

**Government of India
Ministry of Finance
Department of Revenue**

**LOK SABHA
UNSTARRED QUESTION NO. 1840
TO BE ANSWERED ON MONDAY, FEBRUARY 13, 2023
MAGHA 24, 1944 (SAKA)**

EVASION OF TAX BY COMPANIES

1840. SHRI RAHUL KASWAN

Will the Minister of FINANCE be pleased to state:

- (a) whether many public sector companies set up and registered their individual NGOs and carried out works in various sectors through these NGOs in order to evade tax as well as revenue to be deposited in Government exchequer;
- (b) if so, the details thereof, State-wise and NGO-wise particularly in Rajasthan;
- (c) whether the Government has carried out inspection and investigation of these NGOs along with the percentage of NGOs out of them which are functioning properly; and
- (d) if so, the details thereof, State-wise and NGO-wise including Rajasthan?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) to (d): Whenever any instance of tax evasion comes to notice, the Income Tax Department takes appropriate actions including conducting Search & Seizure, surveys, assessment of income, levy & recovery of tax, imposition of penalty and launching of prosecution as per the provisions of the Income Tax Act, 1961. These actions are taken irrespective of the type of person, such as individual, company or firm.

However, the disclosure of information in respect of specific assesses is prohibited except as per the provisions of section 138 of the Income Tax Act, 1961.
