FCRA 2010

Foreign Contribution (Regulation) Act, 2010

A Comprehensive Professional Overview

Incorporating Amendments up to June 2026

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2026 Developments — Two Separate Tracks

Critical distinction: notified Rules (in force) vs pending Bill (not yet law)

IN FORCE

- FC(R) Amendment Rules 2026 — Notified by S.O. 3272(E) dated 22 June 2026
- Came into force: date of publication (22 June 2026)
- Presently operative law — may be applied and relied upon
- Definition of 'key functionary' [Rule 2(1)(ca)]
- Purpose/State-based registration [Rule 9(1B)]
- New Schedule of approved purposes
- FC-6F for scope changes [Rule 17B]
- Rule 9A/FC-3BB (75% + field inquiry)
- Rule 14A (deemed reasonable activity)
- Enhanced FC-4 reporting; UDIN requirements

NOT YET LAW

- FCRA Amendment Bill 2026 — Introduced in Lok Sabha: 25 March 2026
- Referred to Joint Parliamentary Committee (JPC): 12 August 2026
- Status (as at 24 Aug 2026): PENDING — subject to modification
- Proposed: vesting/management of FC assets on registration cesser
- Proposed: designated authority structure
- Proposed: rationalised penalty regime
- Proposed maximum imprisonment reduced to 1 year
- Proposed appeals/revision mechanism

Professional discussion — Rule 14A and the principal Act: whether the 'reasonable activity' deeming test (delegated legislation) is appropriate given its consequences for cancellation/renewal. The JPC may consider incorporating Rule 14A into the Bill.

Amendments Summary (2024 – 2026)

Quick Reference to Recent Changes

2024 – (Jan 2025)

- Admin expense carry-forward to next year [Rule 5 third proviso]
- CA certificate to state FCRA compliance or non-compliance explicitly
- CA details (name, MRN, e-mail) required in FC-4 [SR 9]
- FC portion of income-tax refund from non-FCRA bank account — new FC-4 line item [SR 2(i)(b)(iii)]
- Carry-forward computation schedule inserted in FC-4 [SR 4(iv)]

2025 – (May 2025)

- Documents for FC-3A, FC-3B, FC-3C simplified and standardised
- Affidavit (Form AA) for each key functionary — para 1A added (citizenship, conviction status)
- Year-wise detailed activity reports mandatory with FC-3A and FC-3C
- CA certificate in FC-4 extended to cover project/activity-wise and location-wise utilisation
- All FC-6 forms now require governing body resolution as supporting document

2026 – (Jun 2026)

- Definition of 'key functionary' codified in Rule 2(1)(ca)
- New Schedule: 5 categories, 30 sub-purposes for registration
- Registration must specify purpose(s) and States/UTs; existing NGOs file FC-6F within 1 year
- Additional fee: ₹300 per extra state/UT and per extra purpose
- Renewal: ₹10 lakh FC utilisation in last 2 FYs required [Rule 14A]
- Second/subsequent instalment: ≥75% utilisation required; new Form FC-3BB
- FC-4 now requires UDIN of CA certificate and audited financial statements

FC(R) Amendment Rules 2026 – At a Glance

S.O. 3272(E) dated 22 June 2026 | In force from date of publication

1. Key Functionary defined [Rule 2(1)(ca)] — directors, partners, trustees, Karta of HUF, office-bearers/members of governing body, and any person controlling affairs of the entity. The defined term is 'key functionary', NOT 'Chief Functionary'.

2. Registration must specify Purpose(s) and States/UTs [Rule 9(1B)] — Certificate specifies approved purpose(s) from new Schedule AND States/UTs. Existing associations must file FC-6F within 1 year of June 2026.

3. New Schedule of Approved Purposes — 5 categories: Religious (16), Cultural (18), Economic (19), Educational (22), Social (30). FC only usable for Schedule-listed activities in approved States.

4. Additional fees [Rule 9(4)(b) proviso] — Base fee covers 1 purpose + 1 State/UT only. Additional ₹300 per extra State/UT and ₹300 per additional purpose.

5. Scope change via FC-6F [Rule 17B] — Add/remove a purpose or State/UT with governing body resolution and fee. CG may approve or reject after inquiry.

6. Foreign nationals as key functionaries [Explanation 1, Rule 9] — Ordinarily ineligible, OTHER THAN persons of Indian origin. OCI/PIO cardholders are NOT affected.

7. Utilisation within India only [Explanation 2, Rule 9] — FC used only for activities carried out IN INDIA for the approved purposes.

8. Subsequent instalments — Prior Permission [Rule 9A] — Released only after ≥75% utilisation of previous instalment AND MHA field inquiry. New Form FC-3BB.

9. Reasonable activity for renewal/cancellation [Rule 14A NEW] — Must have utilised at least ₹10,00,000 of FC in last 2 FYs. Only FC-funded activities count.

10. FC-4 – Enhanced annual reporting — Detailed Activity Report; project/location-wise utilisation; donor details for DAFs; website/social media accounts; publication details.

11. FC-4 – UDIN now mandatory [SR 9(v)/(va)] — CA's certificate and the separate audited FC financial statements must both carry a distinct UDIN.

12. Registration forms – additional disclosures — FC-3A/FC-3B: social media accounts, 3-year project-wise history, govt ownership/CAG audit status. FC-2: office/service particulars.

13. Rule 17 – hard copy requirement removed — Sub-rules (3)-(5) omitted. Detailed Activity Report is now a mandatory online attachment to FC-4.

14. Rule 5 – 'key functionaries' substituted — References to 'Members of Executive Committee/Governing Council' replaced by 'key functionaries' throughout.

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Navigation Guide

1 · Introduction

Background and Legislative History

Origin

Earlier law: FCRA 1976.
Repealed and replaced by FCRA 2010, in force from 1 May 2011.

Purpose

Regulate and monitor foreign funds to ensure national interest is not prejudicially affected.

Regulator

Ministry of Home Affairs (FCRA Wing).
Portal: fcraonline.nic.in

Overrides FEMA

Where a transaction is covered by both FCRA and FEMA, FCRA restrictions prevail (Section 1(4)).

Key Amendments: Finance Act 2016 | Finance Act 2018 | FCRA Amendment Act 2020 | FC(R) Rules 2024 | FC(R) Rules 2025 | FC(R) Rules 2026

FCRA Compliance Lifecycle

End-to-End Compliance Map for Associations receiving Foreign Contribution

1. FORMATION

Register as Society/Trust/Section 8 Company. Adopt objects within 5 Schedule categories [FC(R) Rules 2026].

2. OPEN SBI ACCOUNT

Open designated FCRA account at SBI New Delhi Main Branch, 11 Sansad Marg, New Delhi FIRST — before applying.

3. APPLY FOR REGISTRATION

File FC-3A/FC-3B online. Provide SBI NDMB account details. Specify purpose(s) & States/UTs. Fee: ₹10,000.

4. RECEIVE FC

FC credited ONLY to SBI NDMB designated account. Verify donor is permissible foreign source; verify amount and purpose.

5. UTILISE

Use only for approved purpose(s) and within approved State(s)/UTs. Admin ≤ 20% of FC. Carry forward unspent admin with documented reasons.

6. REPORT

FC-4 by 31 Dec. Detailed Activity Report. CA certificate with UDIN. >₹1 crore: annual public-domain disclosure.

