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REVISION NOTES
Corporate, Allied (Old)
& Economics (New) Laws

Part - X

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SECURITIES CONTRACT REGULATION ACT, 1956

Flow:-

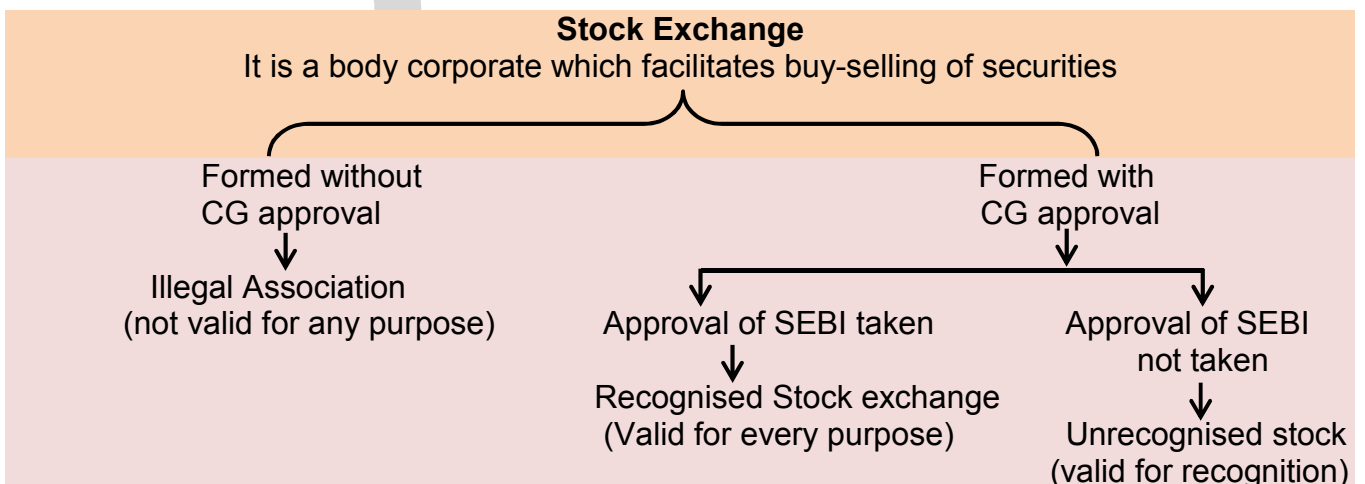
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Issue of Securities:-

Securities can be issued to public only through recognised stock exchange

Securities:-

1. Shares, Debentures, Bonds, Warrant.
2. Derivatives (commodity Derivatives).
3. Securities issued by Govt. / RBI / Local Authority / Statutory Corporation
4. Securities by asset Reconstruction Company.
5. Securities issued by mutual fund/ collective investment scheme.
 - ❖ This security may be issued directly to public without recognised stock exchange.



Application for Recognition:-

Stock exchange may file application for recognition to SEBI along with rules & byelaws (MOA & AOA)

Rules:-

Office bearer function & their Roles

Governing body (BOD) :- its constitution & their power.

Admission of partnership firm as a member in governing body .

Representation of partner from p. firm in stock exchange

Byelaws:-

- **Listing** : Condition for listing
Condition for listed company
- **Membership** : Eligibility
Entry
Securities Deposit
Membership Fees
Records & Returns
Expulsion
- **Trading** : Trading hours
Brokerage
Securities margin
Publication of date

Recognition:-

SEBI shall give recognition if following conditions are satisfied

- It is in public interest
- Rules & byelaws are sufficient enough to ensure fair trading.
- Then SEBI may give recognition subject to terms & condition as may be prescribed

Terms & condition:

1. Qualification of members (in broker)
2. Maintenance of Book of Accounts. & their audit
3. Representative of SEBI in governing body of stock exchange
4. Manner of entering into contract

SEBI may give approval to stock exchange by issuing notification of in official Gazette

Demutualisation:

Dividing broking rights & voting right

If all shares are held by broker then issue so much of shares to outsider that holding of broker will restrict to max 49% & for 'non-broker' it shall be atleast 51%

Demutualisation**Members with Broking right**

- Shareholding max 49%
- No voting right, only broking right
- Max 1/4th can be in governing body

Members with Voting right

- Shareholding min 51%
- No broking right, only voting right
- Min 3/4th should be in governing body

Records & Returns:

1. Prescribed records should be maintained & prescribed returns should be filed
2. It shall be maintained for 5 F.Y.
3. SEBI may appoint investigating authority with power of civil court to investigate stock exchange
4. Stock exchange & all its officers, employees shall give all reasonable assistance to such investigating authority.

Withdrawal of Recognition:

1. If SEBI is of the opinion that affairs of stock exchange is conducted in the manner which is prejudicial to public interest then SEBI may withdraw recognition, opportunity of being heard should be given to governing body of stock exchange.
2. Manner of withdrawal (recognition) license will be withdrawn by issue of "Notification in official Gazette.
3. Validity of the transaction effect of withdrawal any transaction entered before withdrawal of recognition shall continue to be valid.

Rules by stock exchange:**Stock exchange can make various rules on the following matter:-**

1. 'Subject matter' on which members can vote
2. No of vote member can cast (ie on the basis of share capital or no of members)
3. Prohibition on voting through 'Proxy'
4. Any matter ancillary or incidental
 - SE can make the above rules only with prior approve of SEBI
 - SEBI may approve this by issuing notification in official Gazette & then it will be binding on SEBI

Rules by SEBI :

1. SEBI , by an order may require stock exchange to amend rules
2. Stock exchange shall amend the rules within 2 month.
3. If SE fails to amend rules within 2month then, SEBI will amend such rules on its own
4. SEBI shall amend such rules by issuing notification in official Gazette & which will be binding with immediate effect.

Byelaws by SEBI:

1. SEBI on its own or on application by any stock exchange may amend byelaw by issuing notification on official Gazette
2. Stock exchange may appeal for review within 2month

Clearing Corporation:

1. It is a subsidiary of stock exchange working as clearing corporation
2. SE can form subsidiary, under companies Act.
3. All settlement function of stock exchange is discharged by clearing corporation i.e. settlement of securities/ making payment etc.
4. Its name end with 'clearing corporation Ltd'
5. Section 4 to sec 12 of this is equally applicable to clearing corporation

Takeover of management/ supervision of Governing Body:**When the affair of governing body is conducted in such a manner which is prejudicial to public interest:-**

- SEBI may remove members of governing body after giving opportunity of being heard by issuing notification in official Gazette
- SEBI shall appoint members of governing body to carry out business of stock exchange
- On order of SEBI, members shall conduct meeting& appoint director of stock exchange
- On appointment of directors by members , members of governing body appointed by SEBI shall cease its office.

