sources and pattern of income and expenditure, etc. enabling the sanctioning authority to assess the suitability of the institution or organisation seeking grants;
- (ii) Awards of grants should be considered only on the basis of viable and specific schemes drawn up in sufficient detail by the institution or organisation;
- (iii) Grants to meet administrative expenditure to any private institutions other than the voluntary organisations should not ordinarily be sanctioned;
- (iv) In making grants to non-government or quasi-government institutions or organisations, a condition should be laid down that assets acquired wholly or substantially out of Government grants, except those declared as obsolete and unserviceable or condemned in accordance with the procedure laid down in the General Financial Rules, shall not be disposed of without obtaining prior approval of the authority which sanctioned the grants;
- (v) Before a grant is released, the members of the executive committee of the grantee should be asked to execute bonds in a prescribed format binding themselves jointly and severally to (a) abide by the conditions of the grants by the target dates, if any, specified therein and (b) not to divert the grants or entrust execution of the scheme or work concerned to another institutions (s) or organisation(s);
- (vi) In the event of grantee failing to comply with the conditions or committing breach of the conditions of the bond, the signatories to the bond shall be jointly and severally liable to refund to the President, the whole or a part amount of the grant with interest at ten per cent per annum thereon or the sum specified under the bond.

Apart from the above conditionalities, there are several other safeguards for proper utilisation of grants sanctioned such as refund of unutilized grant, adjustment of unspent amount against future grants, submission of utilization certificates, rendering of annual accounts, audit of account of the grantee institutions, submission of achievement-cum-performance reports, etc.

(c) : Information on Non-Governmental foundations which have been provided grants, State/UT-wise, is not maintained centrally.

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