7. INTIMATION OF CHANGES

Any change in purpose/state/bank/key functionary: file FC-6A/B/C/D/E/F within 45 DAYS of change [Rule 17A].

8. RENEWAL

Apply in FC-3C at least 6 months before expiry. Rule 14A: ₹10 lakh FC utilised in last 2 FYs = deemed reasonable activity.

The SBI NDMB FCRA account (Step 2) must be opened BEFORE filing the registration application (Step 3). MHA will not process an application without a pre-existing SBI NDMB account.

2 · Applicability

Territorial Scope – Section 1

Whole of India

Applies to all persons, associations and companies operating within India.

Indian Citizens Abroad

NRIs retaining Indian citizenship are covered when receiving FC from foreign source.

Indian Co. Branches/Subsidiaries Abroad

Associates, branches and subsidiaries outside India of bodies incorporated in India.

NRI clarification: Contributions from an NRI (Indian citizen living abroad) made from personal savings through normal banking channels do NOT constitute Foreign Contribution [Section 4(e) & Rule 6 of FCRR 2011 – Q.8 FAQ].

3 · Meaning of Foreign Contribution

Section 2(1)(h), FCRA 2010

"Any donation, delivery or transfer made by any foreign source in the form of Article, Currency (Indian or Foreign) or Security."

Includes (Positive)

- Articles (in-kind gifts above ₹1 lakh)
- Currency – Indian or Foreign
- Securities (including foreign securities under FEMA)
- Loans, advances or indirect receipts from foreign source
- Exp 1: Amount received via Indian intermediary who got it from foreign source
- Exp 2: Interest on FC deposits and income derived from FC

Excludes (Negative)

- Fees for services rendered (incl. school/college tuition fees) – Exp 3
- Payment for goods sold in ordinary course of business
- Salary/wages paid by foreign source for Indian business operations – Sec 4(a)
- Scholarships and stipends – Sec 4(g)
- Delegate/participation fees at conferences
- Remittances through official banking channels in ordinary course – Sec 4(e)

Examples

- ✓ Grant from US charity = FC
- ✓ Donation from PIO/OCI cardholder = FC
- ✓ Interest earned on FC bank account = FC (Exp 2)
- ✓ Amount received via Indian NGO that got FC from abroad = FC (Exp 1)
- ✗ NRI (Indian citizen) donation from personal savings = Not FC
- ✗ Export earnings for IT services = Not FC (commercial quid pro quo)

3.1 · Meaning of Foreign Source

Section 2(1)(j), FCRA 2010

1. Foreign Government or agency of a foreign government
2. International Agency (other than UN, World Bank, IMF, or CG-notified)
3. Foreign Company [Section 2(1)(e)]
4. Corporation / trade union / trust / society / club incorporated outside India
5. Multinational Corporation [Section 2(1)(g)(iv)]
6. Domestic Company: where >50% nominal capital is held by foreign company, foreign trust, foreign citizen or any entity incorporated outside India
7. Foreign Citizen (including OCI/PIO cardholders) — NOT NRI with Indian citizenship

Finance Act 2018: Indian subsidiaries of foreign multinationals are NOT treated as 'foreign source' for FC purposes [Section 2(1)(j)(vi)].

4 · Persons Prohibited from Accepting FC

Section 3(1), FCRA 2010

- ✗ Candidate for election
- ✗ Correspondent, columnist, cartoonist, editor, owner, printer or publisher of a registered newspaper
- ✗ Public Servant, Judge, Government servant or employee of any Government-owned/controlled body
- ✗ Member of any Legislature (Parliament / State Assembly)
- ✗ Political party or office-bearer thereof
- ✗ Organisation of a political nature [specified under Section 5(1) read with Rule 3]
- ✗ Association / company engaged in audio/audio-visual news or current affairs programmes through any electronic mode
- ✗ Individuals or associations specifically prohibited by Central Government order

Section 3(2): No resident person may accept FC on behalf of or deliver FC to any prohibited person or political party.

5 · Eligibility to Receive FC

Conditions and Exceptions – Section 4 & 11

WHO CAN RECEIVE?

✓ Association having a definite cultural, economic, educational, religious or social programme

✓ Must obtain FCRA Registration or Prior Permission from Central Government

✓ Must not be prohibited under Section 3

✓ Must specify purpose(s) from the Schedule appended to the Rules [Rule 9(1B) – NEW June 2026]

✓ Must specify State(s)/UT(s) of operation in the registration application [Rule 9(1B) – NEW June 2026]

KEY EXCEPTIONS ALLOWED (Section 4 – No FCRA required):

- Salary / wages in ordinary course of Indian business operations of the foreign source
- Payment in course of international trade or commerce
- Scholarship, stipend or similar payment from foreign source
- Gifts from relatives (>₹1 lakh: report in FC-1 within 30 days – Rule 6)
- Foreign nationals with Indian origin association (Explanation 2 – FC(R) Amendment Rules 2026)

5.1 · Prior Permission vs Registration

Comparison – Sections 11 & 12

Aspect	Prior Permission (FC-3B)	Registration (FC-3A)
Nature	One-time, specific approval	5-year general approval
Scope	Specific donor + specific project	All donations within stated object
Key documents	Commitment letter from donor, project report	3 years audited financials + activity reports
Validity	Till project completion	5 years; renewable via FC-3C
Application Fee	₹5,000	₹10,000
Track record	New/young NGO eligible	Min. 3 years activity; min. ₹15 lakh spent
Denial reason	Not communicated	Communicated in writing
Next instalment	Apply in FC-3BB; ≥75% utilisation of previous instalment required [Rule 9A – 2026]	N/A – multiple remittances allowed

6 · Registration of Associations

Process, Conditions & New 2026 Changes

1

Online Application

Form FC-3A on fcraonline.nic.in. Attach audited accounts (3 yrs), activity reports, affidavits (Form AA for each key functionary).

2

Select Purpose & State

NEW (2026): Choose from Schedule of 5 categories (Religious/Cultural/Economic/Educational/Social). Specify States/UTs of operation.

3

Verification by MHA

MHA may verify background. Aadhaar / Passport of all key functionaries mandatory [Section 12A]. Ordinarily decided within 90 days.

4

Grant & Operation

Certificate valid 5 years. Open SBI New Delhi Main Branch FCRA account. Foreign nationals as key functionaries require special Government approval [Explanation 1, Rule 9].

5

Renewal

Apply 6 months before expiry (or 1 year for ongoing multi-year projects) in FC-3C. Post-2026: at least ₹10 lakh FC utilised in last 2 years required [Rule 14A].

7 · Restriction on Foreign Hospitality

Section 6, FCRA 2010

“Foreign Hospitality” [Section 2(1)(i)]: Any non-casual offer in cash or kind by a foreign source for travel costs, boarding, lodging, transport or medical treatment outside India.

WHO NEEDS PRIOR PERMISSION?

