ANALYSIS OF THE CHANGES IN THE NEW FORM FC-4 UNDER FCRA

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ANNEXURE 1
MINISTRY OF HOME AFFAIRS, FOREIGNERS DIVISION (FCRA WING)
ISSUED A PUBLIC NOTIFICATION DATED 07.03.2019

ANNEXURE 2
NEW FORM OF FC-4

ANNEXURE 3
THE TEXT OF SECTION 12
INTRODUCTION

1.1.1 The Ministry of Home Affairs, Foreigners Division (FCRA Wing) has issued a Public Notification dated 07.03.2019 where in the Foreign Contribution (Regulation) Rules 2011 have been amended and there has been considerable changes in the various forms required to be filed. In this issue the implications of the changes made in Form FC-4 as well as input for filling some of the new requirement of the form have been discussed. A copy of the Notification and Form FC-4 is provided in Annexure 1 and 2.

OVERVIEW OF THE CHANGES

1.2.1 Greater Detail required for receipt of foreign contribution: In the new Form there is change in Point No. 2 which requires the detail of Foreign Contribution received and applied during the year. Earlier Point No. 2 required details of both receipt & utilization of FC fund. However the modified Point No. 2 requires details of only receipt of foreign contribution and separate point no 3 has been inserted for details of utilization of FC. The new Form requires the details of foreign contributions received in cash/kind (value) bifurcating the same as

(a) Brought forward balance

(b) (i) Interest

(ii) Other receipts from projects/activities

(c) Foreign Contribution received during the FY (directly from foreign source/ local source)

(d) Total (a+b+c+d)

The amount of other receipts from project & activities to be supported by project / activity wise details from which these other FC receipt are received together with the name & location of project and year of commencement of the project.

Donor wise details of foreign contribution is required in all cases instead of earlier requirement of details only in cases of receipts in excess of rupees 20,000.
Moreover, donor wise details also requires linking of receipts with the purpose and also linking the same with the specific activity/project. It raises several questions, because an organisation can receive general donation towards the objects not linked to any project. In such circumstances, in our opinion, the main objects of the organisation should be treated as the project. Further all funds do not come for a specific area and certain projects may have a multilpe area domain without any specific segregation of area wise budget. In such circumstances cases there will be difficulty in reporting under FC - 4. We suggest that organisations have to provide an overall breakup, though further clarity is necessary from the FCRA Department.

1.2.2 Greater Detail required for utilisation of foreign contribution: In the new Form there is change in Point No. 3 which requires the detail of Foreign Contribution utilised during the year. Earlier this section was included in Point No. 2. Now a separate section has been made for details of utilization of foreign contribution. This newly inserted point no 3 requires details of utilization of FC.

The amended Point No.(3) requires disclosure of utilisation in four parts i.e.

(3)(a) Details of activities/projects for which foreign contribution has been received & utilized

(3)(b) Details of utilisation of foreign contribution

   (i) Total utilisation
   (ii) Total administrative expenses

(3)(c) Total purchase of fresh assets

(3)(d) FC transferred to other associations

Point No. 3(a) requiring details of activities/projects with the breakup of the opening balance, receipt, utilisation and closing balance in terms of:

- Name of the project/activity
- Location of the project/activity

There is an assumption that all funds have been received for specific project/activity. Firstly such an assumption itself is unassaible as organisations do receive voluntary
contribution which can be spent for any permissible activity at the discretion of the management. Secondly, the location of the expenditure and the location of the activity may be different. For instance books are purchased in New Delhi for distribution over rural areas spread across India. Thirdly, there might be expenditures which cannot be attributed to a particular activity or a location. For example, capacity building of staff, common expenditures, dissemination of information through electronic medium, website or social media etc. In the light of the aforesaid, the organisation may make an estimated segregation for the purposes of Form FC - 4.

In addition to the above issues the existing online form does not allow more than one pin code towards location against specific activity. In such circumstances if an object is being implemented at multiple locations, the principal or the primary location may be specified.

The Point No. 3(b) of the Form further requires the following two affirmation:

(i) Total Utilisation** for projects as per aims and objectives of the association(Rs.):
(ii) Total administrative expenses as provided in rule 5 of the Foreign Contribution (Regulation) Rules,2011 (Rs.):

Firstly, an affirmation regarding compliance of section 12 of the FCR Act, 2010 is required to be given. The text of section 12 is provided in Annexure 3. This undertaking primarily is with regard to the proper use of FC funds for the following:
- the sovereignty and integrity of India; or
- the security, strategic, scientific or economic interest of the State; or
- the public interest; or
- freedom or fairness of election to any Legislature; or
- friendly relations with any foreign State; or
- harmony between religious, racial, social, linguistic or regional groups, castes or communities.

