

No. II/21022/23(12)/2020-FCRA-III
Government of India/Bharat Sarkar
Ministry of Home Affairs/Grih Mantralaya
Foreigners-II Division (FCRA Section)

Major Dhyan Chand National Stadium
FCRA Wing, 1st Floor, MHA,
New Delhi - 110001
Dated: 31st December, 2024.

PUBLIC NOTICE

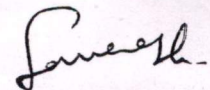
Subject: Clarification regarding refund of TDS pertaining to Foreign Contribution (FC).

This Ministry has been receiving representations from Associations over the difficulties faced by them over transfer of FCRA Component of funds out of the refund of tax deducted at source (TDS) received in their non-FCRA bank accounts.

2. The matter has been examined and it has been decided with the approval of Competent Authority that in case the consolidated income tax refund is received in non-FCRA bank account, the proportionate income tax refund pertaining to FCRA account needs to be transferred back to FCRA bank account. Such transfer would not be treated as a violation of section 17 of the Foreign Contribution (Regulation) Act, 2010 (the Act) and are allowed as per spirit of the Act.

3. Further, with respect to accounting treatment of TDS and its refund thereof, it is clarified that at the time of deduction, such TDS may be accounted as utilization of FC and upon receipt of refund in FCRA account, it may be considered as "other income" and to be reported in clause 2(i)(b)(iii) in form FC-4.

4. This issues with the approval of the Competent Authority.



(Saurabh Bansal)

Joint Director