⚠ Members of the Legislature

⚠ Office-bearers of a political party

⚠ Judges and Government servants

⚠ Employees of corporations owned/controlled by Government

Procedure

- Apply in Form FC-2 at least 2 weeks before onward journey date
- NEW (2026): Form FC-2 now requires office/service particulars [SR 8A]
- Emergency medical aid abroad: prior permission waived; intimation within 1 month
- Casual hospitality (e.g. a meal during a business meeting) is excluded

Penalty for unauthorised foreign hospitality: ₹10,000 [Section 37]

8 · Gifts from Relatives — Correct Legal Position

Section 4(e), FCRA 2010 | Rule 6, FCRR 2011 as amended by G.S.R. 506(E), 1 July 2022

Central Principle — Section 4(e): “Nothing in Section 3 shall apply to any amount received by way of remittance from any relative.”

What Section 4(e) means

- Section 3 is the prohibition on accepting FC. Section 4(e) removes this prohibition ENTIRELY for relative remittances — no ceiling, no threshold.
- No FCRA registration required; no prior permission; no FCRA bank account; no limit on amount; ordinary bank account is sufficient.

The ONLY obligation — Rule 6

- If total received from ALL relatives exceeds ₹10 lakh in a financial year: file Form FC-1 with MHA within 3 months of receipt.
- FC-1 is a simple INTIMATION — not an application, no MHA approval, no CA certificate, no FCRA registration needed.

Who is a 'Relative'?

- Section 2(1)(r) refers to the Companies Act definition — NOT the Income-tax Act.
- Includes: Spouse, Members of HUF, Children and their spouses, Parents and their spouses, Siblings and their spouses.
- A cousin, aunt, or uncle may NOT qualify — verify carefully.

Donor / Source	Relationship	Amount	FCRA Position	Obligation
NRI (Indian citizen)	Relative	Any	Not FC	No registration; no FC-1 unless total >₹10L
OCI/PIO/Foreign national	Relative	≤ ₹10 lakh in FY	S.4(e) applies	No registration; no FC-1 needed
OCI/PIO/Foreign national	Relative	> ₹10 lakh in FY	S.4(e) applies	File FC-1 within 3 months
Foreign person (any)	NOT a relative	Any	S.4(e) does NOT apply	Full FCRA compliance required

9 · Accounts, Audit and Reporting

Sections 19, 20; Rule 17; FC(R) Rules 2024 & 2026

Separate Books of Account

Mandatory to maintain separate set of accounts exclusively for FC received and utilised. Separate salary, fixed asset, and investment registers.

Annual Return – Form FC-4

Filed electronically at fcraonline.nic.in by 31 December each year. Accompanied by Balance Sheet, Income & Expenditure, and Receipt & Payment Account.

Detailed Activity Report (NEW 2026)

Rule 17(1): Detailed Activity Report must now be filed along with FC-4. Activity/project-wise and location-wise details mandatory.

CA Certificate (Enhanced 2024)

CA must certify compliance/non-compliance and activity-wise utilisation [FC(R) Rules 2024]. UDIN and date of certificate required [FC(R) Rules 2026].

Preservation of Records

Accounting statements preserved for 6 years. Bank statements certified by the bank uploaded with FC-4.

NIL Return

A NIL return in FC-4 must be filed even if no FC received during the year. No CA certificate required for NIL return.

Quarterly Disclosure on Website

Within 15 days of end of each quarter, FC receipt details must be placed on the organisation's official/MHA-specified website.

Public Disclosure (>₹1 Cr)

If FC received >₹1 crore, summary data of receipts and utilisation must be public for that year and the following year [Rule 13].

Accounting Entries under FCRA

Illustrative Journal Entries for Common FC Transactions

1. Receipt of FC

Dr. FCRA Designated Bank A/c (SBI NDMB) / Cr. Foreign Contribution Received A/c — FC received as grant, credited to designated account only.

2. Transfer to Utilisation A/c

Dr. FCRA Utilisation Bank A/c / Cr. FCRA Designated Bank A/c — Funds moved from SBI NDMB to local utilisation account.

3. Programme Expenditure

Dr. Programme Expenditure A/c / Cr. FCRA Utilisation Bank A/c — Salary, materials, training costs charged to relevant head.

4. Fixed Deposit Creation

Dr. FCRA Fixed Deposit A/c / Cr. FCRA Designated/Utilisation Bank A/c — Surplus FC placed in FD linked to FCRA operations.

5. Interest on FD (accrual)

Dr. FCRA Interest Receivable A/c / Cr. FCRA Interest Income A/c — Interest is deemed FC (Explanation 2, Sec 2(1)(h)).

6. FD Maturity (with TDS)

Dr. FCRA Bank A/c (net) / Dr. TDS Recoverable A/c / Cr. FCRA FD A/c / Cr. Interest Receivable A/c — TDS @10% on interest; recoverable as refund.

7. IT Refund (FC portion) [2024]

Dr. FCRA Designated Bank A/c / Cr. TDS Recoverable A/c — Refund of FC-portion TDS transferred to FCRA account; report in FC-4 SR 2(i)(b)(iii).

8. Asset Purchase from FC

Dr. Fixed Asset A/c; Dr. Depreciation A/c / Cr. FCRA Utilisation Bank A/c; Cr. Accumulated Depreciation A/c — as per entity's accounting policy.

9.1 · Designated FCRA Bank Account

Section 17 and Rules 9(c), 9(d)

All FC must be RECEIVED only in the designated FCRA Account with: State Bank of India – New Delhi Main Branch, 11, Sansad Marg, New Delhi – 110001

Utilisation Accounts

For utilisation in far-flung areas: additional FCRA-utilisation accounts may be opened in any scheduled bank. Intimation in FC-6D within 15 days of opening.

Segregation Mandatory

No domestic funds may be deposited in the FCRA account or utilisation accounts. Mixing is a serious offence leading to possible cancellation and imprisonment up to 1 year [Section 37].

Linking of Accounts

FCRA-utilisation account(s) in other scheduled banks can be linked to the SBI NDMB account for transfer of funds. No direct receipt of FC in utilisation accounts.

Bank Reporting Obligation

Every bank or authorised dealer in forex must report to CG the amount, source and manner of foreign remittance within 48 hours of receipt.

Change of Bank Account

Any change in designated FCRA account must be intimated in FC-6C within 15 days. Governing body resolution required [FC(R) Rules 2025].

IT Refund – New (FC(R) Rules 2024)

FC portion of income-tax refund from a non-FCRA bank account may be transferred to the FCRA account; separately reportable in FC-4 [SR 2(i)(b)(iii)].

10 · Administrative Expense Limit

Section 8 & Rule 5; Carry-Forward – FC(R) Rules 2024

20%

Maximum Admin Expense Limit

What Counts as Admin Expense (Rule 5)?

- Salaries/wages of key functionaries & hired personnel
- Travel & transport costs of personnel
- Rent, repairs, electricity, water, telephone, printing & stationery
- Cost of accounting and fund administration
- Vehicle running & maintenance costs
- Legal and professional charges
- Cost of writing and filing reports

Exclusions from Admin Expense

- Salaries of training personnel in research/training associations
- Direct programme staff costs (field workers)
- Capital expenditure (fixed assets, vehicles for project)

NEW – FC(R) Amendment Rules 2024 (w.e.f. 1 Jan 2025): Carry-Forward of Unspent Admin Expense — Rule 5 (third proviso): If unable to spend the full 20% limit, the unspent portion may be carried forward to the immediately succeeding FY. Reasons must be disclosed in FC-4 [SR 4(iv)].