Secondly, the form also requires an affirmation that the administrative expenses are within 50% of the total expenditure.
There is no issue in giving the above affirmations. However, such requirements regarding compliance with any particular provision of the Act and the Rules are unusual, because all registered organisations are duty bound to follow all the provisions of the Act and Rule, in any case.

The clause 3(c) requires the details and purpose of the movable and immovable assets purchased during the year. In other words, the capital expenditure has to be divided into movable and immovable assets. Further purpose wise bifurcation is also required.

The clause 3(d) requires the details and purpose of the inter charity donations made during the year with date and amount of each individual donation.

Though this clause contains four parts i.e. (a), (b), (c) & (d) but the total utilization is the total of (b), (c) & (d). Hence the information in (a) requiring details of activities/projects in the given format is separate and independent and is not related with the total utilization figure to be certified in the form.

1.2.3 **Detail required for FC Closing Balance and Investments** : In the clause 4 the detail of the FC closing balance investment made out of foreign contribution is required to be provided. The new Form makes an assumption that closing balances shall be confined to the following three categories:

- Cash in Hand
- Cash at Bank (Designated and Utilisation Accounts)
- Investments in the form of Fixed Deposits

The form does not provide any field for closing balances in the shape of advances, TDS or any permissible form of investment other than fixed deposits (for example; Government Bonds etc.). In such circumstances any legitimate closing balance has to be included in one of the above heads.
1.2.4 **Detail required for Foreigners as Key Functionaries**: In the clause 5 the detail of the foreigners working with the organisation, working as key functionaries or associated with the organisations are required to be reported. Earlier the requirement was regarding foreigners working in the organisation, but the amended form has expanded the requirement to all type of foreigners associated with the organisation in any capacity.

1.2.5 **Detail required for Land and Building lying unused for more than 2 years**: In the clause 6 the detail of Land and Building lying unused for more than 2 years is required. In this context it may be noted that under section 11(5) of the Income Tax Act land can be a permissible investment. The FCRA Act and Rule also do not debar any permissible investment unless it is speculative in nature. In such circumstances it is not known why unused immovable property should be separately reported. There seems to be an assumption that all land and building are project assets and there for should be continuously used for the project. Such an assumption may not be in consonance with the FCR Act and Rules.

1.2.6 **Detail required for Bank Accounts**: In the clause 7 the detail of designated and utilisation bank account is required to be provided. There is an additional requirement of (i) the Email of bank, (ii) Phone Number, (iii) the date of opening of bank account.

1.2.7 The online form also provides that - Kindly see relevant provisions of FCRA, 2010 and rules made there under (available on MHA's Website).

If at any stage, it is found that any of the prescribed document is not uploaded or it incorrect, it will amount to non-submission of annual returns and considered violation of FCRA, 2010. This will also attract provisions of Gazette Notification SO 2133(E) dated 16/06/2016.

Hence one has to very careful in uploading the prescribed document and filling the form correctly.
ISSUES ARISING OUT OF THE AMENDED FC-4:

1.3.1 As there are comprehensive and far reaching changes in the Form FC 4. There is considerable increase in number of new columns and information required, it would have been better if instruction/ advice was also issued by FCRA department explaining each change and the procedure fill up under the new requirement in FC-4. However, as the last date for submission of FC-4 Return is coming to an end and till date no advisory note has come from FCRA, we are summarising herein below our understanding based on which one can decide the best way forward to fill up the form.

Hence under this background the following inputs are given that can be taken into account while filling FC-4:

1.3.2 The meaning of term ‘purpose’: The purpose wise details are required at three places i.e. -

- Point No.(2) requires purpose wise donation received
- Point No. (3c) requires purpose wise purchase of assets
- Point No.(3d) requires purpose wise FC transfer to other association

We understand purpose should be taken from any of the listed purposes i.e. Social, Cultural, Educational, Economics & Religious and it needs to be reconfirmed that the purpose mentioned in FC4 is covered within the approved purposes as per FCRA renewal letter.

