

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1638  
ANSWERED ON:01.12.2006  
ESTIGATION AGAINST BLACK LISTED NGOs  
Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

**Will the Minister of FINANCE be pleased to state:**

- (a) whether Income Tax department has initiated investigation against blacklisted NGOs;
- (b) if so? the details thereof and the outcome of investigation;
- (c) the action taken by the Union Government against those found guilty; and
- (d) the steps taken by the Government to check recurrence of frauds by NGOs in the country?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (c) The Income Tax Department does not maintain a central data base of NGOs. However, instances of income tax violations by NGOs do come to the notice of the Department and appropriate action under the law is taken in respect of such cases. For this purpose, the department undertakes scrutiny of income tax returns, sends notices to non filers and undertakes searches and surveys in appropriate cases.

(d) Organizations seeking exemption under section 11 of the Income Tax Act 1961 are required to seek registration under Section 12AA of the Income Tax Act, get their accounts audited, file their income tax returns and apply their funds in accordance with the provisions of the Act Whenever violation of the provisions of the law are noticed, appropriate statutory action is taken.