11 · Utilisation Restrictions & Speculative Activities

Section 8 & Rule 4, FCRR 2011

FC must be utilised ONLY for the purpose for which it was received.

Mutual Funds / Shares

Investments in equity mutual funds or shares are speculative activities (element of appreciation/depreciation linked to market forces) – Rule 4(a).

Chit Funds / Land (unlinked)

Participation in chit funds or land/property investment not directly linked to declared aims and objectives of the association – Rule 4(b).

High-Return Schemes

Participation in any scheme promising abnormally high returns that carries market risk.

Off-Purpose Assets

Investing in assets not directly linked to the registered objects of the association.

ALLOWED: FDs in scheduled banks (principal-protected), Govt. bonds, securities directly linked to stated charitable objectives. Every association must maintain a separate register of investments, to be submitted for audit.

Assets purchased with FC must be held in the name of the ASSOCIATION – not in the name of office-bearers personally.

12 · Transfer of FC & Mixing with Domestic Funds

Section 7 (Amended 2020) & Section 8

Transfer of FC – Section 7

- ABSOLUTE PROHIBITION (FCRA Amendment Act, 2020): No person who has received FC shall transfer any part of it to any other person, organisation or NGO.
- The earlier permission-based sub-grant route has been ABOLISHED.
- Violation: Penalty of ₹1,00,000 or 10% of the transferred FC, whichever is higher [Section 37].

Mixing with Domestic Funds

- Mixing domestic and foreign funds is a SERIOUS OFFENCE. Foreign and domestic funds must be maintained in COMPLETELY SEPARATE bank accounts and books.
- Consequences: penalty + possible registration cancellation; imprisonment up to 1 year [Section 37]; confiscation of FC [Section 28].
- Example: Depositing fee income into the FCRA account is a violation even if accidental.

Practical tip: Treat the FCRA bank account as a ring-fenced account. Never route domestic receipts, GST refunds or domestic TDS refunds through it.

13 · Treatment of Interest & IT Refund

Section 2(1)(h) Explanation 2; FC(R) Rules 2024 FC-4 SR 2(i)(b)(iii)

Interest on FC Deposit

- Interest earned on FC deposited in the FCRA bank account is DEEMED to be FC [Section 2(1)(h) Explanation 2].
- Must be kept in the FCRA account, reported in FC-4 under Column 2(i)(b), utilised only for stated charitable objectives, and subject to the 20% admin limit.
- Example: ₹50 lakh FC deposited in FD earns ₹3.5 lakh interest → ₹3.5 lakh = FC.

Income Derived from FC

- Any other income derived from FC (e.g., rent on property purchased from FC) is also deemed FC [Section 2(1)(h) Explanation 2].
- All such income must be accounted separately and reported in FC-4 as FC receipt.

IT Refund (FC portion) – FC(R) Amendment Rules 2024 (NEW from 1 Jan 2025): If TDS was deducted on FC income and deposited from a non-FCRA bank account, the FC portion of the IT refund may be transferred to the FCRA account, reported in FC-4 under SR 2(i)(b)(iii).

What about interest on IT refund? Amendment is silent, but Explanation 2 to Section 2(1)(h) deems 'any other income derived from the FC or interest thereon' to be FC — the causal chain (FC → FD → interest → TDS → refund → Section 244A interest) makes it traceable to the original FC.

14 · Offences and Consequences under FCRA

Sections 33–37 (Criminal) | Section 41 & Rule 21 (Compounding)

TRACK A — Criminal Prosecution (Sections 33–37)

Section	Offence	Punishment
S.33	Contravention of any provision	Fine + imprisonment up to 5 years, or both
S.34	False statement in application	Fine + imprisonment up to 3 years, or both
S.35	Accepting FC without registration/PP	Fine ₹1L or 5-10% of FC (higher) + up to 5 yrs
S.36	Contravention by companies	Director/officer in charge also liable
S.37	No separate punishment: compoundable	Imprisonment up to 1 year

TRACK B — Compounding (Section 41 + Rule 21)

Offence	Compounding Amount
Foreign hospitality violation (S.6)	₹10,000
Transfer of FC (S.7)	₹1L or 10% of FC — higher
Admin expense >20% (S.8)	₹1L or 5% of FC — higher
Accepting FC w/o registration/PP	₹1L or 10% of FC — higher
Depositing non-FC funds (S.17)	₹1L or 2% of deposit — higher
Non-furnishing intimation (S.18)	₹1L or 5% of FC (period)
Non-maintenance of accounts (S.19)	₹1L or 5% of FC — higher

FCRA Amendment BILL 2026 (NOT YET LAW — referred to JPC, 12 Aug 2026): Proposes reducing maximum imprisonment to 1 year. Do NOT apply Bill provisions to current enforcement analysis. Existing Act governs until Bill is enacted and notified.

15 · Disclosure Requirements & Intimation of Changes

FC(R) Rules 2025 & 2026 – Enhanced Disclosure

Form	Change Event	Documents Required (FC(R) Rules 2025/2026)
FC-6A	Change of name and/or address (within state)	Copy of relevant authority approval + governing body resolution
FC-6B	Change of nature, aims & objects; local authority registration change	Copy of relevant authority approval + governing body resolution
FC-6C	Change of designated FCRA bank or branch or account number	Letters from existing and new bank + governing body resolution
FC-6D	Opening of additional FC-utilisation bank account	Bank letter regarding account opening + governing body resolution
FC-6E	Change in key functionaries / office-bearers	Governing body resolution + Form AA affidavit for each new functionary
FC-6F	Change of scope of registration: add/delete Purpose or State/UT	Governing body resolution; additional fee (₹300 per purpose/state) [NEW]

All intimations must be submitted online within 15 days of the change. Existing registrations must file FC-6F within 1 year of June 2026 to specify purpose(s) and State(s).

16 · Online Filing, Suspension & Surrender

Sections 13, 14 & 14A; FCRA Portal

Online Portal

All FCRA filings are mandatory online at fcraonline.nic.in. No physical copies accepted by MHA. Documents uploaded as PDFs.

Suspension of Registration (Sec 13)

CG may suspend for up to 180 days in writing. FC cannot be received/utilised except per CG terms. Up to 25% of unutilised FC may be spent with CG approval; remaining 75% only after revocation.

Key Deadlines

- Annual return (FC-4): 31 December
- Renewal: 6 months before expiry (12 months for multi-year projects)
- Intimation of changes: 15 days
- IT refund transfer: report in next FC-4

Cancellation (Sec 14)

Grounds: false statements, violation of FCRA/Rules, 2 consecutive years of inactivity, ceased to be genuine, or public interest. 3-year bar on re-registration after cancellation.

Application Fees

- Registration (FC-3A): ₹10,000
- Prior Permission (FC-3B): ₹5,000
- Renewal (FC-3C): ₹5,000
- Additional per purpose or state/UT: ₹300 [NEW 2026]

Reasonable Activity Standard (Rule 14A – NEW 2026)

For renewal and to avoid cancellation, an association must have utilised at least ₹10,00,000 of FC in the last 2 financial years. Only FC-funded activities count.

Surrender of Registration: Apply in FC-7. Allowed only if CG is satisfied no violation has occurred. FC balance & assets vest with an authority appointed by CG [Section 15].

