

Common Grounds for Rejection of Applications under FCRA

To remove certain lacunae noticed during administration of the FCRA and the Rules made thereunder, certain guidelines were laid down for considering applications for grant of prior permission/registration under the Act. Some of the common grounds for rejection of applications are enlisted below as illustrations to bring in transparency and benefit the applicants in taking due care and caution:-

- If the association is not registered under the Societies Registration Act, 1860 or the Indian Trusts Act, 1882 or section 25 of the Companies Act, 1956.
- If any of the office bearers/trustees, including the chief functionary, is a foreign national, other than of Indian origin.
- If the association has a single office bearer/member.
- If the association is found to have been formed for personal gain or for diversion of the funds for undesirable purposes.
- If the association is found to be fictitious or 'benami' in nature.
- If the credibility of any member of the governing body is in doubt.
- If the association has close links with another association which has been refused registration under FCRA or prohibited under FCRA or violated the provisions of FCRA.
- If the association has links with any banned organizations.
- If the principal office bearers of the association have been convicted by any court of law under any act or if a prosecution for any offence is pending against them.
- If the principal office bearers of the association have been found guilty of diversion or misutilisation of funds of the said association or any other association in the past.
- If the activities of the association are found to be aimed at conversion through inducement or force, either directly or indirectly, from one religious faith to another.
- If the association is found to propagate sedition or to advocate violent methods to achieve its ends.
- If the association is found to be creating communal tensions or disharmony.
- If the office bearers of the association are also office bearers of another association and one of these associations has come to adverse notice.
- If the association's Printed work is not certified by the Press registrar of India not to be a newspaper in terms of section 1(1) of the Press Registration of Books Act, 1867.
- If the source of foreign contribution is found to be adverse to the interests of the country.

- If the acceptance of foreign contribution by the association is likely to be prejudicial to (a) the sovereignty and integrity of India; (b) free and fair elections to any Legislature or House of Parliament; (c) public interest; (d) friendly relations with a foreign state; or (e) harmony between any religious, social, linguistic, regional groups, caste or community.
- If the association has not filed its annual FC-3 returns, of receipt and utilization of foreign contribution received with prior permission, within the stipulated period.
- If the association has violated any provisions of the Act or Rules in the preceding three years and the said violation has not been remedied or rectified

1. Additional grounds for rejection of applications for Registration.

- If the association has not been in existence for three years from the date of its registration under the Societies Registration Act, 1860 or the Indian Trusts Act, 1882 or Section 25 of the Companies Act, 1956.
- If the association has not carried on any activity in its chosen field during the last three years.
- If the association has not received foreign contribution, with prior permission, during the preceding three years.
- If the association has not made any substantial contribution, excluding expenditure on administration, (Rs.6,00,000 over a period of three years or Rs.2,00,000 per year) in its field of interest.

2. Additional grounds for rejection of applications for Prior Permission

- If the application is not accompanied by the 'commitment letter' of the donor.
- If the application is not accompanied by the copy of project for which foreign contribution was solicited/is being offered.