NGOs TO DECLARE ASSETS CREATED OUT OF FC
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REVISED REQUIREMENT OF ANNUAL REPORT
FOR FC ASSETS

1.01 The Central Government has notified the Foreign Contribution (Regulation) Amendment Rules, 2023, vide notification dt. 22nd September, 2023.

1.02 This Foreign Contribution (Regulation) Amendment Rules, 2023 shall come into force on the date of its notification i.e. 22nd September, 2023. This amended rules require the NGOs to furnish the details of fixed asset under two new tables in Form FC-4. The notification is enclosed herewith as Annexure.

PRE-AMENDED POSITION

2.01 As per Pre-Amended Position, details of fixed asset purchased during the year was only required to be included in FC-4 Return through Point No. 3(b) which requires the following details:

(b) Details of purchase of fresh assets included in Para 3 (a) above:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of project/activity</th>
<th>Details of fresh assets</th>
<th>Objective of acquiring fresh assets</th>
<th>Cost of fresh assets (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
</tbody>
</table>

Hence as per the pre-amended position, only the assets acquired during the year was to be reported in the above format.

POST-AMENDED POSITION

3.01 The FCR Amendment Rules, 2023 has inserted table (ba) and (bb) after the above table 3(b) in FC 4 form which is reproduced hereinbelow:

"(ba) Details of movable assets created out of foreign Contribution (as on 31st March of Financial Year):"
(bb) Details of immovable properties acquired out of foreign contribution (as on 31st March of Financial Year):

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Details of immovable asset (Land/Buildings etc.)</th>
<th>Size</th>
<th>Location (Complete address)</th>
<th>Value as per the balance sheet at the end of the Financial Year (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SUMMARY OF NEW REQUIREMENT

4.01  **For movable assets**: Details of movable assets created out of foreign contribution and held by the organisation as on 31st March of the respective year is to be reported in the table marked as 3(ba) above. This table requires description of assets, value of asset as on beginning, assets acquired during the year, assets disposed of during the year & value of assets at the end of the financial year.

The only issue for debate may be the meaning of description of assets as in most of the cases assets are accounted for under broad heads like furniture, equipment, medical equipment, etc. though item wise details are maintained in Fixed asset register. As the description of asset has not been defined, this reporting may vary from organisation to organisation depending upon the policy of accounting heads for fixed asset and its disclosure in the financial statement.

4.02  **For Immovable assets**: Details of immovable assets created out of foreign contribution
and held by the organisation as on 31st March of the respective year is to be reported in the table marked as 3(bb) above. Here the organisation has to give details of immovable assets, its size, location and value as per Balance Sheet of that FY.

Details of immovable assets seems to be in form of land, building or any other detailed format in which the organisation maintains the details of immovable assets like agricultural land, land for school building, land held as investment, etc.

**ASSETS RECEIVED IN KIND**

5.01 **Charged as Application:** The requirement is to provide the details of assets out of FC fund and to reconcile the figure as mentioned in the Balance Sheet. However in certain cases the application out of FCRA fund is charged to revenue and assets are not recognised in the Balance Sheet by creating the Fixed Asset fund and therefore these assets though appearing in the Asset Register but may not be part of Balance Sheet. In our opinion all the assets created out of FC fund should be reported in the above schedule and suitable note in this regards may be provided.

5.02 **Not Reported through Form FC-1:** In certain cases assets received in kind may not have been reported through Form FC 1 form and therefore, all these issues need to be examined by the concerned entity before furnishing the new requirement of details of movable & immovable assets.

**RECOMMENDATIONS FOR FINALISATION OF FC STATEMENTS**

6.01 It is recommended that while finalising accounts, the audited Financial Statement should contain the detailed information of movable & immovable properties in the same format as required as per the amended Rules so that the FC 4 return as submitted by the organisation can be verified with the audited Financial Statement attached with the CA certificate.
CHANGE IN FORM FC-4 UNDER FCRA

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Description of change in Form FC-4 under FCRA</td>
</tr>
</tbody>
</table>

6093 GI/2022
### Change in Form FC-4 Under FCRA

#### Ministry of Home Affairs
**Notification**

New Delhi, the 22nd September, 2023

G.S.R. 683(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, 2023.

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

2. **In the Foreign Contribution (Regulation) Rules, 2011, in Form FC-4, in serial number 3, after clause (b), the following shall be inserted, namely:**—

   "(bb) Details of immovable assets created out of foreign Contribution (as on 31st March of Financial Year):

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description of the assets</th>
<th>Value as on beginning of the Financial Year (in Rs.)</th>
<th>Value of assets acquired during the Financial Year (in Rs.)</th>
<th>Value of assets disposed of during the Financial Year (in Rs.)</th>
<th>Value as per the balance sheet at the end of the Financial Year (in Rs.)</th>
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<tbody>
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</tbody>
</table>

   "(bb) Details of immovable properties acquired out of foreign contribution (as on 31st March of Financial Year):

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Details of immovable asset (Land / Buildings etc.)</th>
<th>Size</th>
<th>Location (Complete address)</th>
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