17 · Quick Compliance Checklist under FCRA

Annual Obligations & Ongoing Requirements

Registration / Renewal

- FCRA registration renewed before expiry (FC-3C filed 6 months prior)
- For existing NGOs (pre-June 2026): FC-6F filed within 1 year specifying purpose + states
- Aadhaar/Passport of ALL key functionaries submitted
- ₹10 lakh FC utilisation threshold confirmed for renewal (Rule 14A)

Annual Return (FC-4)

- Filed online by 31 December; NIL return also mandatory
- Balance Sheet, I&E, R&P account attached; UDIN on CA certificate and financial statements
- Detailed Activity Report attached; project/location-wise utilisation table filled
- Publication details disclosed in SR 8A

Bank Account Hygiene

- All FC received ONLY in SBI NDMB designated account
- No domestic funds deposited in FCRA or utilisation accounts
- FC-6D filed within 15 days of new utilisation account
- FC portion of IT refund transferred and reported in FC-4 SR 2(i)(b)(iii)

Utilisation Controls

- Admin expense ≤ 20% of FC; unspent portion carried forward with reasons
- No investment in mutual funds, shares, or speculative assets
- Assets acquired from FC held in association's name only
- No FC transferred to any other NGO or person

Changes & Intimations

- Changes in key functionaries, bank, address, aims intimated within 15 days via FC-6A/B/C/D/E/F
- Governing body resolution attached with each FC-6 intimation
- Form AA affidavit filed for each new/modified key functionary

Quarterly Disclosures

- FC receipt details placed on official website within 15 days of each quarter end
- If FC > ₹1 crore: summary data in public domain for current year + 1 year

Common Mistakes by NGOs under FCRA

Practical Issues Observed in Audits and Regulatory Actions

1. Mixing domestic and FC funds

Depositing domestic income into the SBI FCRA account. Even inadvertent mixing is a violation under Section 8 read with Section 37.

2. Treating vendor payments as 'transfers'

Paying contractors/consultants from FC is NOT a transfer under Section 7. Many NGOs refuse to pay vendors from FC unnecessarily.

3. Treating OCI/PIO donations as non-FC

Contributions from OCI/PIO cardholders are FC even though of Indian origin. Only NRIs holding Indian passport are exempt.

4. Admin expense calculation errors

Including project staff salaries and field costs in the 20% admin limit. Rule 5 excludes these — over-reporting creates fictitious violations.

5. Not filing FC-4 when FC is nil

FC-4 is mandatory even for years with zero FC activity. Non-filing attracts penalty and can lead to cancellation.

6. Investing FC in equity mutual funds

Rule 4 prohibits speculative investments; equity mutual funds are explicitly listed. Returns must go back into FCRA account.

7. Receiving FC in utilisation account

FC must be received ONLY in the SBI NDMB designated account. Utilisation accounts receive FC only by transfer.

8. Missing FC-6 intimations for changes

Change of address, key functionary, bank account etc. must be filed within 15 days. Often discovered only at renewal.

9. Using FC for domestic TDS payment

TDS deducted on salary paid from FC should be deposited only from FC funds; mixing creates reconciliation issues.

10. Ignoring the ₹10 lakh renewal threshold

New Rule 14A requires ≥₹10 lakh FC utilised in last 2 FYs for renewal. Dormant NGOs with small FC balances often fail this test.

Practical Scenarios under FCRA

Illustrative Scenarios for Training and Compliance Assessment

Case 1: The Sub-Grant Trap

Greenfield Trust receives ₹50L from a US foundation, pays ₹20L to Healthnet NGO to run mobile health camps. OUTCOME: Violation of Section 7 — paying another NGO to run its own programme = transfer. FIX: Hire staff directly or contract as service provider.

Case 2: The Mixing Mistake

Sunrise Society deposits ₹2 lakh of Indian school fees into the SBI FCRA account by mistake. OUTCOME: Violation of Section 8. FIX: Immediately reverse the deposit; maintain dual-account discipline with monthly reconciliation.

Case 3: The OCI Donor

Helping Hands Trust receives ₹10L from an OCI cardholder in the UK as a personal donation. OUTCOME: OCI cardholder = foreign citizen = FC. FIX: Obtain OCI card details, register under FCRA, report in FC-4.

Case 4: The Renewal Threshold

Green Earth Foundation received ₹8L (FY24-25) + ₹3L (FY23-24) = ₹11L over 2 years. OUTCOME: Rule 14A threshold is cumulative over 2 years, not per year — the trust qualifies for the safe harbour.

CASE STUDY

Renewal, Dormancy & Late Filing under FCRA 2010

Four progressive scenarios illustrating the legal, practical and strategic choices available to associations facing renewal challenges.

CS-A

The Sleeping Trust

5 years dormant | <₹10L FC utilisation | Renewal due

CS-B

The Last-Minute Rescue

Late filing but within 1 year | FC balance available

CS-C

The Catch-22

Registration lapsed 14 months ago | 1-year window closed

CS-D

The Active but Underdocumented NGO

Work done | No FC paper trail | Renewal at risk

Sections 14, 16, FCRA 2010 | Rule 12 & Rule 14A, FCRR 2011 (as amended up to June 2026)

CS-A · The Sleeping Trust

HIGH RISK

FACTS Shradha Charitable Trust | FCRA Registration valid until 31 March 2027 | Rural education, Maharashtra

Received ₹12 lakh from a UK foundation in FY 2021-22, ₹9.8 lakh utilised by FY 2022-23 on school construction. Since then no fresh FC received. FC balance in SBI NDMB account: ₹2.2 lakh. Trustees approach CA in September 2026 — 6 months before expiry.

Issue — Rule 14A Safe Harbour

- FC utilisation in last 2 FYs (FY24-25 + FY25-26) = ZERO — NOT within the ₹10 lakh safe harbour.
- MHA will examine 'reasonable activity' on the merits — difficult to establish with zero FC spend over 2 years.
- Risk of renewal refusal is real but NOT automatic — it is MHA's discretionary assessment.

Timing — Favourable

- September 2026 = exactly 6 months before 31 March 2027 expiry — barely meets Section 16 timing requirement.
- No 'one-year post-expiry grace window' should be assumed. File FC-3C immediately — do not delay further.

Recommended Actions

- ① Execute a genuine, well-documented programme using ₹2.2L FC balance before end Oct 2026 (photographs, beneficiary list, panchayat confirmation).
- ② Prepare realistic 2-year programme plan with identified donor pipeline.
- ③ File FC-3C with covering letter explaining dormancy and forward plans.
- ④ ₹2.2L won't cross ₹10L threshold, but demonstrates the trust is not permanently inactive.

CS-B · The Last-Minute Rescue

MODERATE RISK

FACTS Ankur Foundation | Registration expired 30 September 2026 | Health & sanitation | CA consulted November 2026

No renewal filed before expiry. FC utilisation: FY24-25 = ₹6.2L; FY25-26 = ₹5.8L — total ₹12 lakh, above the ₹10L threshold. FC balance in SBI NDMB account: ₹3.4 lakh. FC-4 for both years duly filed. Lapse discovered in November 2026, 2 months after expiry.

Legal Position — FC Balance

- CRITICAL: Once registration has lapsed, BOTH receipt AND utilisation of FC are barred under Section 11 read with Rule 12.
- The ₹3.4 lakh balance CANNOT be utilised until renewal is GRANTED. Any use before grant = fresh Section 11 violation. DO NOT TOUCH the balance.

