



Giriraj Khandelwal &

Associates

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Volume 18

LAKSHYA

The monthly Newsletter

(Only for private circulation)

This newsletter covers the following:



- Compliance calendar under various laws for the month of January 2023
- Important Circulars/Notifications issued under various laws.
- Important Case Laws.
- Article on GST applicability to Charitable Trusts
- National news updates.
- Financial news from around the Globe.
- Snapshot of important financial indicators.

**“Don’t worry about failure,
you only have to be right once.”
-Drew Houston**

COMPLIANCE CALENDAR UNDER VARIOUS LAWS FOR THE MONTH OF JANUARY 2023**ESIC, PF & PT PAYMENT & PT RETURN**

Nature of Payment/Return	Period	Particulars	Due Date
ESIC Payment	Dec-22	Monthly Payment for ESIC	15 th Jan 2023
Provident Fund Payment	Dec-22	Monthly Payment for Provident Fund	15 th Jan 2023
Provident Fund Return	Dec-22	Monthly Return for Provident Fund	25 th Jan 2023
Professional Tax Payment	Dec-22	Monthly Payment for Professional Tax Deducted	31 st Jan 2023
Professional Tax Return	Dec-22	Return filling for taxpayers liable to file monthly return	31 st Jan 2023

INCOME TAX

Form/Challan	Period	Particulars	Due Date
ITNS 280/281	Dec-22	Monthly Payment of TDS/TCS	7 th Jan 2023
ITNS 282	Dec-22	Monthly payment of securities transaction tax & commodities transaction tax	7 th Jan 2023
Form 16B	Nov-22	Issuance of TDS certificate in relation to challan cum statement filed in Form 26 QB u/s 194-IA	14 th Jan 2023
Form 16C	Nov-22	Issuance of TDS certificate in relation to challan cum statement filed in Form 26 QC u/s 194-IB	14 th Jan 2023
Form 16D	Nov-22	Issuance of TDS certificate in relation to challan cum statement filed in Form 26 QD u/s 194-M	14 th Jan 2023
Form 24G	Dec-22	TDS/TCS paid without the production of a challan by an office of government	15 th Jan 2023
Form 27EQ	Oct-Dec 22	Quarterly statement of TCS	15 th Jan 2023
Form 15CC	Oct-Dec 22	Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers)	15 th Jan 2023
Form 15G/15H	Oct-Dec 22	Furnishing of Form 15G/15H declarations received	15 th Jan 2023
Form 27D	Oct-Dec 22	TCS certificate in relation to challan cum statement filed in Form 27EQ	30 th Jan 2023
Form 26 QB	Dec-22	Deposit of TDS under section 194-IA (Transfer of immovable property)	30 th Jan 2023
Form 26 QC	Dec-22	Deposit of TDS under section 194-IB (Payment of rent by certain individual/HUF)	30 th Jan 2023

Form 26 QD	Dec-22	Deposit of TDS under section 194-M (Payment to resident for carrying out any work in pursuance of contract or by professional fees)	30 th Jan 2023
Form 26Q	Oct-Dec 22	Quarterly return of TDS	31 st Jan 2023
	Oct-Dec 22	Quarterly return of non-deduction at source by a banking company from interest on time deposit	31 st Jan 2023
Form 3CEAC		Furnishing of report in respect of international group by a resident constituent entity of an international group whose parent is non-resident	31 st Jan 2023

GOODS & SERVICE TAX

GSTR-Form	Particulars	Tax Period	Due Date
GSTR-7	Monthly Return by TDS Deductor	Dec-22	10 th Jan 2023
GSTR-8	Monthly return by e-commerce operators liable to collect TCS	Dec-22	10 th Jan 2023
GSTR-1/ GSTR-1 IFF	Details of Outward Supplies for taxpayers liable to file monthly returns	Dec-22	11 th Jan 2023
	Details of Outward Supplies for taxpayers who Opted for QRMP scheme	Dec-22	13 th Jan 2023
GSTR-6	Monthly Return by Input Service Distributor	Dec-22	13 th Jan 2023
CMP-08	Quarterly payment for Composition dealers	Oct-Dec 22	18 th Jan 2023
GSTR-3B	Taxpayers opted for monthly returns	Dec-22	20 th Jan 2023
GSTR-5	Monthly Return by Non-Resident Foreign Taxpayers	Dec-22	20 th Jan 2023
GSTR-5A	Monthly Return by Non-Resident OIDAR Service Provider	Dec-22	20 th Jan 2023

IMPORTANT NOTIFICATIONS & CIRCULARS

A. CBDT Notifications & Circulars

1) Deduction of tax at source income-tax deduction from salaries u/s 192 of the Income Tax Act 1961.

