

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:702
ANSWERED ON:25.02.2009
FUDGING OF ACCOUNTS BY HOUSING COMPANIES
Gaikwad Shri Eknath Mahadeo; Mane Smt. Nivedita

Will the Minister of FINANCE be pleased to state:

- (a) Whether a number of housing companies misled the Income Tax Department regarding their income and profits;
- (b) if so, the details thereof for each of the last three years;
- (c) whether Income Tax Department has ordered a special audit of the account of these companies including Darbari Lal Foundation (DLF) for allegedly trying to lower its tax liability by understating sales for 2005-06, 2006-07 and 2007-08;
- (d) if so, the outcome thereof; and
- (e) The action taken or likely to be taken by the Government against the guilty housing companies including DLF?

Answer

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

- (a) Yes Sir.
- (b) Details are being collected from the field offices and will be tabled in the House shortly
- (c) and (d) A special audit under section 142 (2A) of the Income tax Act has been ordered in the case of Delhi Lease & Financing Ltd. also known as DLF for the Assessment Year 2006-07. No special audit has been ordered in the case of Darbari Lal Foundation. Information in respect of other companies is being gathered and will be tabled before the House shortly.
- (e) The audit report in the case of Delhi Lease & Financing Ltd. (DLF) has been received on 31.12.2008 and is being examined during the scrutiny proceedings, for taking necessary action as laid down under the law. Details of other companies in whose case special audit, has been ordered, are being collected and will be tabled before the House shortly.