

# RNPO Registration (Old 12A + 80G) Under the Income Tax Act, 2025 — Complete Guide for NGOs

If there is one registration that determines whether your NGO can function as a legitimate, donation-receiving, tax-exempt institution — it is this one.

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compliance-primer

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From 1 April 2026, the **Income Tax Act, 2025** has replaced the Income Tax Act, 1961. Under the new Act, every charitable trust, society, and Section 8 Company seeking tax exemption is called a **Registered Non-Profit Organisation (RNPO)**. The old terms — 12A, 12AA, 12AB, 80G — are no longer in the new Act. They have been replaced by specific sections in Chapter XVII-B (Sections 332-355) of the IT Act 2025.

But the substance is the same: your NGO needs to register with the Income Tax Department to have its income exempt from tax, and to enable donors to claim tax deductions on their contributions to your organisation. This guide explains both registrations under the new law.

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## Two Registrations — What Each Does

### Registration 1 — RNPO Registration under Section 332 (Old "12A")

This registration exempts the NGO's own income from income tax, provided the NGO applies at least 85% of its regular income toward its charitable objects in a financial year.

**Without this registration:** Every rupee your NGO receives — donations, grants, service fees — is treated as taxable income. A trust without RNPO registration is taxed like a firm. For most NGOs, the entire income would theoretically be taxable, making operations financially unviable.

**With this registration:** 85% of income applied to charitable purposes is exempt from tax. The remaining 15% can be accumulated (retained) tax-free. Conditions on how accumulated income is invested apply (Section 350).

### Registration 2 — Section 354 Approval (Old "80G")

This approval enables donors — individuals and companies — to claim a deduction on their taxable income for donations made to your NGO. Under Section 80G of the old Act, the deduction was 50% of the donated amount (subject to conditions). Under Section 354 of the new Act, this continues.

**Without this registration:** Donors receive no tax benefit for donating to your NGO. This is a significant deterrent for corporate donors and higher-income individual donors who are tax-conscious. Most serious donors will ask for your Section 354 number before donating.

**With this registration:** For every Rs. 100 donated to your NGO, the donor can deduct Rs. 50 from their taxable income (50% deduction, subject to the applicable limits). You must issue a donation certificate (Form 114 under IT Act 2025 — the equivalent of the old Form 10BE).

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# The New Framework Under IT Act 2025 — Key Changes

## Change 1 — New Section Numbers (Same Substance)

Old (IT Act 1961)	New (IT Act 2025)	What It Does
Section 12A / 12AA	Section 332	Registration of charitable entity (RNPO)
Section 12AB	Section 332 (consolidated)	Replaces 12AB — all registrations now under Section 332
Section 80G	Section 354	Donor deduction approval
Form 10A	Form 10A (retained name)	Application for provisional RNPO registration
Form 10AB	Form 10AB (retained name)	Application for regular RNPO registration
Form 10BE	Form 114	Donation certificate issued to donors
Charitable purpose (Section 2(15))	Charitable purpose (Section 2(23))	Same definition — unchanged

## Change 2 — "RNPO" is the Universal Term

All charitable entities — trusts, societies, Section 8 Companies, educational institutions, hospitals — are now called RNPOs (Registered Non-Profit Organisations) regardless of their legal structure. The registration process and compliance obligations are identical for all three structures.

## Change 3 — Transition for Existing Registrations

If your NGO held a valid 12A, 12AA, 12AB, or Section 10(23C) registration under the old Act on 31 March 2026, that registration automatically continues under the new Act until its original expiry date. You do not need to re-register. Your existing registration

certificate remains valid.

## **Change 4 — Existing Entities as of 1 April 2026**

Every entity holding valid exemption under the old Act is automatically treated as an RNPO from 1 April 2026 (Section 355(m) of IT Act 2025). This is a protective transition provision — no charitable entity in good standing loses its status on the changeover date.