CBDT Vide Circular No. 24/2022 has released the rates for deduction of Income-tax from the payment of income chargeable under the head "Salaries" during the financial year 2022-23 and explains certain related provisions of the Act and Income-tax Rules, 1962.

To view the Circular, [click here](#)

2) Partial relaxation with respect to electronic submission of Form 10F by select category of taxpayers in accordance with the DGIT (Systems) Notification No. 3 Of 2022.

CBDT Vide notification dated 12th December 2022 stated that the Non-Residents taxpayers not having PAN who are required to furnish Form 10F are exempted from the filing of Form 10F electronically till 31st March 2023. Such category of taxpayers can make statutory compliance of filing Form 10F till 31st March 2023 in manual form.

To view the Circular, [click here](#)

B. CBIC Notifications & Circulars

3) CBIC Clarification on various issues pertaining to GST regime.

CBIC Vide Notification No. 186/18/2022 dated 27th December 2022 has given clarification on certain issues with respect to taxability of No Claim Bonus offered by Insurance companies; and applicability of e-invoicing w.r.t an entity.

To view the Notification, [click here](#)

4) CBIC has prescribed the manner of filing an application for refund by unregistered persons

CBIC Vide Circular No. 188/20/22 has prescribed the manner filing an application for refund by unregistered persons under subsection (1) of section 54 of the CGST Act in the cases where the unregistered buyer had entered into an agreement/ contract and had paid the applicable taxes, however, due to several factors, the contract got canceled and the time limit for issuance of credit note has expired as per the Act. As per the notification, such unregistered buyers can now file refund claim in FORM GST RFD-01. Example of such situations are where unregistered buyers have entered into an agreement with a builder for supply of services in relation to construction of flats or in cases of long-term insurance policies where the premium of the entire period of policy is paid upfront along with applicable GST and subsequently such contracts/policies get cancelled due to several reasons.

To view the Circular, [click here](#)

5) **Circular No. 187/19/2022-GST - Clarification regarding the treatment of statutory dues under GST law.**

CBIC Vide Circular No. 187/19/2022-GST dated 27th December 2022 has given clarification regarding the treatment of statutory dues under GST law in respect of the taxpayers for whom the proceedings have been finalized under Insolvency and Bankruptcy Code, 2016.

To view the Circular, [click here](#).

6) **Notification no. 15/2022- Central Tax (Rate) - Amendment in notification No. 12/2017-Central tax (rate), dated 28-6-2017 in relation to CGST exempt services.**

CBIC Vide Circular No. 15/2022 -Central Tax (Rate) has against S. No. 12, in column (3), after the entry, has inserted an explanation in relation to services by way of renting of residential dwelling to a registered person.

To view the Notification, [click here](#)

7) **Notification no. 26/2022 - Central Tax - Central goods and services tax (fifth amendment) rules, 2022.**

CBIC has amended/substituted/inserted the following Rules & Forms.

AMENDMENT IN RULES 8, 9, 12, 37, 46, 46A, 59, 87, 89, 108, 138, 161, FORM GST REG-01, FORM GST REG-17, FORM GSTR-1, FORM GST RFD-01, FORM GST APL-02 AND FORM GST DRC-25;

INSERTION OF RULES 37A, 88C, 109C, FORM GST APL-01/03 W AND FORM GST DRC-01B;

SUBSTITUTION OF RULE 109, FORM GST REG-19 AND FORM GST DRC-03.

To view the Notification, [click here](#)

8) **Circular No. 183/15/2022 - GST: CBIC issued clarification to deal with difference in Input Tax Credit (ITC) availed in form GSTR-3B as compared to that detailed in FORM GSTR-2A for FY 2017-18 and 2018-19.**

CBIC Vide Circular No. 183/15/2022 hereby has given clarification with respect to different scenarios faced by the suppliers in relation to discrepancies between the amount of ITC availed by the registered persons in their FORM GSTR-3B and the amount as available in their FORM GSTR-2A during FY 2017-18 and FY 2018-19.

To view the Circular, [click here](#)

9) **Circular No. 184/16/2022 - Clarification on the entitlement of input tax credit where the place of supply is determined in terms of the proviso to sub-section (8) of section 12 of the Integrated Goods and Services Tax Act, 2017.**

CBIC Vide Circular No. 184/16/2022 hereby has given clarification in relation to availability of input tax credit of IGST, place of supply & type of supply in relation to supply of services by

way of transportation of goods, including by mail or courier, where location of the supplier as well as the recipient of services is in India.

