



Understanding FCRA in India: Key Insights on NGO Registrations and Foreign Contributions

The social development sector in India plays a crucial role in addressing challenges related to education, healthcare, livelihoods, and community development. Many non-profit organisations rely on both domestic and international funding to implement impactful programs. One of the most important regulatory frameworks governing foreign funding in India is the **Foreign Contribution (Regulation) Act (FCRA)**.

Understanding the FCRA ecosystem is essential for NGOs, CSR professionals, and development practitioners who work with international donors or foreign contributions. Recent data on FCRA registrations and fund inflows offers valuable insights into the structure and functioning of the non-profit sector in India.

What is FCRA?

The **Foreign Contribution (Regulation) Act (FCRA)** was enacted in 1976 by the Government of India to regulate the acceptance and utilization of foreign contributions by individuals, associations, and non-profit organisations. The law is administered by the Ministry of Home Affairs (MHA).

Under FCRA regulations, organisations must obtain registration or prior permission from the government in order to legally receive foreign donations. The objective of the law is to ensure that foreign contributions do not adversely affect the sovereignty, integrity, security, or public interest of the country.

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FCRA compliance is therefore a critical requirement for NGOs that wish to receive international funding and collaborate with global donors.

FCRA Registered NGOs in India

India has a large number of registered non-profit organisations. According to available data, **51,942 NGOs are registered under FCRA across the country**. However, not all of these registrations remain active.

The data indicates that only **16,174 organisations currently hold active FCRA registrations**, while a significant number of registrations have either been cancelled, expired, or deemed ceased over time.

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This highlights the importance of regulatory compliance, transparency, and proper reporting for NGOs that receive foreign funding.

States with the Highest FCRA Registrations

FCRA registrations are not evenly distributed across India. Some states have a much higher concentration of NGOs working with international donors.

The top five states with the highest number of FCRA registered NGOs include:

- Tamil Nadu
- Maharashtra
- Karnataka
- Andhra Pradesh
- Kerala

These states have historically had strong civil society ecosystems and higher engagement with international development agencies.

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At the same time, several smaller states in the Northeast region have relatively lower numbers of FCRA registered organisations.

Foreign Contributions Received in India

Foreign contributions play an important role in supporting development initiatives across sectors such as education, health, disaster relief, and environmental sustainability.

Between **FY 2019–20 and FY 2021–22**, NGOs in India collectively received approximately **₹55,450 crore in foreign contributions**.

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During this period:

- ₹16,306 crore was received in FY 2019–20
- ₹17,059 crore in FY 2020–21

- ₹22,085 crore in FY 2021–22

These figures highlight the significant scale at which international funding supports development programs across the country.

Regions Receiving the Highest FCRA Funds

Certain states and union territories receive a larger share of foreign contributions due to the presence of large NGOs and national-level organisations.

The regions receiving the highest FCRA funds include:

- Delhi
- Karnataka
- Tamil Nadu
- Maharashtra
- Gujarat

In particular, Delhi records the highest inflow primarily because many national NGOs maintain their head offices there.

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The Importance of Compliance and Transparency

FCRA regulations emphasise transparency, accountability, and proper governance in the non-profit sector. NGOs receiving foreign contributions are required to maintain strict financial reporting, annual filings, and compliance procedures.

For organisations working in the social development space, maintaining FCRA compliance is essential not only for legal purposes but also for building credibility with international donors and partners.

Strengthening the Social Sector Ecosystem

The FCRA framework plays a key role in shaping how international funding supports development initiatives in India. By ensuring responsible use of foreign contributions, the law helps maintain transparency while enabling NGOs to implement impactful programs.

For CSR professionals, NGOs, and development consultants, understanding FCRA regulations and trends is critical to designing sustainable partnerships and ensuring effective utilisation of international funding.

As India's development ecosystem continues to evolve, strong governance, compliance, and data-driven insights will remain essential for building a transparent and impactful social sector.

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