1.3.2 Specific Project/Activity: Point No. (2) requires the name of the specific project/activity for which FC fund has been received and similarly Point No. (3) requires details of utilisation of FC fund on each project/activity bifurcating into opening, FC received during the year, utilised during the year and FC closing balance. We understand that each of the funded program program should be treated as a separate project.

1.3.3 Disclosure of fund received for unrestricted purpose while filling the donor wise details in Column 2(ii)(a): We understand if the organisation has already earmarked the
purpose for which the unrestricted fund shall be used then the same purpose can be mentioned under specific activities/projects. Otherwise the organisation may follow the policy of ear marking unrestricted funds for the primary purpose of the organisation, which could be ‘social’, ‘economic’, ‘educational’ etc. for FCRA purpose.

1.3.4 **Utilisation of foreign contribution on the basis of activities/projects (pl refer requirement no 3(a) of the form)**: We understand this table requires details of FC fund received only towards some specific purpose and therefore details of opening balance unrestricted fund or the unrestricted fund received during the year may not be required to be part of this table. However, one should communicate this understanding by e-mail to FCRA department once the FC Return has been submitted.

1.3.5 **Details of address/location for each project/activity**: The existing online form does not allow more than one pin code towards location against specific activity. Hence in such circumstances if an object is being implemented at multiple location, the principal or the primary location may be specified.

1.3.6 **Foreign Contribution transferred to other organisation**: While disclosing the FC transfer to other organisation, the date wise transfer is required which, in some cases because of volume may not be accepted in the online system. It is, therefore, suggested to fill up the date of last transfer against all the transfer and after submission of return we should send an e-mail explaining the difficulties faced and how we have taken up the issue.

1.3.7 **Meaning of Term “Total Utilisation” in point No. 3(b)(i)**: Point No. 3(b)(i) requires the figure of total utilisation and again purchase of fixed assets and FC transfer to other organisation requires to be mentioned separately. Hence total utilisation should mean all the revenue expenditures for the aim & object of the organisation other than Administrative expenses, capital expenses and transfer to other organisation.
1.3.8 **FC contributions received in Kind**:

- Point No. (2) of foreign contributions received and Point No.(3) of FC utilisation: Both will include In kind FC contributions as well.
- The opening balance of FC in Point 2(a) and 3(a) should also have the opening balance of In kind contributions as per the returns submitted previously.
- In case In kind contributions are received during the year, in addition to FC 4, Form FC 1 should also be submitted.

1.3.9 **Unutilised foreign contribution**: The present form requires details of unutilized foreign contribution only to the extent it is in the form of Fixed Deposit, cash in hand, balance in FC designated bank a/c and in utilisation bank account. Hence the amended form does not require the total balance of un-utilised FC contribution as well as the details of closing FC balance in the form of TDS, advances, etc. Hence one option is to give the unutilised foreign contributions pertaining to TDS, advances etc. under Fixed Deposits so that correct reconciliation of closing balance is made. Then the organisation can send an e-mail to the FCRA Authorities explaining the details of total unutilised foreign contribution in hand and why the same was consolidated under one head due to unavailability of other field in the form.

1.3.10 **Details of Key Functionary/working/associated**: Earlier details were required only for foreigners working but the amended Rules provides for information on foreigners as a key functionary, working & associated. Hence this part of the form needs to be carefully filled in as in some cases though there is no foreigner on Board but in General Body there may be foreigners or the foreigners may work in the capacity of volunteers etc.
G.S.R. 199(E).—In exercise of the powers conferred by section 48 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010), the Central Government hereby makes the following rules further to amend the Foreign Contribution (Regulation) Rules, 2011, namely:-

1. Short title and commencement. - (1) These rules may be called the Foreign Contribution (Regulation) Amendment Rules, 2019.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Foreign Contribution (Regulation) Rules, 2011, -

(i) in rule 2, in sub-rule 1, after clause (a), the following clause shall be inserted, namely:-

“(aa) “bank account” means a bank account in a core banking compliant bank, which is integrated with the Public Financial Management System (PFMS)”;

(ii) in rule 6, after the word “Government”, the following words shall be inserted, namely:-

“by uploading details electronically online”;

(iii) in rule 7, in sub-rule (1), after the word “apply”, the following words shall be inserted, namely:-

“electronically online”;