To view the Circular, [click here](#)

10) Circular No. 185/17/2022- Clarification with regard to applicability of provisions of section 75(2) of Central Goods and Services Tax Act, 2017 and its effect on limitation.

CBIC Vide Circular No. 185/17/2022 clarification regarding the time limit within which the proper officer is required to re-determine the amount of tax payable considering notice to be issued under sub-section (1) of section 73.

To view the Circular, [click here](#)

C. Charity Commissioner - Maharashtra Notifications & Circulars

11) Issuance of copies of documents

Charity Commissioner Vide Circular No. 600/2022 has prescribed that the issuance of copies of documents filed in the proceedings such as certified copies of judgement, deposition, evidence or any document can be obtained by the concerned advocates or litigants under Right to Information Act.

To view the Circular, [click here](#)

IMPORTANT CASE LAWS

1. ITO Vs BHAJ Hospital Trust.

Appeal Number: ITA No.763/Del/2011

Date of Ruling: 08/12/2022

Judicial Level & Location: Income tax Appellate Tribunal Delhi

Section Reference Number: 11,12 & 13

Sec.11 exemption allowable on donation made out of commercial concern's 'unsecured loan'.

FACTS

The assessee is a trust, established with the object of establishing and maintaining hospitals in India for the benefit of public in general without any distinction for philanthropic and not for profit. The trust has been registered u/s 12A and 80G of the Act.

During AY 2007-08 it claimed expenditure of Rs.13.65 Cr being donation made to a related entity (Dr. Bhai Mohan Singh Foundation) registered under Section 12A. The ld. AO disallowed the application of Rs.13.65 Cr claimed as expenditure on the premise that the source of donation made to related concern was the unsecured loan procured from M/s Oscar Pharmaceuticals Pvt. Ltd and stated that the said activity cannot be considered as charitable and the same is violative of Section 13(3)(a) and object of the trust.

The assessee preferred the matter to CIT (A). The CIT (A) was convinced by the assessee and deleted the addition of Rs. 13.65 cr.

Further the department preferred an appeal before the ITAT.

HELD AS UNDER

ITAT held that the expenditure on donation made to sister concern/trust out of the unsecured loan taken from a private company is not prohibited under Section 13.

Accordingly, ITAT relied on coordinate bench ruling wherein it was accepted that procuring loan of Rs.13.65 Cr and utilizing the same in making donation to sister concern was considered as donation from one charitable trust to another charitable trust which is not prohibited in law. Therefore, the appeal of the revenue was dismissed.

Note:

In Finance Act 2022, a new section 13(10) was introduced which specifically does not allow any expenditure done from any loan and borrowing as an application of income. The application of income will be allowed only at the time of repayment of the actual loan or borrowing.

2. The Commissioner of Income Tax Vs Santshreshtha Gajanan Maharaj Sevabhavi Sanstha

Appeal Number: ITA No. 2004PUN/2019

Date of Ruling: 06/12/2022

Judicial Level & Location: Income tax Appellate Tribunal Pune

Section Reference Number: 80G(5)(vi), 80G(5B) & 80G

Sec.80G recognition allowable as Trust not 'substantially religious'

FACTS

The assessee is a trust, registered under Section 12AA, undertaking charitable activities such as school for poor children, gaushala, old age home etc. The assessee applied for registration under Section 80G(5)(vi).

The assessee received the grant of Rs. 13.50 Cr from Shri Ganapati Devasthan Trust to be used for construction and maintenance of a temple of Gajanan Maharaj. However, the construction and maintenance of temple was not included in the objects of the trust and therefore the revenue contended that the assessee trust has not carried out its activities as per its objects. Thus, the CIT (E) rejected Assessee's application for grant of exemption under Section 80G(5)(vi). Aggrieved by the said, assessee preferred an appeal before the ITAT.

HELD AS UNDER

ITAT observed that the Assessee is established in India, for charitable purpose and has a registration under Section 12AA.

ITAT stated that once registration has been granted to a charitable trust under Section 12AA then the question whether the trust is for charitable purpose or not itself does not arise since the said registration is being granted only after the concerned authorities are satisfied regarding the charitable objects of the trust and genuineness of the activities conducted by the trust for charitable purposes.

ITAT noted that assessee as on date had not constructed any temple and only intended to construct the temple and that the assessee intended to approach the concerned Commissioner for necessary amendments in the object clauses of the trust deed. It opined that, *"as on date, the Assessee has only performed activities of a charitable nature and the department is satisfied about the charitable nature of the trust because of which the Id. CIT (Exemption) has already granted registration u/s 12AA of the Act to the assessee"*; factually distinguished Delhi HC ruling in Kirti Chand Tarawati Charitable Trust, by observing that the trust in the aforementioned case had mainly used the funds for construction of religious temple and no charitable activity was carried out.