Rule 14A — Favourable

- FC utilised over 2 FYs = ₹12 lakh — crosses ₹10L threshold: association IS within the safe harbour.
- Rule 14A is a DEEMING TEST, not an absolute bar. Crossing ₹10L creates a statutory presumption in favour of the association.

Immediate Action Plan

- ① File FC-3C IMMEDIATELY online — no further delay.
- ② Attach covering letter explaining the delay (governance transition gap).
- ③ Mandatory affidavit per FC(R) Rules 2025: FC receipt/utilisation since expiry (nil received; ₹3.4L balance unspent).
- ④ Attach certified bank statements from expiry to filing date.
- ⑤ Rule 12 allows delayed application for 'sufficient reasons' — no explicit grace window; success depends on MHA discretion.

CS-C · The Catch-22

CRITICAL

FACTS Navajeevan Society | Registration expired 31 August 2025 | Women's empowerment | CA consulted November 2026

Society unaware of lapse — board changed, old secretary left. FC utilisation FY23-24 = ₹3.1L; FY24-25 = ₹2.9L, total ₹6 lakh — below ₹10L threshold. A Swiss NGO is ready to give ₹25 lakh for a new project. Trustees approach CA 15 months after expiry.

Problem 1 — Timing

- Registration expired 31 Aug 2025; now 15 months later. Rule 12 permits delayed renewal for 'sufficient reasons' but there is NO explicit post-expiry grace period.
- MHA is unlikely to entertain an FC-3C filed 15 months after expiry without exceptional justification. Renewal route is effectively closed.

Problem 2 — Rule 14A

- FC utilisation over 2 FYs = ₹6 lakh — below ₹10L, outside the Rule 14A safe harbour.
- MHA must examine reasonable activity on merits — with zero activity post-Aug 2025, this is a weak case even if renewal were attempted.

Options Available

- OPTION A (Recommended): Fresh FC-3A registration. Society has 5+ years existence; must show ₹15L programme spend in 3 years.
- OPTION B (Parallel, fastest): Prior Permission FC-3B for the specific Swiss NGO grant — no track record requirement.
- OPTION C: Section 41 compounding if FC was inadvertently received/used post-expiry (₹3,000 DD to MHA Secretary).

CS-D · The Active but Underdocumented NGO

AVOIDABLE

FACTS Pragati Welfare Society | Registration expiring March 2027 | Tribal education, Jharkhand | CA engaged Sept 2026

Actively running residential schools using FC from a Canadian foundation — ₹18-20 lakh/year. However: many cash payments without vouchers, no beneficiary registers, no systematic photographs, FC-4 for FY24-25 filed late (penalty paid).

What is GOOD

- FC utilised ₹36-40L over 2 FYs — well above the Rule 14A ₹10L deeming threshold.
- Genuine activities conducted; renewal filed in time (Sept 2026, 6 months before March 2027 expiry). No FC transferred or mixed.

What is Missing / Problematic

- ✗ Cash payments without verifiable vouchers — CA cannot certify.
- ✗ No beneficiary registers — utilisation unverifiable to MHA field inquiry.
- ✗ No activity reports — FC-3C now requires year-wise detailed activity report [FC(R) Rules 2025].
- ✗ Late FC-4 — adverse MHA record.

What the CA Must Do

- ① Reconstruct vouchers: signed, dated acknowledgements from teachers/vendors, reconciled to cash book.
- ② Create beneficiary records from school admission registers, camp attendance, panchayat countersignature.
- ③ Compile photographic evidence — even retrospective documentation is better than nothing.
- ④ Draft year-wise activity reports from coordinator's notebook + reconstructed records.
- ⑤ Issue a QUALIFIED CA certificate if documentation gaps remain — not a clean certificate.

Case Studies — Comparative Summary

Rule 14A = Deeming Test (safe harbour), not automatic disqualification

Case	Timing (vs expiry)	Rule 14A (₹10L/2FYs)	Key Issue	Primary Option	Likely Outcome
CS-A Sleeping Trust	In time (6 mths before)	NOT in safe harbour (₹0)	Low activity; deeming test fails	Use FC balance now; file FC-3C + plan	Uncertain — MHA discretion
CS-B Last-Minute Rescue	Late — 2 months post-expiry	WITHIN safe harbour (₹12L)	Timing — no explicit grace period	File FC-3C now; no FC use post-lapse	Likely renewal if reasons accepted
CS-C The Catch-22	Critical — 15 months post-expiry	NOT in safe harbour (₹6L)	Both timing and activity weak	Fresh FC-3A + Prior Permission (parallel)	Restart — 3-6 months delay
CS-D Underdocumented	In time (6 mths before)	WITHIN safe harbour (₹36-40L)	Documentation gaps only	Reconstruct from contemporaneous evidence	Recoverable with CA diligence

(1) No 1-year post-expiry renewal window. (2) Rule 14A = deeming test (safe harbour), not absolute disqualification. (3) FC cannot be utilised after lapse until renewal granted.

Thank You

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This presentation is for educational and informational purposes only and does not constitute legal advice. Verify all provisions with current official texts before acting.

Do's and Don'ts for Trustees, CEOs, and Finance Officers

Practical Guidance for FCRA Compliance

DO'S

- ✓ Maintain separate FCRA books of account — cash, bank, ledger, and asset register exclusively for FC.
- ✓ Verify FCRA registration validity and scope (purpose + state) before accepting any FC from a new donor.
- ✓ File Form FC-6E within 15 days whenever a key functionary changes.
- ✓ Place FC-4 details on the official website within 15 days of each quarter-end.
- ✓ Keep a monthly admin expense % tracker; carry forward unused capacity with documented reasons.
- ✓ Obtain UDIN-stamped CA certificate and audited FC statements before filing FC-4 by 31 December.
- ✓ Transfer interest earned on FC fixed deposits back to the FCRA utilisation account. Treat it as FC.
- ✓ File FC-6F within 1 year of June 2026 to retain registration under the new purpose-and-state framework.
- ✓ Ensure all assets purchased from FC are held in the association's name — not a trustee's name.
- ✓ Maintain a grant register with donor name, amount, purpose, utilisation, and balance for each grant.

DON'TS

- ✗ Never deposit domestic income (fees, subscriptions, CSR grants) into the FCRA account.
- ✗ Never transfer FC to another NGO, federation, or implementing partner — even for charitable work (Section 7).
- ✗ Never invest FC in equity shares, equity mutual funds, chit funds, or any market-linked instrument (Rule 4).
- ✗ Never receive FC in the utilisation account directly — only the SBI NDMB designated account can receive FC.
- ✗ Never ignore FC-4 filing even in a year of nil FC activity — NIL return is mandatory.
- ✗ Never allow a foreign national (other than a person of Indian origin) to become a key functionary without CG approval.
- ✗ Never use FC for activities outside the approved purposes or in States not covered by the certificate.
- ✗ Never assume the 20% admin limit resets each year — unused capacity can be carried forward but must be documented.
- ✗ Never skip the CA's explicit compliance/non-compliance statement in the FC-4 certificate (mandatory from 2024).
- ✗ Never delay the FC-6F intimation for scope changes — apply before actually expanding to a new state or purpose.

