IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 02.03.2026
Coram
The Honourable **Mr.Justice Krishnan Ramasamy**

W.P.No.2921 of 2022
and
W.M.P.No.3059 of 2022

Cheshire Homes India Chennai Unit
Rep. by its Hon. Secretary
23A Third Seaward Road, Valmiki Nagar
Thiruvanmiyur Chennai 600 041. ..Petitioner

Vs.

1 Ministry of Home Affairs
Rep. by its Under Secretary
FCRA Wing 1st Floor
(Foreign Contributions (Regulation) Act 1976)
MDC National Stadium, New Delhi 110 001.

2 Indian Bank
Rep. by its Branch Manager, Sait Colony
Branch Egmore, Chennai 600 008. ...Respondents

Prayer

Writ Petition filed under Article 226 of the Constitution of India praying for the issuance of a Writ of Mandamus directing the first respondent to permit the petitioner to withdraw all the funds from its FCRA Account No.455005228 with the Sait Colony, Egmore branch of Indian Bank.

For Petitioner : Mr.Rahul Unnikrishnan
For Respondent-1 : Mr.A.R.Sakthivel
Senior Panel Counsel
For Respondent-2 : No appearance

Order

Heard Mr.Rahul Unnikrishnan, learned counsel for the petitioner and Mr.A.R.Sakthivel, learned Senior Panel Counsel for the first respondent.

2. This Writ Petition is filed seeking for the following prayer:-

For issuance of a mandamus directing the first respondent to permit the petitioner to withdraw all the funds from its FCRA Account No.455005228 with the Sait Colony, Egmore branch of Indian Bank.

3. Learned counsel for the petitioner would submit that the petitioner's FCRA licence was cancelled on 23.07.2012 on the ground that the petitioner failed to file Annual Returns for the FYs 2006-07 and 2007-08; that though the petitioner filed application seeking for restoration of their FCRA registration, the same were rejected in terms of Section 12(4) (a) (vii) of FCRA, 2010.

3.1 The learned counsel for the petitioner further submits that MHA vide circular dated 12.05.2017, instructed the petitioner to file their annual returns for the FYs through FCRA online portal, but, the same was unsuccessful, as, online application was not accepted by system on account of cancellation of FCRA registration, therefore, the petitioner, having left with no other opportunity, filed their annual returns in hard copies however, the same was not considered by the respondents, that despite the respondent vide Public Notices dated 01.08.2019 granted one-time exemption to enable the petitioner to apply for registration within three months from the date of issuance of the notice and in the interregnum allowed the petitioner to utilize the amount lying the FCRA account, the petitioner, hoping that the FCRA registration would be restored, did not withdraw the funds, however, till date, the first respondent has not revoked the cancellation of the FCRA registration, it is under these circumstances, the petitioner has filed this Writ Petition seeking for aforesaid relief.

4. The learned Senior Panel Counsel for the first respondent would submit that in the present case, the petitioner's registration was cancelled, as the petitioner failed to file mandatory annual returns for the FYS 2006-07 and 2007-08; that though there is no provision under the Act to remind the petitioner to fulfil its obligation, however, in order to afford an opportunity, a show cause notice was issued to the petitioner but, the same returned undelivered, as such, the petitioner's FCRA registration was cancelled; that despite MHA vide Public Notice dated 01.08.2019 allowed the Associations like the petitioner to utilise the funds available in FCRA account to meet their financial requirements and was directed to intimate such withdrawal details to the MHA, whilst permitting the petitioner to apply for renewal of registration within a period of three months from the date of issuance of such notice, the petitioner failed to avail such exemption.