(iv) in rule 9, -

(a) in sub-rule (1), -

(A) for clause (a), the following clause shall be substituted, namely:-

“(a) An application for certificate of registration by a person under sub-section (1) of section 11, for acceptance of foreign contribution shall be made electronically online in Form FC-3A and an application for obtaining prior permission by a person under sub-section (2) of section 11, for acceptance of foreign contribution, shall be made electronically online in Form FC-3B.”;

(B) in clause (e), for the letters and figure “FC-6”, the letters and figure “FC-6D” shall be substituted;

(b) in sub-rule (2), in clause (e), for the letters and figure “FC-6”, the letters and figure “FC-6D” shall be substituted;

(c) in sub-rule (4), -

(A) in clause (a), for the letters, figures, brackets and words “Rs.1000/- (One Thousand only)”, the letters, figures, brackets and words “Rs.3000/- (Three Thousand rupees only)” shall be substituted;
(B) in clause (b), for the figures, brackets and words “2000/- (Two Thousand only)”, the letters, figures, brackets and words “Rs.5000/- (Five Thousand rupees only)” shall be substituted;

(v) in rule 12, -

(a) in sub-rule (2), for the words, letters and figures “to the Central Government in Form FC-3”, the words, letters and figures “to the Central Government electronically online in Form FC-3C” shall be substituted;

(b) in sub-rule (4), for the letters, figures, brackets and words “Rs.500/- (Five Hundred only)”, the letters, figures, brackets and words “Rs.1500/- (One Thousand Five Hundred rupees only)” shall be substituted;

(c) in sub-rule (8),-

(A) after the words “requisite fee”, the letters, figures, brackets and words “and with late fee of Rs.5000/- (Five Thousand rupees only)” shall be inserted;

(B) for the words “four months” the words “one year” shall be substituted;

(vi) in rule 17A, -

(a) the words, letters and figure “in Form FC-6” shall be omitted;

(b) in item (i), after the word “Act”, the words, letters and figures “in Form FC-6A” shall be inserted;

(c) in item (ii), after the word “authorities”, the words, letters and figures “in Form FC-6B” shall be inserted;

(d) in item (iii), -

(A) after the word “number”, the words, letters and figures “in Form FC-6C” shall be inserted;

(B) the word “and” occurring at the end shall be omitted;

(e) after item (iii), the following item shall be inserted, namely:- “(iiia) bank and/or branch of the bank for the purpose of utilising the foreign contribution after it has been received in Form FC-6D; and ”;

(f) in item (iv), after the word “Act”, the words, letters and figures “in Form FC-6E” shall be inserted;

(vii) for forms FC-1 to FC-6, the following forms shall be substituted, namely:-
Annexure 2

FORM FC – 4
[See rule 17]

Darpan ID***___________

The Secretary to the Government of India,
Ministry of Home Affairs,
Foreigners Division (FCRA Wing)
Major Dhyan Chand National Stadium, India Gate, New Delhi-110002

***Note: - Furnishing of Darpan ID shall be optional.

Subject : Account of Foreign Contribution (FC) for the year ending on the 31st March __________________

1. FCRA registration/ prior permission number and date:
2. Details of receipt of foreign contribution:
   (i) Foreign Contribution received in cash/ kind (value):
      (a) Brought forward foreign contribution at the beginning of the year (Rs.):
      (b) Income during the year*:
         (i) Interest:
         (ii) Other receipts from projects/activities:

   
<table>
<thead>
<tr>
<th>S No.</th>
<th>Name and location of project/activity</th>
<th>Year of commencement of the project/activity</th>
<th>Income during the year (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

   (c) Foreign Contribution received during the financial year:
      (i) Directly from a foreign source:
      (ii) From a local source:
      (d) Total Foreign Contribution (a+b+c) (Rs.):

* i.e. interest accrued on foreign contribution, or any other income derived from foreign contribution, e.g. sale proceeds from assets created from foreign contribution, or interest thereon during the year, income from projects/activities.
ANALYSIS OF THE CHANGES IN THE NEW FORM FC-4 UNDER FCRA

(ii) (a) Donor wise detail of foreign contribution received:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of donor(s)</th>
<th>Institutional/ Individual</th>
<th>Details of the donor: official Address; email address; Website address;</th>
<th>Purpose(s) for which received (Social, Cultural, Educational, Economic, Religious)</th>
<th>Specific Activity/ project</th>
<th>Amount Rs</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
</tr>
</tbody>
</table>