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## **Provisional vs Regular Registration — The Two-Stage Process**

For a **new NGO** (whose activities have not yet commenced), RNPO registration follows a two-stage process:

### **Stage 1 — Provisional Registration (3 Years)**

**Form:** Form 10A **Section:** Section 332(3)(a) of IT Act 2025 **When to apply:** As soon as the bank account is opened (bank account details are required in the application)

**Processing time:** Mandatory grant within **30 days** — the PCIT/CIT has no discretion to refuse a new entity that has not yet commenced activities **Validity:** 3 years from the date of grant

**Simultaneous 80G application:** File Form 10A twice — once for Section 332 (RNPO) and once for Section 354 (80G equivalent) in the same portal session

### **Stage 2 — Regular Registration (5 or 10 Years)**

**Form:** Form 10AB **Section:** Section 332(3)(b) of IT Act 2025 **When to apply:**

Whichever is earlier — (a) within 6 months of commencing activities, or (b) at least 6 months before the provisional registration's 3-year expiry **Processing time:** PCIT/CIT reviews, may conduct enquiry — order within 6 months **Validity:** 5 years (for most entities); 10 years for "small trusts" with income under Rs. 5 crore in each of the 2 preceding years

**For Section 354 (80G):** Always 5 years — there is no 10-year extension for Section 354 approval. Renew separately every 5 years.

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# Step-by-Step Application Process

## Step 1 — Prepare Your Documents

For provisional registration (new trust, activities not yet commenced):

Document	Details
Registration Certificate	Registered Trust Deed / Society Registration / MCA Certificate
Trust PAN	Mandatory — the application is filed under the trust's PAN
DARPAN ID	NITI Aayog DARPAN Unique ID — mandatory in 2026
Bank Account Details	Account number, IFSC, bank and branch name
List of Trustees/Directors	Name, address, Aadhaar, occupation
Activity Plan	Brief note on planned activities (for new entities)
NIL Declaration	Declaration that no income has been received and no activities commenced

For regular registration (Form 10AB — after activities have commenced): All of the above PLUS:

- Audited accounts for all years since inception
- Annual Activity Reports for all years
- Details of all projects undertaken
- List of beneficiaries
- Details of any related party transactions

## Step 2 — Log In to the Income Tax e-Filing Portal

Go to [incometax.gov.in](https://incometax.gov.in) → Log in with the Trust's PAN and password → e-File → Income Tax Forms → File Income Tax Forms.

### **Step 3 — Select Form 10A and File Twice**

Under the new IT Act 2025 framework, the IT portal allows filing Form 10A for both Section 332 (RNPO registration) and Section 354 (80G approval) in a coordinated process. At the time of filing:

1. File Form 10A selecting **Section 332** — for RNPO (tax exemption for the organisation)
2. File Form 10A again selecting **Section 354** — for donor deduction approval

**Note:** The IT portal for the IT Act 2025 was being updated as of early 2026. Verify the exact current form names and section codes on [incometax.gov.in](http://incometax.gov.in) at the time of your application — the forms may be labelled differently once the portal fully migrates to the 2025 Act framework.

### **Step 4 — Upload Documents and Submit**

Upload all required documents in the formats specified on the portal (PDF, size limits typically 5MB per file). Fill all mandatory fields. Verify the application using Aadhaar OTP (EVC) or Digital Signature Certificate (DSC) of the authorised signatory (Managing Trustee for a trust, CEO/President for a society, Director for a Section 8 Company).

### **Step 5 — Receive the RNPO Certificate (Form 10AC)**

For provisional registration, the PCIT/CIT must grant the certificate within 30 days. The certificate (Form 10AC) contains a **16-digit Unique Registration Number (URN)** — your RNPO number. This is the number you quote on all donation receipts, CSR applications, and grant applications.

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## **The 85% Application Rule — What It Means in Practice**

The core condition of RNPO status: the NGO must apply (spend) at least 85% of its **regular income** (all income excluding corpus donations) toward its charitable purposes in the financial year.

### **What counts as "application":**

- Programme expenditure (direct field work, project costs)
- Staff salaries for programme staff
- Administration costs that support charitable activities
- Reasonable overhead (rent, utilities, communication) for the registered office
- Grants made to other RNPO-registered organisations

### **What does NOT count:**

- Capital expenditure on land or building (though this may be accumulated for future construction with PCIT permission)
- Expenditure on non-charitable activities
- Expenditure benefiting trustees or related parties

**What if you cannot spend 85% in a year?** The IT Act provides two relief mechanisms:

1. **Accumulation with PCIT permission:** Apply to accumulate up to 15% of income for up to 5 years for specified purposes, using Form 10 (filed before the ITR due date)
2. **Deemed application:** If income was not received but is receivable, it can be treated as applied — exercisable up to the ITR due date under the 2025 Act (a relaxation from the old Act's two-month-prior deadline)

**For new trusts with NIL income:** The 85% rule does not apply in a year with NIL income. Your ITR-7 for the first financial year will simply show NIL income, NIL application, and NIL taxable income.

