

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2726  
ANSWERED ON:09.12.2011  
CONCESSIONS EXTENDED TO NGOS  
Joshi Shri Mahesh;Singh Shri Pashupati Nath

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

- (a) the details of fiscal concessions extended to Non Government Organisations (NGOs) in the country;
- (b) whether cases of misuse have arisen during the recent times; and
- (c) if so, the details thereof and reaction of the Government thereto?

**Answer**

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

(a): So far as direct taxes are concerned, tax concessions to Non-Governmental Organizations (NGOs) are available under sections 11, 12 and 10(23C) of the Income Tax Act, 1961, subject to the satisfaction of prescribed conditions. In order to avail exemption from income tax u/s 11 and 12 of the Act, the charitable trusts and non-government institutions are required to register themselves under Section 12AA of the Income Tax Act, 1961 with the jurisdictional Commissioner of Income Tax/Director of Income Tax (Exemptions). For availing exemption u/s 10(23C), approval is sought from Commissioner of Income Tax or the Director General of Income Tax (Exemptions).

(b) & (c): Misuse in respect of tax exemption may be detected during the course of scrutiny proceedings. No separate data of the nature of misuse and the cases thereof is centrally maintained. In any case, if any NGO is found to have not complied with the prescribed conditions or has carried out purposes which are other than charitable as stipulated u/s 2(15) of the I.T Act, the income is considered taxable and further consequences as per the Act follow.

Information in respect of concessions extended to NGOs on account of indirect taxes is being collected and will be laid on the Table of the House.