(b) Cumulative purpose-wise amount of all foreign contribution donations received:

3. Details of utilisation of foreign contribution:

(a) Details of activities/projects for which foreign contribution has been received and utilised (in rupees)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of project/activity</th>
<th>Address/ Location</th>
<th>Previous balance</th>
<th>Receipt during the year</th>
<th>Utilised</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>In cash</td>
<td>In kind</td>
<td>In cash</td>
<td>In kind</td>
</tr>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
</tr>
</tbody>
</table>

(b) Details of utilisation of foreign contribution:

(i) Total Utilisation** for projects as per aims and objectives of the association (Rs.):

(ii) Total administrative expenses as provided in rule 5 of the Foreign Contribution (Regulation) Rules, 2011 (Rs.):

** It is affirmed that the utilisation of foreign contribution is not in contravention of the provisions contained in the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) and more particularly in section 9 and section 12 of the Act which, inter-alia, states that the acceptance of foreign contribution is not likely to affect prejudicially:

(A) the sovereignty and integrity of India; or

(B) the security, strategic, scientific or economic interest of the State; or

(C) the public interest; or

(D) freedom or fairness of election to any Legislature; or

(E) friendly relations with any foreign State; or

(F) harmony between religious, racial, social, linguistic or regional groups, castes or communities.
(c) Total purchase of fresh assets (Rs.)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Activity in the name of Association</th>
<th>Details</th>
<th>Purpose</th>
<th>Total (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Creation of movable assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii)</td>
<td>Creation of Immovable assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(d) FC transferred to other associations

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the association</th>
<th>Date</th>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(e) Total utilisation in the year (Rs.) (b+c+d):

4. Details of unutilised foreign contribution:
   (i) Total FC invested in term deposits (Rs.):

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Details</th>
<th>Total (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Opening Balance of FD</td>
<td></td>
</tr>
<tr>
<td>(ii)</td>
<td>FD made during the year</td>
<td></td>
</tr>
<tr>
<td>(iii)</td>
<td>Less: realisation of previous FD</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Closing balance of FD</td>
<td></td>
</tr>
</tbody>
</table>

(ii) Balance of unutilised foreign contribution, in cash/bank, at the end of the year (Rs.):
   (a) Cash in hand:
   (b) in FC designated bank account:
   (c) in utilisation bank account(s):

5. Details of foreigners as Key functionary/working/associated:
6. Details of Land and Buildings remained unutilised for more than two years:

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Location of Land and Building</th>
<th>Year of acquisition</th>
<th>Purpose of acquisition</th>
<th>Reason of unutilisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. (a) Details of designated FC bank account for receipt of Foreign Contribution (As on 31st March of the year ending):

<table>
<thead>
<tr>
<th>Name of the Bank</th>
<th>Branch Address (with PIN code)</th>
<th>Phone No.</th>
<th>E-mail</th>
<th>IFSC Code</th>
<th>Account No.</th>
<th>Date of Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(b) Details of all utilisation bank accounts for utilisation of Foreign Contribution (As on 31st March of the year ending):

<table>
<thead>
<tr>
<th>Name of the Bank</th>
<th>Branch Address (with PIN code)</th>
<th>Phone No.</th>
<th>E-mail</th>
<th>IFSC Code</th>
<th>Account No.</th>
<th>Date of Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Declaration**

I hereby declare that the above particulars furnished by me are true and correct.

I also affirm that the receipt of foreign contribution and its utilisation have not been violative of any of the provisions of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010), and the rules, notifications or orders issued thereunder from time to time and the foreign contribution was utilised for the purpose(s) for which the association was granted registration/ prior permission by the Central Government.

Place:

Date:

[Name of the Chief Functionary (Chairperson/President/Secretary/CEO/MD) in block letters]

(Seal of the Association)
Certificate to be given by Chartered Accountant

I/We have audited the account of (name of ____________________________
Association and its full address including State, District and Pin Code, if registered society, its registration number and State of registration) for the financial year ending the 31st March __________________, and examined all relevant books and vouchers and certify that according to the audited account:

(i) the brought forward foreign contribution at the beginning of the financial year was Rs.___________;

(ii) foreign contribution of / worth Rs. was received by the Association during the financial year_____________;

(iii) interest accrued on foreign contribution and other income derived from foreign contribution or interest thereon of/worth Rs. _______________ was received by the Association during the financial year ;

(iv) the balance of unutilised foreign contribution with the Association at the end of the financial year _____________ was Rs. ____________;

(v) Certified that the Association has maintained the accounts of foreign contribution and records relating thereto in the manner specified in section 19 of the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) read with rule 17 of the Foreign Contribution (Regulation) Rules, 2011.