Power to suspend & stock exchange:

Central government can suspend any recognised stock exchange from trading for the period of maximum 7 days by issuing notification in official gazette (NOG)

However, it can be again suspend for another 7 days by issuing NOG

Power to issue direction:

SEBI may issue direction to stock exchange for:

1. Development of securities market
2. Proper management of stock exchange
3. Protect interest of investor.

Contract in Notified Area:

SEBI may notify any area or state where transaction can be conducted only amongst members of RSE i.e. not with outsiders. Transaction with outsiders will be treated as illegal transaction

Establishment of Additional Trading Ring:

- SEBI may allow stock exchange to set up additional trading ring outside the area of stock exchange
- Such additional ring will be to facilitate buying- selling securities

Member to act as principal:

Members & investor generally have 'principal & agent' relationship however; member can have principal & principal relation only if it is taken in writing

However, members & member can always have principal & principal relationship

Delisting of securities:

1. Stock exchange may delist securities of company after giving opportunity of being heard
2. Such securities may be delisted if affairs are prejudicial to public interest or interest of investor
3. Appeal against such order can be filed by company or their shareholders to SAT within 15 days

Refused from listing of securities:

1. SE may refuse to list securities of company after recording reasons in writing
2. Such company may file an application within 15 days to CG however after amendment such appeal can be filed to SAT within 15 days

Title to Dividend:

When transferor transfer share cum dividend but still receive dividend on such share then transferee may claim dividend from transferor within 15 days of record date

However in the following case period of 15 day shall be extended :

1. Delay due to post : no of days lost due to such delay
2. Delay due to lost / theft: no of days taken to recover
3. Delay due to dispute among legal heir: (no of days to established the right

Note: The restriction of 15 days shall not apply when company refuses to register transfer deed.

FOREIGN CONTRIBUTION REGULATION ACT, 2010

1. INTRODUCTION

The Foreign Contribution (Regulation) Act, 2010, is an Act to consolidate the law to regulate the acceptance and utilisation of foreign contribution or foreign hospitality by certain individuals or associations or companies and to prohibit acceptance and utilisation of foreign contribution or foreign hospitality for any activities detrimental to the national interest and for matters connected therewith or incidental thereto.

The flow of foreign contribution to India is regulated under Foreign Contribution (Regulation) Act, 2010, Foreign Contribution (Regulation) Rules, 2011 and other notification / orders etc., issued thereunder from time to time.

Structure of the Act

The Foreign Contribution (Regulation) Act, 2010, comprises of nine chapters with 54 sections.

Chapter No.	Chapter Name
Chapter I	Preliminary (Section 1- 2)
Chapter II	Regulation of Foreign Contribution and Foreign Hospitality (Section 3 -10)
Chapter III	Registration (Section 11- 16)
Chapter IV	Accounts, Intimation, Audit and Disposal of Assets, etc. (Section 17- 22)
Chapter V	Inspection, Search and Seizure (section 23-27)
Chapter VI	Adjudication (Section 28-29)
Chapter VII	Appeal and Revision (Section 31- 32)
Chapter VIII	Offences and Penalties (Section 33- 41)
Chapter IX	Miscellaneous (Section 42- 54)

Extent, application and commencement of FCRA (Section 1)

As per Section 1(2) of FCRA, 2010, the provisions of the act shall apply to:

- Whole of India
- Citizens of India outside India; and
- Associate Branches or subsidiaries, outside India, of companies or bodies corporate, registered or incorporated in India.

As per section 1(3) of the Act, the Central Government hereby appointed the 1st day of May, 2011 as the date on which the provisions of the said Act came into force.

2. IMPORTANT DEFINITIONS (SECTION 2)

In this Act, unless the context otherwise requires,—

“Foreign company” means any company or association or body of individuals incorporated outside India and includes :—

- (i) A foreign company within the meaning of section 591 of the Companies Act, 1956 (Section 379 of the Companies Act, 2013)
- (ii) Company which is a subsidiary of a foreign company;
- (iii) The registered office or principal place of business of a foreign company referred to in sub- clause (i) or company referred to in sub-clause (ii);
- (iv) A multi-national corporation.

Explanation – For the purposes of this sub-clause, a corporation incorporated in a foreign country or territory shall be deemed to be a multi-national corporation if such corporation,

- (a) Has a subsidiary or a branch or a place of business in two or more countries or territories; or
 - (b) Carries on business, or otherwise operates, in two or more countries or territories;
- [Section 2(g)] “foreign contribution” means the donation, delivery or transfer made by any foreign source,—

- (i) of any article, not being an article given to a person as a gift for his personal use, if the market value, in India, of such article, on the date of such gift, is not more than such sum as may be specified from time to time, by the Central Government by the rules made by it in this behalf; (This sum has been specified as ₹ 25,000/- currently)
- (ii) any currency, whether Indian or foreign;
- (iii) of any security as defined in the Securities Contracts (Regulation) Act, 1956 and includes any foreign security as defined in the Foreign Exchange Management Act, 1999 .

Explanation 1 – A donation, delivery or transfer of any article, currency or foreign security referred to in this clause by any person who has received it from any foreign source, either directly or through one or more persons, shall also be deemed to be foreign contribution within the meaning of this clause.

Explanation 2 – The interest accrued on the foreign contribution deposited in any bank referred to in section 17(1) or any other income derived from the foreign contribution or interest thereon shall also be deemed to be foreign contribution within the meaning of this clause.