FCRA Audit Documentation Checklist for Chartered Accountants

Minimum Documentation for CA Certification of Form FC-4

A. Registration & Compliance Documents

A. Registration & Compliance Documents

Valid FCRA Registration Certificate; FC-6F filed specifying purpose(s)/State(s) (post-June 2026); proof of active SBI NDMB account; key functionary list with Aadhaar/Passport; previous FC-4 & acknowledgement.

B. Books of Account

B. Books of Account

FCRA Cash/Bank/Ledger books (separate from domestic); Fixed Asset Register; Investment Register; Grant Register; programme-wise and location-wise utilisation schedules.

C. Bank Statements & Reconciliation

C. Bank Statements & Reconciliation

Complete SBI NDMB statements for the full year; utilisation account statements (bank-certified); reconciliation as at 31 March; FD receipts and interest certificates; SWIFT/remittance advices.

D. Utilisation Evidence

D. Utilisation Evidence

Vouchers for all programme expenditure; salary register for FC-funded staff; contractor/vendor invoices with TDS evidence; photographs/field reports; admin expense schedule reconciled to 20% limit.

E. Annual Return Requirements (2024/2026)

E. Annual Return Requirements (2024/2026)

Detailed Activity Report (activity/project/location-wise); CA certificate with UDIN (mandatory 2026); separate UDIN for audited FC statements; DAF ultimate-donor schedule [SR 2(ii)(aa)]; publication details [SR 8A].

F. CA's Compliance Statement

F. CA's Compliance Statement

Explicit compliant/non-compliant statement [mandatory from 2024]; details of violations if non-compliant; reconciliation of FC received/utilised/balance; confirmation of no transfer (S.7) and no non-FC deposits.

Frequently Asked Questions – Part 1 (Q.1–Q.10)

Practical Issues Raised by NGOs, Trustees, and Finance Officers

Q1 Can an NRI donate to our NGO without FCRA compliance?

Yes, if the NRI holds an Indian passport — not FC. Obtain passport copy; report in FC-1 within 30 days if >₹1 lakh from a relative.

Q2 Can we pay Indian consultants and vendors from the FCRA account?

Yes. Paying Indian vendors/consultants for services rendered is NOT a 'transfer' under Section 7 — it is permitted programme expenditure.

Q3 Our FC-4 due date passed. Can we still file?

Yes, file immediately. Late filing attracts penalty (₹1 lakh or 5% of FC, higher) — delayed filing is less serious than non-filing.

Q4 Can we receive FC in multiple bank accounts?

FC can be received ONLY in the SBI NDMB designated account. Additional utilisation accounts may be opened, but funds flow FROM the designated account.

Q5 Our 5-year registration expires in 3 months. What do we do?

File FC-3C at least 6 months before expiry with audited accounts, activity reports, Form AA affidavits, and ensure ≥₹10 lakh FC utilised in last 2 FYs.

Q6 We received a small grant 3 years ago. Do we still need FCRA?

Yes — FC-4 must be filed for that year. If registration has lapsed, you cannot receive further FC until renewed; old balance may be used for approved purposes.

Q7 Can the same bank account be used for FC and domestic funds?

No — absolutely prohibited. Mixing domestic and FC funds is a serious violation under Section 8 and can lead to cancellation and prosecution.

Q8 Is CSR funding from an Indian company treated as FC?

No — unless the company is a 'foreign source' under Section 2(1)(j). Post-Finance Act 2018, Indian subsidiaries of foreign MNCs are not foreign sources.

Q9 Can FC be used to pay salaries of staff on domestic projects?

No. FC can be used only for the approved purpose within approved States/UTs; split roles require allocation.

Q10 What happens if our registration is cancelled?

You cannot receive further FC. Assets vest in a CG-appointed authority (S.15). Barred from re-applying for 3 years; prosecution may follow if intentional.

Frequently Asked Questions – Part 2 (Q.11–Q.20)

Practical Issues Raised by NGOs, Trustees, and Finance Officers

Q11 Can interest on FCRA FDs be transferred to domestic account?

No. Interest is deemed FC [Explanation 2, Sec 2(1)(h)] — must remain in the FCRA account and be used for approved purposes. TDS refund (FC portion) can be transferred back.

Q12 We want to add a new State to our operations.

File FC-6F with a governing body resolution specifying the new State; pay ₹300 fee. CG will approve or reject — no operation in an unapproved State.

Q13 Our CEO is an OCI cardholder. Will this affect registration?

No. The ordinary-ineligibility for foreign nationals as key functionaries does NOT apply to persons of Indian origin, including OCI cardholders.

Q14 Can we give a sub-grant to our partner NGO from our FC?

No. Section 7 (2020) absolutely prohibits transfer of FC to any other person or NGO, including sub-grants and pass-through funding.

Q15 Penalty for filing FC-4 after 31 December?

₹1,00,000 or 5% of FC received during the non-submission period, whichever is higher. Repeated non-filing can lead to cancellation and prosecution.

Q16 Our donor is a Donor Advised Fund (DAF) in the USA — how to report?

From 2026, FC-4 requires disclosure of the ULTIMATE DONOR behind the DAF [SR 2(ii)(aa)] — report both the DAF intermediary and the ultimate donor.

Q17 Can FC be used to purchase a vehicle or equipment?

Yes — if directly linked to programme objectives. Asset must be in the association's name, recorded in the Fixed Asset Register, and disclosed in FC-4.

Q18 We received FC in the wrong bank account by accident.

Transfer it to the SBI NDMB account immediately, document the reason, intimate MHA if required, and consider self-compounding under Section 41.

Q19 Does an e-newsletter need FCRA disclosure?

From 2026, publications by the association/key functionaries must be disclosed in FC-4 [SR 8A]; also ensure it doesn't breach Section 3(1)(g) news restrictions.

Q20 Can FC be used for disaster relief outside approved States?

No, unless registration covers the affected State — file FC-6F urgently, or coordinate with a registered organisation in that State (subject to S.7).

APPENDIX

Common Mistakes in FCRA Applications

Document Requirements & Rejection Grounds — Fresh Registration (FC-3A) | Renewal (FC-3C) | Prior Permission (FC-3B)

AP-1

Document Checklist — What is Required (Post-2025 & 2026)

AP-2

Common Mistakes — Fresh Registration (FC-3A) & Renewal (FC-3C)

AP-3

Form AA, Application Form Errors & Procedural Pitfalls

AP-4

Verification — FC(R) Amendment Rules 2026 Gist

Sections 12, 12A, 16 FCRA 2010 | Rule 9, 9A, 12, FCRR 2011 | FC(R) Amendment Rules 2025 & 2026

AP-1a · Document Checklist — Common to All Application Types

FC-3A, FC-3C & FC-3B | FC(R) Rules 2025 & 2026

#	Document	Requirement
1	Registration certificate	Current valid registration — Society/Trust/Section 8. Must not have expired.
2	Trust deed / MoA and Rules	Complete document including ALL amendments, duly registered. Notarised copy.
3	PAN card	Name must EXACTLY match entity's registered name. Minor spelling = MHA database mismatch.
4	SBI NDMB FCRA account	Account must be OPENED BEFORE filing. Account number is mandatory.
5	Form AA — one per key functionary	Individual sworn affidavit for EACH trustee/director. NOT a combined form. Most common rejection ground.
6	Aadhaar / Passport / OCI card	Indian residents: Aadhaar. NRI (no Aadhaar): Indian Passport. Foreign national/OCI: OCI card [Section 12A].
7	DARPAN ID	Niti Aayog DARPAN registration. Name/address must exactly match FCRA application.
8	Website URL	Functioning website with organisation details. MHA verifies during processing.
9	Social media accounts [NEW 2026]	All active platforms: YouTube, Facebook, Instagram, Twitter/X. Omitting active accounts = error.

