



17 August, 2021 / ૧૦૪૭૪

ગુજરાત વેપારી મહામંડળ

૧૯૪૯ થી કાર્યરત

To  
**The Additional Secretary (Foreigners)**  
Ministry of Home Affairs  
FCRA Wing, 1<sup>st</sup> Floor,  
Major Dhyan Chand National Stadium  
Near Pragati Maidan  
New Delhi - 110001

**Natubhai Patel**  
President

**Hemant N. Shah**  
Sr. Vice President

**K. I. Patel**  
Vice President

**Pathik S. Patwari**  
Hon. Secretary

**V. P. Vaishnav**  
Hon. Secretary (R)

**Sachin K. Patel**  
Hon. Treasurer

**Kind attention: Mr. Anil Malik, Additional Secretary(Foreigners)**

**Respected Sir,**

**Sub: Representation for waiver of penalty for filing Annual Return in Form No. FC- 4 for Financial Year 2018-2019 under Foreign Contribution (Regulation) Act, 2010**

Greetings from Gujarat Chamber of Commerce and Industry (GCCI).

This has reference to the captioned subject in respect of filing of Annual Return in Form No. FC-4 for Financial Year 2018-2019 by various Associations who have obtained registration to accept Foreign Contribution (FC) to pursue the Charitable objects. In this regard, we would like to represent before your good selves the difficulties and problems that the Associations had faced while filing the Annual-Return by 31<sup>st</sup> December 2019:

1. From Financial Year (FY) 2018-2019, all the Donor's details are required to be uploaded on the website irrespective of the amount of Foreign Contribution (FC) while in earlier years, till, FY 2017-2018 Donor's details were to be uploaded only of FC received in excess of Rs.20,000. In view of this, various large Associations where numbers of donors are 1000 and above were not able to upload the details



- FC-4 for Financial Year 2019-2020 has been extended to June 30, 2021
- Vide notice dated December 29, 2018 due date for filing Form No. FC-4 for Financial Year 2017-2018 was extended up to 31.3.2019.
- Vide Public Notice dated August 1, 2019 (Ref no. 963913/JS (F) /2017, it has been decided to give a one-time exemption in public interest to such Associations from the restrictive conditions of section 14 (3) to enable them to apply for registration within 3 months from the issuance of this notice. Government has further decided that for uploading missing Annual Returns on FCRA Portal no Penalty shall be imposed.

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**Recent relief announced by Honourable Finance Minister, Income Tax Department (CBDT), Central Board of Indirect Taxes and Customs (CBIC), Ministry of Corporate Affairs and other Government authorities:**

- Extension of due date for filing Income Tax Return for Financial Year 2018-2019 till 30<sup>th</sup> November 2020.
- Extension of due date for filing GST Annual Return for Financial Year 2018-2019 till 31<sup>st</sup> December 2020
- Decriminalisation of various Companies Act violation
- LLP Settlement Scheme, 2020 and Companies Fresh Start Scheme 2020

**Reasons for seeking one-time exemption from payment of Penalty for non-filing of annual return for FY 2018-2019.**

- Today, there are over 3 million Association/NPOs working in a variety of fields ranging from disaster relief to advocacy for marginalised sections and play an important role in bringing social transformation. Since non-profits organizations are voluntary in nature, they depend mainly on receipt of voluntary Donations from Individuals and Enterprises (Domestic as well as Foreign), Interest



within prescribed time (i.e., December 31, 2019) due to technical glitches.

2. The process of adding the Donor's details is very time consuming. When there are 1,000 and plus Donors the same is very time consuming, specifically when the system error and mismatch in total FC occurs as stated above.
3. While uploading the details for annual return in Form FC-4 on FCRA Portal, various technical glitches were faced frequently from December 1, 2019 onwards till January 3, 2020 as summarised hereunder:
  - Logged out after every 5-10 minutes from the website,
  - Server error,
  - Server timeout shown after every 15-20 minutes
  - Non-acceptance of Donor's details (i.e. Donor's details not saved successfully)
4. Most of the Associations have faced the following difficulties as well:
  - Lack of awareness of strict penalties by the Ministry for FCRA compliance online.
  - Lack of availability of trained manpower in Association to comply with tremendous compliance requirements.
  - Mishandling of login/ passwords by the Accountants and/or other professional personnel and again to set login/passwords consumes lot of time for uploading annual returns

### **Extension, Relief, one time exemption etc. announced by MHA in past**

Further, we would also like to draw your kind attention to the fact that in the past also, MHA has announced extension for filing annual returns as well as Relaxation, Opportunity, and one- time exemption:

- Vide Notice dated November 23, 2020, to comply with the new conditions by the Association, due date for filing Form No
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on Investments like Fixed Deposits with Bank and/or Government Bonds/Securities, aid from government agencies, etc. to fuel their missions. Their work is critical in helping India fight discrimination, poverty, illiteracy, disasters, pandemics and more.

- In the ongoing scenario where India is fighting the COVID-19 pandemic Associations across the country are working relentlessly to combat the situation. The lockdowns that followed the pandemic have created an economic crisis on top of a public health emergency. It has taken away the livelihoods of many and put them in dire straits unable to afford food or essential COVID-19 related hygiene items such as soaps, masks, sanitizers, etc.
- Honourable Sir, we believe that the aim and object of an Act should not lead to destruction of an Association but to preserve such Association in the National and socio-economic interest.

In view of aforesaid, and considering the facts and reasons stated as above:

Payment of heavy penalty (i.e. 5% of FC received or Rs 1 Lac whichever is higher) on an Association doing yeoman service to mankind leads to undue financial burden since the Association is fully dependent on voluntary Donation (i.e. Domestic and Foreign) to fulfil the objects of its charitable activities specially during this COVID-19 Pandemic year, where donations have reduced and wherein large amount of financial support is required and if the same is spent by way of penalty on FC then it is very burdensome and would cause serious hardship on the Associations. These NPOs are in existence for social good for the benefit of public at large and not for private gain. It is therefore only fair, logical and proper not to impose such huge amount of Penalty for delay in filing of Annual Returns due to technical glitches.

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We most respectfully pray before your good self to kindly look into the matter and take a lenient and practical view in the matter, to help in strengthening the financial position of the Association, to announce waiver of penalty for filing Annual Return in Form No. FC- 4 for Financial Year 2018-2019 under Foreign Contribution (Regulation) Act, 2010 for all filings done before 31<sup>st</sup> October, 2021 and oblige.

With warm regards,

**Natubhai Patel**  
President

**Jainik Vakil**  
Chairman  
Direct Tax Committee

**Natubhai Patel**  
President

**Hemant N. Shah**  
Sr. Vice President

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