Explanation 3 – Any amount received, by any person from any foreign source in India, by way of fee (including fees charged by an educational institution in India from foreign student) or towards cost in lieu of goods or services rendered by such person in the ordinary course of his business, trade or commerce whether within India or outside India or any contribution received from an agent of a foreign source towards such fee or cost shall be excluded from the definition of foreign contribution within the meaning of this clause; [Section 2(h)]

In terms of FCRA, 2010 "person" includes:

- (i) An individual;
- (ii) A Hindu undivided family;
- (iii) An association;
- (iv) An association;
- (v) A company registered under section 25 of the Companies Act, 1956 (now Section 8 of Companies Act, 2013). [Section 2(m)]

“foreign hospitality” means any offer, not being a purely casual one, made in cash or kind by a foreign source for providing a person with the costs of travel to any foreign country or territory or with free boarding, lodging, transport or medical treatment; [Section 2(i)]

“Foreign source” includes,—

- (i) The Government of any foreign country or territory and any agency of such Government;
- (ii) Any international agency, not being the United Nations or any of its specialized agencies, the World Bank, International Monetary Fund or such other agency as the Central Government may, by notification, specify in this behalf;
- (iii) A foreign company;
- (iv) A corporation, not being a foreign company, incorporated in a foreign country or territory;
- (v) A multi-national corporation referred to in Section 2(g) sub-clause (iv) of FCRA, 2010;
- (vi) A company within the meaning of the Companies Act, 1956, and more than one-half of the nominal value of its share capital is held, either singly or in the aggregate, by one or more of the following, namely:-
 - A. the Government of a foreign country or territory;
 - B. the citizens of a foreign country or territory;
 - C. corporations incorporated in a foreign country or territory;
 - D. trusts, societies or other associations of individuals (whether incorporated or not), formed or registered in a foreign country or territory;
 - E. Foreign company;

Provided that where the nominal value of share capital is within the limits specified for foreign investment under the Foreign Exchange Management Act, 1999, or the rules or regulations made thereunder, then, notwithstanding the nominal value of share capital of a company being more than one-half of such value at the time of making the contribution, such company shall not be a foreign source.

- (vii) A trade union in any foreign country or territory, whether or not registered in such foreign country or territory;
- (viii) A foreign trust or a foreign foundation, by whatever name called, or such trust or foundation mainly financed by a foreign country or territory;
- (ix) A society, club or other association or individuals formed or registered outside India;
- (x) A citizen of a foreign country;”

A few bodies/ organisations of the United Nations, World Bank and some other International agencies or multilateral organisations are exempted from this definition, and are not treated as foreign source. Hence, the funds received from them are not considered as foreign contribution. [Section 2(j)]

“Political party” means—

- (i) An association or body of individual citizens of India—
 - (A) To be registered with the Election Commission of India as a political party under section 29A of the Representation of the People Act, 1951, or
 - (B) Which has set up candidates for election to any Legislature, but is not so registered or deemed to be registered under the Election Symbols (Reservation and Allotment) Order, 1968;
- (ii) a political party mentioned in column 2 of Table 1 and Table 2 to the notification of the Election Commission of India No. 56/J&K/02, dated the 8th August, 2002, as in force for the time being; [Section 2(n)]

“Relative” has the meaning assigned to it in section 2(41) of the Companies Act, 1956 (Now section 2(77) of the Companies Act, 2013) [Section 2(r)]

3. REGULATION OF FOREIGN CONTRIBUTION AND FOREIGN HOSPITALITY

The provision related to the regulation of foreign contribution and foreign hospitality is given in chapter II of the Act. It covers section 3 to 10 of the Act. The chapter broadly focuses on whose foreign contribution can be accepted; on whom the provision contained under this chapter shall be applicable, restriction on acceptance of foreign hospitality and certain prohibitions.

(I) Prohibition to accept foreign contribution (Section 3)

(1) As per the section following persons are prohibited to accept foreign contribution:

- (a) Candidate for election;
- (b) Correspondent, columnist, cartoonist, editor, owner, printer or publisher of a registered newspaper;
- (c) Judge, Government servant or employee of any corporation or any other body controlled or owned by the Government;
- (d) Member of any Legislature;
- (e) Political party or office-bearer thereof;
- (f) Organisation of a political nature as may be specified under section 5(1) by the Central Government;
- (g) association or company engaged in the production or broadcast of audio news or audio visual news or current affairs programmes through any electronic mode, or any other electronic form as defined in the Information Technology Act, 2000 or any other mode of mass communication;
- (h) Correspondent or columnist, cartoonist, editor, owner of the association or company referred to in clause (g).

Explanation – In clause (c) and section 6, the expression “corporation” means a corporation owned or controlled by the Government and includes a Government company as defined in section 617 of the Companies Act, 1956 (Now section 2(45) of the Companies Act, 2013)

(2) Further following other persons are also prohibited from accepting foreign contribution:

- (a) Person, resident in India, and citizen of India resident outside India- shall not accept any foreign contribution, or acquire or agree to acquire any currency from a foreign source, on behalf of any political party, or any person referred to in sub-section (1), or both.
- (b) Person, resident in India- shall not deliver any currency, whether Indian or foreign, which has been accepted from any foreign source, to any person if he knows or has reasonable cause to believe that such other person intends, or is likely, to deliver such currency to any political party or any person referred to in sub-section (1), or both.
- (c) Citizen of India resident outside India- shall not deliver any currency, whether Indian or foreign, which has been accepted from any foreign source, to—
 - (i) Any political party or any person referred to in sub-section (1), or both; or
 - (ii) Any other person, if he knows or has reasonable cause to believe that such other person intends, or is likely, to deliver such currency to a political party or to any person referred to in sub-section (1), or both.

(3) Person receiving any currency, whether Indian or foreign, from a foreign source on behalf of any person or class of persons (referred to in section 9) shall not deliver such currency –

- (a) To any person other than a person for which it was received, or
- (b) To any other person, if he knows or has reasonable cause to believe that such other person intends, or is likely, to deliver such currency to a person other than the person for which such currency was received.

(II) Persons to whom section 3 shall not apply (Section 4)

Nothing contained in section 3 shall apply to the acceptance, by any person specified in that section, of any foreign contribution where such contribution is accepted by him, subject to the provisions of section 10,—

- (a) by way of salary, wages or other remuneration due to him or to any group of persons working under him, from any foreign source or by way of payment in the ordinary course of business transacted in India by such foreign source; or
- (b) by way of payment, in the course of international trade or commerce, or in the ordinary course of business transacted by him outside India; or
- (c) as an agent of a foreign source in relation to any transaction made by such foreign source with the Central Government or State Government; or
- (d) by way of a gift or presentation made to him as a member of any Indian delegation, provided that such gift or present was accepted in accordance with the rules made by the Central Government with regard to the acceptance or retention of such gift or presentation; or
- (e) from his relative; or
- (f) by way of remittance received, in the ordinary course of business through any official channel, post office, or any authorised person in foreign exchange under the Foreign Exchange Management Act, 1999; or
- (g) by way of any scholarship, stipend or any payment of like nature :

Provided that in case any foreign contribution received by any person specified under section 3, for any of the purposes other than those specified under this section, such contribution shall be deemed to have been accepted in contravention of the provisions of section 3.

Example: Whether foreign remittances received from a relative are to be treated as foreign contribution as per FCRA, 2010?