AP-1b · Document Checklist — Additional by Application Type

Beyond common documents | FC(R) Rules 2025 & 2026

FC-3A — Fresh Registration

- 1. Audited accounts — last 3 FYs (CA-signed with UDIN)
- 2. Activity reports SR 5A — year-wise, programme-wise, location-wise, beneficiary-wise
- 3. ₹15L programme expenditure certificate (net of Rule 5 admin)
- 4. Chief Functionary undertaking (exclusive use of capital assets)
- 5. Governing body list — current board, names, designations, addresses
- 6. Govt/CAG status SR 13 [NEW 2026]
- 7. Form AA para 1A [NEW 2026] — citizenship, conviction history

FC-3C — Renewal

- 1. Audited accounts — last 3 FYs (CA-signed with UDIN)
- 2. FC-4 — ALL years filed (any pending = not processed)
- 3. Activity reports [NEW 2025] — year-wise for current period
- 4. FC-6F filed [NEW 2026] — BEFORE filing FC-3C
- 5. Rule 14A: ₹10L FC utilised — CA cert or covering note
- 6. Post-lapse affidavit [2025] — if registration lapsed
- 7. Form AA para 1A [NEW 2026] — updated for current functionaries

FC-3B — Prior Permission

- 1. Donor commitment letter — specific amount + purpose
- 2. Project report — activities, timeline, budget, beneficiaries
- 3. Common member declaration
- 4. Independence proof — if common members, ≥75% not in donor org
- 5. Form FC-3BB [NEW 2026] — for second instalment
- 6. CF ≠ donor member declaration
- 7. Form AA para 1A [NEW 2026] — for all key functionaries

AP-2a · Common Mistakes — Fresh Registration (FC-3A)

Grounds on which MHA returns or rejects FC-3A applications

#	Mistake	Detail
1	Form AA — combined, not individual	A single Form AA for all trustees is NOT acceptable — each key functionary files their OWN sworn affidavit. Most common rejection ground.
2	Form AA — old version (pre-June 2026)	Para 1A (citizenship, conviction history, pending prosecution) absent. Download current form from fcraonline.nic.in.
3	Form AA — wrong attestation	Attested by CA/advocate/gazetted officer is INVALID. Valid: Notary Public, Oath Commissioner, Executive Magistrate ONLY.
4	Audited accounts — incomplete or without UDIN	Only 1-2 years instead of 3; or management accounts used; or UDIN missing (mandatory from AY 2024-25).
5	Activity report SR 5A — generic or undated	One paragraph for all 3 years instead of year-wise, programme-wise, location-wise, beneficiary-wise detail.
6	₹15 lakh — admin expenses included	Rule 5 admin costs must be excluded. Net programme spend must reach ₹15L; capital investments need CF undertaking.
7	Objects not mapped to Schedule [NEW 2026]	Broadly worded objects ('general welfare') cannot be mapped to any of the 5 Schedule categories.
8	Association less than 3 years old	No 3-year track record. Apply for Prior Permission FC-3B instead — no ₹15L or 3-year requirement.

AP-2b · Renewal (FC-3C) Mistakes | Form AA Detail

Renewal rejection grounds | Form AA contents and attestation requirements

#	Renewal Mistake	Detail
1	FC-6F not filed before renewal [NEW 2026]	Must be filed BEFORE FC-3C — pre-condition, not simultaneous filing.
2	FC-4 pending for one or more years	MHA checks automatically — any pending year means FC-3C is not processed.
3	Rule 14A — ₹10L not met, no covering note	Below ₹10L = outside safe harbour. MHA needs reasons + forward plan.
4	Late renewal — no explanation	Filed after expiry without sufficient cause letter. Rule 12 requires reasons.
5	Post-lapse affidavit missing [2025]	Affidavit of FC position since expiry + certified bank statements from expiry to filing.
6	Activity report — same as previous renewal	Identical language reused; year-wise updates required per SR 5A [2026].
7	Key functionary change not reflected	Board changed via FC-6E but FC-3C shows old composition — MHA field inquiry finds mismatch.
8	3-year bar not expired [Section 14(3)]	Previous registration cancelled under Section 14 — cannot reapply for 3 years.

Form AA — Contents & Common Errors

Para	Contents
Para 1	Name, nationality, address, date of birth
Para 1A [NEW]	Citizenship; conviction history; pending prosecution
Para 2	Member of banned/unlawful organisation?
Para 3	Previously refused FCRA registration?
Para 4	Declaration: information is true and correct
Attestation	Notary Public / Oath Commissioner / Exec Magistrate

Form AA errors: (E1) One combined form — each must file individually. (E2) Old form — para 1A missing. (E3) Signed by Chairman for another — not valid. (E4) Attested by CA/advocate — invalid.

AP-3 · Application Form Errors & Procedural Pitfalls

New 2026 mandatory fields | Common form errors | Procedural causes of rejection

APPLICATION FORM ERRORS — New 2026 Mandatory Fields

Purpose not from Schedule

Free text or 'General' instead of the 5 Schedule categories. Each additional purpose: +₹300 fee.

States/UTs — 'All India' not valid

Each State/UT must be selected individually. Each additional State: +₹300 fee.

SR 5A — 3-year activity history [NEW]

Year-wise, programme-wise, location-wise, beneficiary-wise detail required. Generic one-liner = MHA return.

SR 13 — Govt/CAG status [NEW]

Whether constituted under Central/State Act; govt-owned; CAG audit required. Private trusts must answer 'No' explicitly.

SR 2(g) — Social media [NEW]

All active platforms must be listed. YouTube channels most commonly omitted.

DARPAN ID mismatch

Name/address/objects in DARPAN must exactly match the FCRA application.

Fee — wrong amount or gateway timeout

Reg ₹10,000 | PP ₹5,000 | Renewal ₹5,000 | +₹300/state | +₹300/purpose. Timeout = not filed.

DSC not affixed

Class 3 DSC of Chief Functionary mandatory. Must be valid at time of filing.

Procedural pitfalls: Physical documents to MHA (post/courier returned — online only); multiple concurrent applications (both may be rejected); SBI NDMB account not opened (mandatory before submission); key functionary change after filing (MHA field-inquiry mismatch, major delay).

M/s Rajput Jain & Associates

Chartered Accountants

THANK YOU

Disclaimer: The content of this document is intended to provide a general guide to the subject matter. Every effort has been made to keep the information cited error-free. The contents are for information purposes only and do not constitute advice or a legal opinion; they reflect the understanding of Rajput Jain & Associates of the law and provisions prevailing as on the date of preparation and may vary according to one's interpretation of the law. This should not be relied upon as the sole basis for any decision which may affect you or your business. For specific guidance, please consult us directly.

September 2026

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