4.1 Therefore, it is contended by the learned Senior Panel Counsel for the first respondent that despite the fact that the petitioner was given ample opportunities for filing of Annual returns, the petitioner failed to produce proof in support of filing of annual returns for the subject FYs; that though the application was filed for revokation of cancellation of FCRA registration, the same was subsequently withdrawn by the petitioner' that Central Government, in order to facilitate faster processing and disposal of cases and also to bring transparency, launched a new website w.e.f. 14.12.2015, the applications for registration, prior permissions, renewal of registration, giving intimation of various types, filing of annual returns, were made fully online, no application was received from the petitioner via. FCRA Portal, therefore, in terms of Section 15 of the FCRA AND Rule 15 of the FCRA 2010, amount of foreign contribution lying unutilized in the petitioner's

FCRA Account shall vest only with the concerned Authority under the Act and the same cannot be allowed to be withdrawn by the petitioner at any costs. Thus, by averring so, the learned Senior Panel Counsel prays for dismissal of this Writ Petition.

5. I have given due considerations to the submissions on either side and perused the materials placed on record.

6. I find force in the submissions made by the learned Senior Panel Counsel for the first respondent.

7. Before supporting such contention, this Court deems it appropriate to refer to Section 15 of the FCRA Act, which is as under:-

> ''15.
>
> (1) The foreign contribution and assets created out of the foreign contribution in the custody of every person whose certificate has been cancelled under section 14 shall vest in such authority as may be prescribed.
>
> (2) The authority referred to in sub-section (1) may, if it considers necessary and in period public and interest, manage the activities of the person referred to in that

sub-section for such utilize the in such manner, as the Central Government may direct and such authority may funds foreign contribution or dispose of the assets created out of it in case adequate are not available for running such activity.

(3) The authority referred to in sub-section (/) shall return the foreign contribution and the assets vested upon it under that sub-section to the person referred to in the said sub-section if such person is subsequently registered under this Act. Management of foreign contribution of person whose certificate has been cancelled. such certificate.

7.1 Similarly, it would also be apposite to refer to Rule 15 of FCRA, which reads as under:-

15.(If the certificate of registration of a person, who has opened an FCRA Account under Section 17 is cancelled, the amount is cancelled, the amount of foreign contribution lying unutilized in that Account shall vest with the prescribed Authority under the Act.

7.2 Likewise, Section 14 (3) of the Act shall be extracted as under:-

‘’ Any registration person whose certificate has been cancelled under this section shall not be or grant of prior permission for a period of three years from the date of cancellation of such certificate.

8. Thus, a reading of the above Sections makes it clear that any amount is lying in the FCRA account, whose FCRA registration has been cancelled, cannot be returned to the Account Holder and it has to be dealt with in the manner, as provided under the Sections, referred to above.

9. In the present case, admittedly, the petitioner's FCRA Registration was cancelled w.e.f. 23.07.2012 on account of the fact that the petitioner failed to file Annual Returns in Form C-3 for the Fys 2006-07 and 2007-08. Though the MHA by virtue of notification dated 01.08.2019 granted one-time exemption from the restrictive conditions of Section 14 (3) of the Act, as noticed above, to enable the petitioner to apply for registration within three months from the date of issuance of the notice and also permitted the petitioner to withdraw the funds in the account, but with a proviso, requiring the petitioner to intimate such withdrawal details to the MHA, the petitioner has either utilized the one-time exemption granted to them nor filed their annual returns before MHA. Though the petitioner claims to have filed the annual returns for the subject FYs, in hardcopies, unless and until, the proof is available for filing of such documents, the petitioner's registration cannot be restored.

10. Therefore, this Court is of the view that the petitioner though filed application for renewal of registration, since the same was subsequently withdrawn, and that the petitioner also failed to avail the one-time exemption granted vide Public Notice dated 01.08.2019, no mandamus could be issued by this Court in favour of the petitioner as the petitioner is not entitled to withdraw any amount lying in their FCRA Account and the same would vest only with the concerned Respondent under the Act.

11. In the result, this Writ Petition is dismissed as being devoid of merits. No costs. Consequently, connected Miscellaneous Petition is closed.

02.03.2026

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Index : yes/no
Neutral Citation : yes/no

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