Answer: No. As per Section 4(e) of FCRA, 2010 and Rule 6 of FCRR, 2011, even the persons prohibited under section 3, i.e., persons not permitted to accept foreign contribution, are allowed to accept foreign contribution from their relatives. However, in terms of Rule 6 of FCRR, 2011, any person receiving foreign contribution in excess of one lakh rupees or equivalent thereto in a financial year from any of his relatives shall inform the Central Government in prescribed Form within thirty days from the date of receipt of such contribution.

(III) Restriction on acceptance of foreign hospitality (Section 6)

As per Section 6 of the Act , following categories of persons require prior approval from Ministry of Home Affairs before accepting Foreign Hospitality:-

- (a) Members of a Legislature
- (b) Office bearers of political parties
- (c) Judges
- (d) Government servants
- (e) Employees of any corporation or any other body owned or controlled by the Government.

Exception: Provided that it shall not be necessary to obtain any such permission for an emergent medical aid needed on account of sudden illness contracted during a visit outside India. But, where such foreign hospitality has been received, the person receiving such hospitality shall give an intimation to the Central Government as to the receipt of such hospitality within one month from the date of receipt of such hospitality, and the source from which, and the manner in which, such hospitality was received.

As per Rule 7 of FCR, 2011 foreign hospitality may be received by specified categories of persons in the following manner

- (1) Any person belonging to any of the categories specified in section 6 who wishes to avail of foreign hospitality shall apply to the Central Government in prescribed Form for prior permission to accept such foreign hospitality.
- (2) Every application for acceptance of foreign hospitality shall be accompanied by an invitation letter from the host or the host country, as the case may be, and administrative clearance of the Ministry or department concerned in case of visits sponsored by a Ministry or department of the Government.
- (3) The application for grant of permission to accept foreign hospitality must reach the appropriate authority ordinarily two weeks before the proposed date of onward journey.
- (4) In case of emergent medical aid needed on account of sudden illness during a visit abroad, the acceptance of foreign hospitality shall be required to be intimated to the Central Government within sixty days of such receipt giving full details including the source, approximate value in Indian Rupees, and the purpose for which and the manner in which it was utilised.

However, no such intimation is required if the value of such hospitality in emergent medical aid is upto one lakh rupees or equivalent thereto.

(IV) Prohibition to transfer foreign contribution to other person (Section 7)**According to the section, person who –**

- (a) Is registered and granted a certificate, or has obtained prior permission under this Act; and
- (b) Receives any foreign contribution, shall not transfer such foreign contribution to any other person unless such other person is also registered and had been granted the certificate or obtained the prior permission under this Act:

However, that such person may transfer, with the prior approval of the Central Government, a part of such foreign contribution to any other person who has not been granted a certificate or obtained permission under this Act in accordance with the rules made by the Central Government.

Rule 24 of FCRR, 2011, prescribes the procedure for transferring foreign contribution to any unregistered person as under-

- (1) A person who has been granted a certificate of registration or prior permission under section 11 and intends to transfer part of the foreign contribution received by him to a person who has not been granted a certificate of registration or prior permission under the Act, may transfer such foreign contribution to an extent not exceeding ten per cent of the total value thereof and for this purpose, make an application to the Central Government in prescribed Form.
- (2) Every application made under sub-rule (1) shall be accompanied by a declaration to the effect that-
 - (a) the amount proposed to be transferred during the financial year is less than ten per cent of the total value of the foreign contribution received by him during the financial year;
 - (b) the transferor shall not transfer any amount of foreign contribution until the Central Government approves such transfer.
- (3) A person who has been granted a certificate of registration or prior permission under section 11 shall not be required to seek the prior approval of the Central Government for transferring the foreign contribution received by him to another person who has been granted a certificate of registration or prior permission under the Act provided that the recipient has not been proceeded against under any of the provisions of the Act.
- (4) Both the transferor and the recipient shall be responsible for ensuring proper utilisation of the foreign contribution so transferred and such transfer of foreign contribution shall be reflected in the returns in Form FC-4 to be submitted by both the transferor and the recipient."

(V) Restriction to utilize foreign contribution for administrative purpose (Section 8)

- (1) Every person, who is registered and granted a certificate or given prior permission under this Act and receives any foreign contribution, shall—

- (a) Utilise such contribution for the purposes for which the contribution has been received:

Provided that any foreign contribution or any income arising out of it shall not be used for speculative business;

Provided further that the Central Government shall, by rules, specify the activities or business which shall be construed as speculative business for the purpose of this section;

Speculative activities have been defined in Rule 4 of FCR, 2011 as under:-

- (i) Any activity or investment that has an element of risk of appreciation or depreciation of the original investment, linked to marked forces, including investment in mutual funds or in shares;

- (ii) Participation in any scheme that promises high returns like investment in chits or land or similar assets not directly linked to the declared aims and objectives of the organization or association.
- (b) Not defray as far as possible such sum, not exceeding fifty per cent of such contribution, received in a financial year, to meet administrative expenses:
Provided that administrative expenses exceeding fifty per cent of such contribution may be defrayed with prior approval of the Central Government.
- (2) The Central Government may prescribe the elements which shall be included in the administrative expenses and the manner in which the administrative expenses referred to in sub- section (1) shall be calculated.

(VI) Power of Central Government to prohibit receipt of foreign contribution, etc., in certain cases. (Section 9)

The Central Government may -

- (a) Prohibit any person or organisation (not specified in section 3), from accepting any foreign contribution;
- (b) Require any person or class of persons,(not specified in section 6), to obtain prior permission of the Central Government before accepting any foreign hospitality;
- (c) require any person or class of persons (not specified in section 11), to furnish intimation as to the amount of any foreign contribution received by such person or class of persons as the case may be, and the source from which and the manner in which such contribution was received and the purpose for which and the manner in which such foreign contribution was utilised;
- (d) Require any person or class of persons specified in that Section 11(1) to obtain prior permission of the Central Government before accepting any foreign contribution;
- (e) Require any person or class of persons, (not specified in section 6), to furnish intimation, as to the receipt of any foreign hospitality, the source from which and the manner in which such hospitality was received.

Exception: Above prohibition or requirement shall not be made unless the Central Government is satisfied that the acceptance of foreign contribution by such person or class of persons, as the case may be, or the acceptance of foreign hospitality by such person, is likely to affect prejudicially—

- (i) The sovereignty and integrity of India; or
- (ii) Public interest; or
- (iii) Freedom or fairness of election to any Legislature; or
- (iv) Friendly relations with any foreign State; or
- (v) Harmony between religious, racial, social, linguistic or regional groups, castes or communities.

