



President Vice President
Vijay U Bhatt Jayant P Gokhale

Hon. Jt. Secretaries Hon Treasurer Imm. Past President
Mehul R Sheth | Neha R Gada Vitang N Shah Haresh P Kenia

Date: 6th March, 2025

To,

The Dy. Governor,
Reserve Bank of India,
New Delhi

Respected Sir,

Sub: Compulsory DARPAN Registration of Non Profit Organizations - NPOs.

The Chamber of Tax Consultants, established in 1926, is one of the oldest non-profit organizations of tax practitioners, having Advocates, Chartered Accountants and Tax Practitioners as its members spread across Pan India. The Chamber is on the cusp of its Centenary year which will be commencing from July 2025. Many senior tax professionals who regularly appear before the Supreme Court, High Courts and Income-tax Appellate Tribunal are its Past Presidents. The Chamber has been making regular representations before various government agencies.

The Chamber regularly takes up initiatives to act as a bridge between stakeholders and concerned regulatory bodies in order to convey and help in resolving genuine grievances or effectively implement the laws.

This representation is with the object of drawing your kind attention to an issue that is currently being faced by NPOs on account of action being initiated by several Banks. **Most Banks have been calling upon NPOs like Trusts, Societies and Section 8 Companies to register with the DARPAN portal immediately.** In several cases Banks have blocked debits till the Darpan Registration is provided.

We understand that that this requirement arises out of the need to comply with the PMLA and this was a task that was entrusted to Banks by the RBI vide circular dated 7th March, 2023. The Banks instead of assisting with getting the DARPAN registration done have pushed the onus onto the NPOs and have threatened to block debits if the registration is not provided.

A lot of NPOs are registered under the law that they are formed under such as the Public Trust Act, the Co-operative Societies Act or the Companies Act. Most of these are also registered under the Income tax Act and were asked to re-register thereunder to continue tax exemptions availed. Also these NPOs are already KYC compliant and have followed the rigors laid by the Banks for the same and repeat KYC is also done periodically.

This need for a registration with DRAPAN is causing a lot of anxiety and stress among the charitable and religious organizations which as mentioned above, are operating from last many years and having all the KYC norms in place. These KYC details in the form of registration with the Income Tax Department, registration with the Charity commissioner or registration with the Registrar of the companies are already submitted to the Bank on regular intervals to the Bank authorities as per the guidelines laid down by the Reserve Bank of India. Thus this registration is repetitive and drains the resources of the NPOs which are already scarce.

The NPOs are now being called upon to take a fresh registration with the Darpan Portal though these NPOs are not availing any government grants or funding from the Central Government or the State Government.

The role that NPOs have played as an important supporter of the Government's social objectives of improving the life of the citizens of India needs no emphasis and is well known. February and March are always the months when maximum disbursements of charity happen, as the income for the year is known. A threat by banks to stop debits has caused a lot of anguish and will result in denying needy beneficiaries with the aid that they require and that would be a colossal loss.

In addition to the above difficulties and genuine concerns, we would also like to submit that the process of registration itself has been very tedious and following difficulties are faced in the same:

- (a) The portal for the longest period is not operational and cannot be accessed. For almost three weeks now the portal has been non-operational. Even after the site starts at the time mentioned, one is not able to proceed beyond the HOME page.
- (b) There are login errors on a repeated basis resulting in frustration to the users.
- (c) Login requires unique mobile number. But there are persons who are trustees in multiple trusts – so any such requirement is unfair. Applicant should be allowed to use any mobile number, so long as it belongs to a Trustee and not an Authorized representative.
- (d) If one is successful to log in, a time slot of maximum 2 hours is available. Please do not keep any such restriction of login session as at times there can be issues with upload of documents.

- (e) Onerous requirements have been made. For e.g. a PAN card must be uploaded with a color scan else the registration is denied.
- (f) The site has started giving slots for registration. However, at the slot time the site does not work. The site works sometimes after 10 pm but getting senior citizens who are trustees to give OTP late night is a challenge for all Non profit organisations.

Our request

In view of the above difficulties, we sincerely request as under:

1. **Banks may please be directed to keep the requirement on hold and not to block any debits in bank accounts.**
2. The entire process of DAPRAN registration is repetitive as NPOs are already registered under several laws already. Hence this requirement should be dispensed with.
3. If at all registration is needed, it must be restricted to an organization that takes grants from the Government.
4. If at all a registration is still insisted upon, the deadline must be extended till at least 31st December and certainly should not coincide with a financial year end and the same should be adequately advertised so that NPOs are made aware of the same.
5. Banks should be asked to get the DARPAN registration done at their end as they already hold all the documents for KYC purpose and this was the intent of the PMLA circular in any case
6. The portal must be functioning efficiently
7. If an NPO is already registered under an existing law then it should suffice to provide a copy of that registration and a copy of proof of PAN in the name of the NPO.
8. Login should be made simpler and a trust should be permitted a single login with PAN as the login ID and a password of its choice as every NPO will have a PAN.



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We shall be obliged if quick intervention is done keeping in mind the role of NPOs, the difficulties faced and the limited administrative resources available to them.

We look forward for your kind consideration to the genuine request.

Yours Sincerely,

For THE CHAMBER OF TAX CONSULTANTS

Sd/-
Vijay Bhatt
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Sd/-
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Chairman
Law and Representation
Committee

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