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## **What Happens if Your Registration is Cancelled or Lapses**

Section 332(7) of the IT Act 2025 specifies seven grounds on which the PCIT/CIT can cancel RNPO registration:

1. Activities are not genuine charitable activities
2. Activities benefit specified persons (trustees, related parties, donors with authority) disproportionately
3. False or misleading information was provided in the application
4. Commercial activities are dominant and not incidental to charitable purpose
5. Income or property is applied for benefit of specified persons
6. Non-compliance with conditions of registration
7. Activities are prejudicial to national interest or public order

**What to avoid:** Non-genuine activities, conflict of interest transactions, excessive admin costs relative to programme, and mixing commercial and charitable activities without clear separation.

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## After Registration — Ongoing Obligations

Once RNPO registration is granted, your annual compliance cycle is:

**Donor certificates:** Issue Form 114 (new name for old Form 10BE) to every donor who requests it — specifically for Section 354 (80G) donations. This must be issued by 31 May of the financial year following the donation year.

**Form 10BD:** Annual statement of donations received (for Section 354 donors) — filed on the IT portal by 31 May each year.

**Audit:** If total income before exemption exceeds Rs. 2.5 lakh — CA audit required. Auditor uploads Form 10B (for trusts with income > Rs. 5 crore, any FCRA receipt, or income applied outside India) or Form 10BB (all other cases) to the portal by 30 September.

**ITR-7:** Annual income tax return — filed by 31 October (for audited trusts). Even if NIL income, filing is mandatory.

**RNPO renewal:** Apply for regular registration (Form 10AB) within 6 months of commencing activities. Apply for renewal before the regular registration's 5-year or

10-year expiry (at least 6 months before expiry).

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## Why NGOs Fail at RNPO Registration — Common Rejection Reasons

Based on patterns from PCIT/CIT orders across India, these are the most common reasons RNPO applications are returned or rejected:

- 1. Objects clause does not map to Section 2(23) charitable purposes.** If the deed's objects include commercial activities, profit-sharing with founders, or purposes that don't fall within the seven categories of "charitable purpose," registration is refused.
  - 2. DARPAN ID missing or mismatched.** From July 2025 onwards, the IT portal and the MHA FCRA portal both require a valid, active DARPAN ID. A trust without a DARPAN ID will encounter rejection at the system level.
  - 3. Trustee details incomplete or inconsistent.** Names, addresses, and Aadhaar numbers of all trustees must match exactly across the Trust Deed, PAN application, and Form 10A. Discrepancies cause processing delays.
  - 4. Bank account not in trust's name.** The bank account must be in the name of the trust (not the Managing Trustee personally). A personal account operated on behalf of the trust is not acceptable.
  - 5. Activity note too vague for a regular registration application.** For Form 10AB (regular registration), the activity report must demonstrate genuine, documented charitable activities. Generic statements without evidence are grounds for an enquiry notice.
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## JaBaSu's Experience with RNPO Registration

JaBaSu Trust received its DARPAN ID (OR/2026/1103919) and filed Form 10A for provisional RNPO registration (Sections 332 and 354) in 2026 under the new IT Act

framework. Our Knowledge Commons documents this process from lived experience — not theory.

For NGOs in Odisha needing support with RNPO applications, JaBaSu's Compliance service provides field guidance, document preparation support, and Income Tax portal navigation assistance.

Contact: [knowledge@jabasu.org](mailto:knowledge@jabasu.org) | [jabasu.org/contact](http://jabasu.org/contact)

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*Last verified: June 2026. The Income Tax Act, 2025 is effective from 1 April 2026. All references to Section 332 (RNPO registration) and Section 354 (donor deduction approval) reflect the current law. The IT e-filing portal ([incometax.gov.in](http://incometax.gov.in)) is transitioning to the new Act framework — verify current form names and section codes at the time of filing. Form 10AC (RNPO certificate) and Form 114 (donor certificate) are the current equivalents of the old 12A certificate and Form 10BE.*

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