(VII) Power to prohibit payment of currency received in contravention of the Act (Section 10)

Where the Central Government is satisfied, after making such inquiry, that any person has in his custody or control any-

- Article or
- Currency or
- Security,

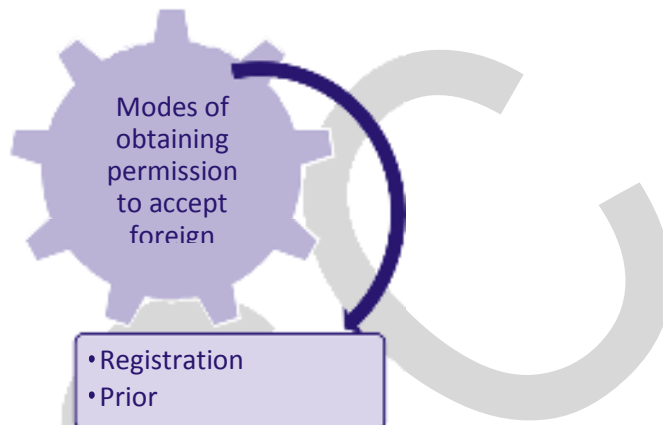
Whether Indian or foreign, which has been accepted by such person in contravention of any of the provisions of this Act, it may, by order in writing –
Prohibit such person from paying, delivering, transferring or otherwise dealing with, such article or currency or security.

A copy of such order shall be served upon the person so prohibited in the prescribed manner, and thereupon the provisions of section 7 of the Unlawful Activities (Prevention) Act, 1967 shall, apply to, or in relation to, such article or currency or security and references in the said sub-sections to moneys, securities or credits shall be taken as references to such article or currency or security.

4. REGISTRATION

The provisions related to registration of persons for acceptance of foreign contribution, grant of certificate, its suspension, cancellation and renewal are dealt in chapter III of the FCRA.

There are two modes of obtaining permission to accept foreign contribution according to FCRA, 2010-



(I) Registration of certain persons with Central Government (Section 11)

(1) Person having a definite cultural, economic, educational, religious or social programme- shall not accept foreign contribution unless such person obtains a certificate of registration from the Central Government.

However, that-

- any association registered with the Central Government under section 6, or
- granted prior permission under that section of the Foreign Contribution (Regulation) Act, 1976, as it stood immediately before the commencement of this Act,

shall be deemed to have been registered or granted prior permission, as the case may be, under this Act and such registration shall be valid for a period of five years from the date on which this section comes into force.

(2) Acceptance of foreign contribution after obtaining prior permission of the Central Government: Every person may, if it is not registered with the Central Government, accept any foreign contribution only after obtaining the prior permission of the Central Government and such prior permission shall be valid for the specific purpose for which it is obtained and from the specific source

Further, if the person has been found guilty of violation of any of the provisions of this Act or the Foreign Contribution (Regulation) Act, 1976, the unutilised or unreceived amount of foreign contribution shall not be utilised or received, as the case may be, without the prior approval of the Central Government.

(3) The Central Government may, by notification in the Official Gazette, specify—

- (i) The person or class of persons who shall obtain its prior permission before accepting the foreign contribution; or
- (ii) The area or areas in which the foreign contribution shall be accepted and utilised with the prior permission of the Central Government; or
- (iii) The purpose or purposes for which the foreign contribution shall be utilised with the prior permission of the Central Government; or

(iv) The source or sources from which the foreign contribution shall be accepted with the prior permission of the Central Government.

Example: Can a private limited company or a partnership firm get registration or prior permission under FCRA, 2010?

Answer: Yes, a private limited company too may seek prior permission/registration for receiving foreign funds in case they wish to do some charitable work at some point of time.

Example: Whether an individual or a Hindu Undivided Family (HUF) can be given registration or prior permission to accept foreign contribution in terms of section 11 of FCRA, 2010?

Answer: Yes. The definition of the 'person' in the Foreign Contribution (Regulation) Act, 2010 includes any individual and 'Hindu Undivided Family' among others. As such an Individual or an HUF is also eligible to apply for prior permission to accept foreign contribution.

Example: Whether organisations under Central/State Governments are required to obtain registration or prior permission under FCRA, 2010 for accepting foreign contribution?

Answer: Yes. However, all bodies constituted or established by or under a Central Act or a State Act requiring to have their accounts compulsorily audited by Comptroller & Auditor General of India are exempted from the operations of all the provisions of FCRA, 2010.

(II) **Grant of certificate of registration (Section 12)**

(1) **Conditions to be met for the grant of registration and prior permission**

In terms of Sec.12 (4) of FCRA, 2010, the following shall be the conditions for the grant of registration and prior permission:

(a) **The 'person' making an application for registration or grant of prior permission-**

- i. Is not fictitious or became;
- 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;
- ix. The person being an individual, such individual has neither been convicted under any law for the time being in force nor is any prosecution for any offence pending against him.
- x. 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.

(b) **The acceptance of foreign contribution by the association/ person is not likely to affect prejudicially -**

- i. The sovereignty and integrity of India;
- ii. The security, strategic, scientific or economic interest of the State;
- iii. The public interest;
- iv. Freedom or fairness of election to any Legislature;

- v. friendly relation with any foreign State;
- vi. Harmony between religious, racial, social, linguistic, regional groups, castes or communities.

(c) The acceptance of foreign contribution-

- i. Shall not lead to incitement of an offence;
- ii. Shall not endanger the life or physical safety of any person.

(2) Procedure for grant of certificate of Registration

- (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 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, 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.

If 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.

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

- (4) 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.

However 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 is no obligation to give any information or documents or records or papers under the Right to Information Act, 2005.

- (5) The certificate granted shall be valid for a period of five years from the date of its issue 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.

(III) Suspension of certificate (Section 13)

- (1) Where the Central Government is satisfied that pending consideration of the question of cancelling the certificate on any of the grounds mentioned in sub-section 14(1), it is necessary so to do, it may, by order in writing, suspend the certificate for such period not exceeding one hundred and eighty days as may be specified in the order.
- (2) Effect of suspension: Every person whose certificate has been suspended shall—
 - (a) Not receive any foreign contribution during the period of suspension of certificate.
However, the Central Government, on an application made by such person, if it considers appropriate, allow receipt of any foreign contribution by such person on such terms and conditions as it may specify;

- (b) Utilise, in the prescribed manner, the foreign contribution in his custody with the prior approval of the Central Government.

