

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2682
ANSWERED ON:19.12.2003
CONVERSION OF CHARITABLE SOCIETY INTO COMPANY
RAMDAS ATHAWALE;VINAY KUMAR SORAKE

Will the Minister of FINANCE be pleased to state:

- (a) Whether a leading heart care institute in Delhi registered as a charitable society in 1981, was transferred to a non-charitable company in Chandigarh;
- (b) If so, the details thereof alongwith the reasons therefor;
- (c) If so, whether exemptions availed on donations to charity have been misused by conversion of a charitable society into a company; and
- (d) if so, to what extent, in terms of loss to the public exchequer, there has been avoidance of tax payment by the company from the date of its taking over the charitable society?

Answer

MINISTER OF FINANCE (SHRI JASWANT SINGH)

(a) & (b): A company in the name of M/s. Escorts Heart Institute and Research Centre Limited was incorporated under of the Companies Act on 30.05.2000. According to the Memorandum of Association, the company is not a charitable company. The company has taken over the business of a society registered with the Registrar of Firms and Societies, Union Territory Chandigarh on 11.11.1999 under the name of M/s. Escorts Heart Institute and Research Centre. A Charitable society by the name of Escorts Heart Institute and Research Centre was reportedly also registered in Delhi in 1981.

(c) & (d): The matter being subjudice these can not be answered.