(vi) The information in this certificate and in the enclosed Balance Sheet and statement of Receipt and Payment is correct as checked by me/us.

(vii) The association has utilised the foreign contribution received for the purpose(s) it is registered/ granted prior permission under the Foreign Contribution (Regulation) Act, 2010 (42 of 2010).

Place:

Date:

Signature of Chartered Accountant
(Seal, Address and Registration number)
TEXT OF SECTION 12 OF FCRA 2010

Grant of Certificate of Registration

12. (1) An application by a person, referred to in section 11 for grant of certificate or giving prior permission, shall be made to the Central Government in such form and manner and along with such fee, as may be prescribed.

(2) On receipt of an application under sub-section (1), the Central Government shall, by an order, if the application is not in the prescribed form or does not contain any of the particulars specified in that form, reject the application.

(3) If on receipt of an application for grant of certificate or giving prior permission and after making such inquiry as the Central Government deems fit, it is of the opinion that the conditions specified in sub-section (4) are satisfied, it may, ordinarily within ninety days from the date of receipt of application under sub-section (1), register such person and grant him a certificate or give him prior permission, as the case may be, subject to such terms and conditions as may be prescribed:

Provided that in case the Central Government does not grant, within the said period of ninety days, a certificate or give prior permission, it shall communicate the reasons therefor to the applicant:

Provided further that a person shall not be eligible for grant of certificate or prior permission, if his certificate has been suspended and such suspension of certificate continues on the date of making application.

(4) The following shall be the conditions for the purposes of sub-section (3), namely:-

(a) the person making an application for registration or grant of prior permission under sub-section (1) :-

(i) is not fictitious or benami;

(ii) has not been prosecuted or convicted for indulging in activities aimed at conversion through inducement or force, either directly or indirectly, from one religious faith to another;

(iii) has not been prosecuted or convicted for creating communal tension or disharmony in any specified district or any other part of the country;

(iv) has not been found guilty of diversion or mis-utilisation of its funds;
(v) is not engaged or likely to engage in propagation of sedition or advocate violent methods to achieve its ends;

(vi) is not likely to use the foreign contribution for personal gains or divert it for undesirable purposes;

(vii) has not contravened any of the provisions of this Act;

(viii) has not been prohibited from accepting foreign contribution;

(b) the person making an application for registration under sub-section (1) has undertaken reasonable activity in its chosen field for the benefit of the society for which the foreign contribution is proposed to be utilised;

(c) the person making an application for giving prior permission under sub-section (1) has prepared a reasonable project for the benefit of the society for which the foreign contribution is proposed to be utilised;

(d) in case the person being an individual, such individual has neither been convicted under any law for the time being in force nor any prosecution for any offence pending against him;

(e) in case the person being other than an individual, any of its directors or office bearers has neither been convicted under any law for the time being in force nor any prosecution for any offence is pending against him;

(f) the acceptance of foreign contribution by the person referred to in sub-section (1) is not likely to affect prejudicially —

   (i) the sovereignty and integrity of India; or

   (ii) the security, strategic, scientific or economic interest of the State; or

   (iii) the public interest; or

   (iv) freedom or fairness of election to any Legislature; or

   (v) friendly relation with any foreign State; or

   (vi) harmony between religious, racial, social, linguistic, regional groups, castes or communities;

(g) the acceptance of foreign contribution referred to in sub-section (1),—

   (i) shall not lead to incitement of an offence;

   (ii) shall not endanger the life or physical safety of any person.
(5) Where the Central Government refuses the grant of certificate or does not give prior permission, it shall record in its order the reasons therefor and furnish a copy thereof to the applicant:

Provided that the Central Government may not communicate the reasons for refusal for grant of certificate or for not giving prior permission to the applicant under this section in cases where there is no obligation to give any information or documents or records or papers under the Right to Information Act, 2005 (22 of 2005).

(6) The certificate granted under sub-section (3) shall be valid for a period of five years and the prior permission shall be valid for the specific purpose or specific amount of foreign contribution proposed to be received, as the case may be.