Rule 14 of FCR, 2011 defines the extent of amount that can be utilised in case of suspension of the certificate of registration. The unspent amount that can be utilised in case of suspension of a certificate of registration may be as under:—

- (i) In case the certificate of registration is suspended under sub-section (1) of section 13 of the Act, up to twenty-five per cent of the unutilised amount may be spent, with the prior approval of the Central Government, for the declared aims and objects for which the foreign contribution was received.
- (ii) The remaining seventy-five per cent of the unutilised foreign contribution shall be utilised only after revocation of suspension of the certificate of registration.

(IV) Cancellation of certificate (Section 14)

(1) The Central Government may, by an order, cancel the certificate if –

- (a) the holder of the certificate has made a statement in, or in relation to, the application for the grant of registration or renewal thereof, which is incorrect or false; or
- (b) The holder of the certificate has violated any of the terms and conditions of the certificate or renewal thereof; or
- (c) In the opinion of the Central Government, it is necessary in the public interest to cancel the certificate; or
- (d) The holder of certificate has violated any of the provisions of this Act or rules or order made thereunder; or
- (e) If the holder of the certificate has not been engaged in any reasonable activity in its chosen field for the benefit of the society for two consecutive years or has become defunct.
- (2) No order of cancellation of certificate under this section shall be made unless the person concerned has been given a reasonable opportunity of being heard.
- (3) Cooling period of 3 years: Any person whose certificate has been cancelled under this section shall not be eligible for registration or grant of prior permission for a period of three years from the date of cancellation of such certificate.

(V) Management of foreign contribution of person whose certificate has been cancelled (Section 15)

- (1) The foreign contribution and assets created out of the foreign contribution in the custody of every person whose certificate has been cancelled - shall vest in such authority as may be prescribed.
- (2) Such an authority may, if it considers necessary and in public interest- manage the activities of the person, as the Central Government may direct and such authority may utilise the foreign contribution or dispose of the assets created out of it in case adequate funds are not available for running such activity.
- (3) The authority shall- return the foreign contribution and the assets vested upon it to the person, if such person is subsequently registered under this Act.

(VI) Renewal of certificate (Section 16)

- (1) Every person who has been granted a certificate shall have such certificate renewed within six months before the expiry of the period of the certificate.
- (2) The application for renewal of the certificate shall be made to the Central Government in such form and manner with such fee as may be prescribed.
- (3) The Central Government shall renew the certificate, ordinarily within ninety days from the date of receipt of application for renewal of certificate subject

to such terms and conditions as it may deem fit and grant a certificate of renewal for a period of five years.

However, in case the Central Government does not renew the certificate within the said period of ninety days, it shall communicate the reasons therefor to the applicant.

Further that the Central Government may refuse to renew the certificate in case where a person has violated any of the provisions of this Act or rules made thereunder.

Procedure for renewal of registration certificate - Rule 12 of FCR, 2011 states that-

- (1) Every certificate of registration issued to a person shall be liable to be renewed after the expiry of five years from the date of its issue on proper application.
- (2) Every person shall apply to the Central Government in prescribed Form six months before the date of expiry of the certificate of registration, for its renewal.
- (3) An application made for renewal of the certificate of registration shall be accompanied by a fee of ₹ 500 (Five Hundred only).
- (4) The fee for renewal of the certificate of registration shall be remitted by demand draft or banker's cheque in favour of the "Pay and Accounts Officer, Ministry of Home Affairs", payable at New Delhi or through online electronic payment gateway as specified by the Central Government.
- (5) In case no application for renewal of registration is received or such application is not accompanied by the requisite fee, the validity of the certificate of registration of such person shall be deemed to have ceased from the date of completion of the period of five years from the date of the grant of registration.

Example: A certificate of registration granted on the 1st January, 2012 shall be valid till the 31st December, 2016. A request for renewal of the registration certificate shall reach the Central Government, accompanied by the requisite fee, by the 30th June, 2016. If no application is received or is not accompanied by the renewal fee, the validity of the registration certificate issued on the 1st January 2012 shall be deemed to have lapsed with effect from the close of the day on 31st December, 2016.

- (6) If the validity of the certificate of registration of a person has ceased in accordance with the provisions of these rules, a fresh request for the grant of a certificate of registration may be made by the person to the Central Government as per the provisions of rule 9.
- (7) In case a person provides sufficient grounds, in writing, explaining the reasons for not submitting the certificate of registration for renewal within the stipulated time, his application may be accepted for consideration along with the requisite fee, but not later than four months after the expiry of the original certificate of registration.

5. ACCOUNTS, INTIMATION, AUDIT AND DISPOSAL OF ASSETS, ETC.

Provisions related to matters incidental to maintenance of accounts are dealt under chapter IV of the FCRA. It covers section 17 to 22 of the Act.

(I) Foreign contribution through scheduled bank (Section 17)

Every person who has been granted a certificate or given prior permission shall receive foreign contribution in a single account only through such one of the branches of a bank as he may specify in his application for grant of certificate. However, person may open one or more accounts in one or more banks for utilising the foreign contribution received by him. No funds other than foreign contribution shall be received or deposited in such account or accounts.

Every bank or authorised person in foreign exchange shall report to such authority as may be specified —

- (a) Prescribed amount of foreign remittance;
- (b) The source and manner in which the foreign remittance was received; and
- (c) Other particulars, in such form and manner as may be prescribed.

According to Rule 16 of FCR 2011, The bank shall report to the Central Government within forty- eight hours any transaction in respect of receipt or utilisation of any foreign contribution by any person whether or not such person is registered or granted prior permission under the Act.

Example: Can foreign contribution be mixed with local receipts?

Answer: No. Foreign contribution cannot be deposited or utilised from the bank account being used for domestic funds.

(II) Intimation (Section 18)

Every person who has been granted a certificate or given prior approval shall give intimation to the Central Government, and such other authority as may be specified by the Central Government—

as to the amount of each foreign contribution received by it, the source from which and the manner in which such foreign contribution was received, and the purposes for which, and the manner in which such foreign contribution was utilised by him.

Every person receiving foreign contribution shall submit a copy of a statement with the particulars of foreign contribution received duly certified by officer of the bank or authorised person in foreign exchange and furnish the same to the Central Government along with the intimation.

(III) Maintenance of accounts (Section 19)

Every person who has been granted a certificate or given prior approval under this Act shall maintain, in such form and manner as may be prescribed,—

- (a) an account of any foreign contribution received by him; and
- (b) a record as to the manner in which such contribution has been utilised by him.

Rule 11 of FCR, 2011 states that every person who has been granted registration or prior permission under section 12 shall maintain a separate set of accounts and records, exclusively, for the foreign contribution received and utilised.

(IV) Audit of accounts (Section 20)

(1) Where any person who has been granted a certificate or given prior permission, fails to furnish any intimation under this Act, or the intimation so furnished is not in accordance with law or if, after inspection of such intimation, the Central Government has any reasonable cause to believe that any provision of this Act has been, or is being, contravened, the Central Government may—

- By general or special order, authorise such Gazetted Officer, holding a Group A post under the Central Government or any other officer or authority or organisation, as it may think fit
- To audit any books of account kept or maintained by such person.

(2) Every such officer shall have the right to enter in or upon any premises at any reasonable hour, before sunset and after sunrise, for the purpose of auditing the said books of account.

(3) Any information obtained from such audit shall be kept confidential and shall not be disclosed except for the purposes of this Act.

(V) Disposal of assets created out of foreign contribution (Section 22)

- Where any person who was permitted to accept foreign contribution under this Act-
- (i) ceases to exist or has become defunct – in this case all the assets of such person shall be disposed of in accordance with the provisions contained in any law for the time being in force under which the person was registered or incorporated, and
 - (ii) in the absence of any such law- the Central Government may, having regard to the nature of assets created out of foreign contribution received under this Act, by notification, specify that all such assets shall be disposed of by such authority, in such manner and procedure as may be prescribed.

6. ADJUDICATION

The provisions related to adjudication is given under chapter VI & VII covering sections from 28-31 of the Act.

Confiscation of article or currency or security obtained in contravention of the Act (Section 28)

Any article or currency or security which is seized under the Act shall be liable to confiscation if such article or currency or security has been adjudged under section 29 to have been received or obtained in contravention of this Act.

Adjudication of confiscation (Section 19)

- (1) Any confiscation referred to in section 28 may be adjudged—
 - (a) Without limit, by the Court of Session within the local limits of whose jurisdiction the seizure was made; and
 - (b) Subject to such limits as may be prescribed, by such officer, not below the rank of an Assistant Sessions Judge, as the Central Government may, by notification in the Official Gazette, specify in this behalf.
As per Rule 19 of FCR, 2011 an officer above in clause(b), may adjudge confiscation in relation to any article or currency seized under section 25, if the value of such article or the amount of such currency seized does not exceed ` 10,00,000 (Ten lakh only).
- (2) When an adjudication is concluded by the Court of Session or Assistant Sessions Judge, as the case may be, the Sessions Judge or Assistant Sessions Judge may make such order as he thinks fit for the disposal by confiscation or delivery of seized article or currency or security, as the case may be, to any person claiming to be entitled to possession thereof or otherwise, or which has been used for the commission of any offence under this Act.

Procedure for confiscation (Section 30)

No order of adjudication of confiscation shall be made unless a reasonable opportunity of making a representation against such confiscation has been given to the person from whom any article or currency or security has been seized.

Appeal (Section 31)

- (1) Where any person is aggrieved by any order, may prefer an appeal,—

Order passed by-	Appeal to be made-
the Court of Session	to the High Court to which such Court is subordinate
OR	
any officer specified section 29(1)(b)	Court of Session within the local limits of whose jurisdiction such order of adjudication of confiscation was made
Appeal may be preferred within one month from the date of communication to such person of the order.	
However, the appellate court may, allow such appeal to be preferred within a further period of one month, but not thereafter.	

- (2) Any organisation referred to in section 3(1)(f), or any person or association referred to in section 6 or section 9, aggrieved by an order made in pursuance of section 5 or by an order of the Central Government refusing to give permission under this Act, or by any order made by the Central Government section 12(2) or 12(4), or section 14(1), as the case may be, may,
- prefer an appeal against such order to the High Court within the local limits of whose jurisdiction the appellant ordinarily resides or carries on business or personally works for gain, or, where the appellant is an organisation or association, the principal office of such organisation or association is located-
 - within sixty days from the date of such order.

Revision of orders by Central Government (Section 32)

- (1) Power to central Government- The Central Government may either-
- of its own motion or
 - on an application for revision by the person registered under this Act, call for and examine the record of any proceeding under this Act in which any such order has been passed by it and may make such inquiry or cause such inquiry to be made and, subject to the provisions of this Act, may pass such order thereon as it thinks fit.
- (2) Restriction on entertainment of revision: The Central Government shall not of its own motion revise any order under this section if the order has been made more than one year previously.
- (3) In the case of an application for revision under this section -the application must be made within one year from the date on which the order in question was communicated to him or the date on which he otherwise came to know of it, whichever is earlier.

Where if, the Central Government is satisfied that such person was prevented by sufficient cause from making the application within that period - may admit an application made after the expiry of that period.

7. OFFENCES AND PENALTIES

The provisions related to offences and Penalties are covered under sections 33 to 41 of the Act. This part prescribes types of offences committed and the penalties levied for the same.

Types of offence	Penalties given
Any person who knowingly,— (a) gives false intimation under section 9(c) or section 18; or (b) seeks prior permission or registration by means of fraud, false representation or concealment of material fact,	Shall, on conviction by a court, be liable to imprisonment for a term which may extend to six months or with fine or with both.
Any person, on whom any prohibitory order has been served under section 10, pays, delivers, transfers or otherwise deals with, any article or currency or security, whether Indian or foreign, in contravention of such prohibitory order.	<ul style="list-style-type: none"> • Shall be punished with imprisonment for a term which may extend to three years, or with fine, or with both. • the court trying such contravention may also impose on the person convicted an additional fine equivalent to the market value of the article or the amount of the currency or security in respect of which the prohibitory order has been contravened by him or such part thereof as the court may deem fit.

Whoever accepts, or assists any person, political party or organization in accepting, any foreign contribution or any currency or security from a foreign source, in contravention of any provision of this Act or any rule or order made there under	Shall be punished with imprisonment for a term which may extend to five years, or with fine, or with both.
the court trying a person, who, in relation to any article or currency or security, whether Indian or foreign, does or omits to do any act which act or omission would render such article or currency or security liable to confiscation under this Act, may, in the event of the conviction of such person for the act or omission aforesaid	impose on such person a fine not exceeding five times the value of the article or currency or security or one thousand rupees, whichever is more, if such article or currency or security is not available for confiscation, and the fine so imposed shall be in addition to any other fine which may be imposed on such person Under this Act.
Whoever fails to comply with any provision of this Act for which no separate penalty has been provided in this Act	Shall be punished with imprisonment for a term which may extend to one year, or with fine or with both.
having been convicted of any offence under section 35 or section 37, insofar as such offence relates to the acceptance or utilisation of foreign contribution, is again convicted of such offence	shall not accept any foreign contribution for a period of five years from the date of the subsequent conviction.

Offences by companies

Where an offence under this Act or any rule or order made thereunder has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

However, such person shall not be liable to any punishment if he proves that the offence was committed –

- Without his knowledge, or
- He had exercised all due diligence to prevent the commission of such offence.

Where an offence under this Act or any rule or order made thereunder has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer-

Shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation – For the purposes of this section,—

- (a) “Company” means anybody corporate and includes a firm, society, trade union or other association of individuals; and
- (b) “Director”, in relation to a firm, society, trade union or other association of individuals, means a partner in the firm or a member of the governing body of such society, trade union or other association of individuals.

Bar on prosecution of offences under the Act.

No court shall take cognizance of any offence under this Act, except with the previous sanction of the Central Government or any officer authorised by that Government in this behalf.

Compounding of certain offences (Section 41)

- any offence punishable under this Act (whether committed by an individual or association or any officer or employee thereof), not being an offence punishable with imprisonment only, may, before the institution of any prosecution, be compounded by such officers or authorities and for such sums as the Central Government may, by notification in the Official Gazette, specify.
- Compounding of offences as stated above, shall not apply to an offence committed by an individual or association or its officer or other employee within a period of three years from the date on which a similar offence committed by it or him was compounded under this section.
- For the purposes of this section, any second or subsequent offence committed after the expiry of a period of three years from the date on which the offence was previously compounded, shall be deemed to be a first offence.
- Every officer or authority shall exercise the powers to compound an offence, subject to the direction, control and supervision of the Central Government.
- Where any offence is compounded before the institution of any prosecution, no prosecution shall be instituted in relation to such offence, against the offender in relation to whom the offence is so compounded.
- Every officer or authority while dealing with a proposal for the compounding of an offence for a default in compliance with any provision of this Act which requires by an individual or association or its officer or other employee to obtain permission or file or register with, or deliver or send to, the Central Government or any prescribed authority any return, account or other document, may-
- Direct, by order, any individual or association or its officer or other employee to file or register with, such return, account or other document within such time as may be specified in the order.

8. MISCELLANEOUS**(I) Power to call of information or document and Investigation into cases under the Act (Sections 42 & 43)**

- Any inspecting officer, authorised by the Central Government may, during the course of any inspection of any account or record maintained by any political party, person, organisation or association in connection with the contravention of any provision of this Act,—
 - (a) call for information from any person for the purpose of satisfying himself whether there has been any contravention of the provisions of this Act or rule or order made thereunder;
 - (b) require any person to produce or deliver any document or thing useful or relevant to such inspection;
 - (c) examine any person acquainted with the facts and circumstances of the case related to the inspection.
- Investigation into cases under the Act Any offence punishable under this Act may also be investigated into by such authority as the Central Government may specify in this behalf and the authority so specified shall have all the powers which an officer-in-charge of a police station has while making an investigation into a cognizable offence.

(II) Power of Central Government to give directions and delegation of powers (Sections 46 & 47)

- The Central Government may give such directions as it may deem necessary to any other authority or any person or class of persons regarding the carrying into execution of the provisions of this Act.

- The Central Government may direct that any of its powers or functions under this Act, except power to make rule under section 48, shall, in relation to such matters and subject to such conditions, if any, may be specified in the notification, be exercised or discharged also by such authority as may be specified.

(III) Power to make rules (Section 48)

The Central Government may, by notification, make rules for carrying out the provisions of this Act. In particular, and without prejudice to the generality of the existing power, such rules may provide for all or any of the following matters, namely :—

- (a) The value of the article which may be specified under section 2(1)(i);
- (b) The authority which may be specified under section 2(1)(p);
- (c) Acceptance or retention of gift or presentation under section 4(d);
- (d) Guidelines specifying the ground or grounds on which an organisation may be specified as an organisation of political nature under section 5(1);
- (e) The activities or business which shall be construed as speculative business under the proviso to section 8(1)(a);
- (f) The elements and the manner in which the administrative expenses shall be calculated section 8(2);
- (g) The time within which and the manner in which any person or class of persons or an association may be required to furnish intimation regarding the amount of foreign contribution received under section 9(c);
- (h) The time within which and the manner in which any person or class of persons may be required to furnish intimation regarding foreign hospitality under section 9(e);
- (i) The manner in which the copy of the order of the Central Government shall be served upon any person under section 10;
- (j) The form and manner in which the application for grant of certificate of registration or giving of prior permission under section 12(1);
- (k) The fee to be accompanied by the application under section 12(1);
- (l) The terms and conditions for granting a certificate or giving prior permission under section 12(4)(g);
- (m) The manner of utilising the foreign contribution under section 13(2)(b);
- (n) The authority with whom the foreign contribution to be vested under section 15(1);
- (o) The period within which and the manner in which the foreign contribution shall be managed section 15(2);
- (p) The form and manner in which the application for a renewal of certificate of registration shall be made under section 16(2);
- (q) The fee to be accompanied by the application for renewal of certificate under section 16(2);
- (r) The prescribed amount of foreign remittance, the form and manner in which the foreign remittance received by every bank or authorised person in foreign exchange shall be reported under section 17(2);
- (s) The time within which and the manner in which the person who has been granted certificate of registration or given prior permission under this Act shall give intimation under section 18;
- (t) The form and manner in which account of any foreign contribution and the manner in which such contribution has been utilised shall be maintained under section 19;
- (u) The time within which and the manner in which a candidate for election shall give intimation under section 21;

- (v) The manner and procedure to be followed in disposing of the assets under section 22;
- (w) The limits subject to which any confiscation may be adjudged under section 29(1)(c);
- (x) The fee to be accompanied along with every application for revision section 32(5);
- (y) The form and manner for making of an application for compounding of an offence and the fee therefor under section 41(4);
- (z) The form and manner in which and the time within which returns and statements to be furnished by the prescribed authority under section 44;
- (za) Any other matter which is required to be, or may be, prescribed.

(IV) Power to exempt in certain cases (Section 50)

If the Central Government is of opinion that it is necessary or expedient in the interests of the general public so to do, it may-

- By order and subject to such conditions as may be specified in the order, exempt-
 - any person or
 - association or
 - organisation (not being a political party), or
 - any individual (not being a candidate for election)
- From the operation of all or any of the provisions of this Act and may, revoke or modify such order.

(V) Act not to apply to certain Government transactions (Section 51)

Nothing contained in this Act shall apply to any transaction between-

- The Government of India. and
- The Government of any foreign country or territory.

(VI) Application of other laws not barred (Section 52)

The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.