ITAT additionally said that the department being a quasi-judicial authority, was required to arrive at the conclusion which are supported by valid and cogent reasons and the officer should have applied his mind to the facts of the case.

Tribunal relied on Andhra Pradesh HC ruling in Tirumala Tirupati Devasthanam, Punjab & Haryana HC in Christian Medical College and held that if Trust/Institution incurs expenses for religious purposes which is inclusive and is only a small part of the income, and if the substantial work done by the trust is charitable in nature benefitting the public at large then the institution or trust has to be granted exemption u/s 80G. Thus, ITAT set aside CIT(E) order rejecting the exemption under Section 80G

3. Mumtaz Abdul Aziz Vs ITO

Appeal Number: ITA No. 1669/MUM/2022

Date of Ruling: 21/12/2022

Judicial Level & Location: Income tax Appellate Tribunal Mumbai

Section Reference Number: 147 & 148

Claim of housing loan interest by legal owner's son, cannot shift capital gain taxability.

FACTS

The Assessee had purchased a house property in the year 2009 in her name however the entire purchase consideration was paid by her son. Further, the same property was sold in the year 2010 and the entire sale proceeds was received by her son in his bank account. The assessee contended that she was not the legal owner of the property as her son had paid the entire purchase consideration and also received the entire sale consideration. Further, her son had claimed the interest paid on housing loan as deduction. She claimed that due to the above reasons, she is not the legal owner of the house property & hence not liable to pay any capital gains tax on the sale of property. She argued that her son is the owner of the property, and her name was only used for convenience. The AO did not agree with her contentions & made an addition of Rs. 10,75,000/- in the income of the assessee. On appeal, the CIT (A) also upheld the addition. The assessee preferred an appeal before the ITAT.

HELD AS UNDER

ITAT observed that Assessee is the legal owner of the property since it was sold and purchased in the name of the Assessee.

Thus, it opined that in absence of any other evidence the same shall be required to be taxed under the head capital gain in the hands of the assessee and it dismissed assessee's submission that the property was purchased and sold by Assessee's son and her name was only used for convenience.

ITAT further observed that there is no evidence that the Assessee's son had declared any capital gain on the transactions. Furthermore, it explained that merely because interest of the housing loan on the said property was claimed by the assessee's son in his computation of income it does not make him the owner of the property.

ITAT dismissed Assessee's appeal and upheld the addition made on account of short-term capital gain earned from sale of property.

GST IMPACT ON ACTIVITIES UNDER TAKEN BY CHARITABLE ENTITIES

**“Charity is the root of all good works”
- Saint Augustine.**

Introduction

Taxation of activities of charitable trusts has been carried over from erstwhile Service tax legislative provisions. In whole, all services provided by such entities are not exempt. There are many activities which fall under the ambit of GST that are provided by charitable entities.

There are so many charitable and religious institutions in India with the objective of promoting education, orphanages, child and women protection, religious activities and social welfare. These organizations are not aimed at generating revenue directly but earn revenue through the incidental objects which are directly or indirectly related to the main objects. Taxability of charitable entities has to be decided based from the viewpoint of services such entity provides or undertakes.

Taxable event under GST arises when a person undertakes supply of goods or services. To consider the activity as supply, it has to satisfy business test specified under Section 2(17) of the CGST Act, 2017 and also definition of supply provided under Section 7 of the CGST Act, 2017. Section 2(17) of CGST Act, 2017 clearly states that for an activity to be considered as business, profit making shall not be prerequisite criteria. Considering the same any activity without profit motive will also be considered as business transaction.

As per section 7(1) of the CGST Act, supply includes all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease, or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business. To constitute a transaction as supply conditions like the activity shall be for a consideration, it shall be conducted during the course or furtherance of business and the same shall be taxable activity. Further the activities enumerated in Schedules I & II relating to the CGST Act 2017 will qualify as supply even if it is made without consideration and not in the course of business.

Depth of charitable activities to be undertaken

The term charitable activities have an exhaustive meaning. The same is being discussed below:

Charitable activities means activities relating to :

Public health by way of, -

A. care or counselling of

- i. terminally ill persons or persons with severe physical or mental disability.
- ii. persons afflicted with HIV or AIDS.
- iii. persons addicted to a dependence-forming substance such as narcotics drugs or alcohol; or

B.

- i. public awareness of preventive health, family planning or prevention of HIV infection.
- ii. advancement of religion, spirituality or yoga;
- iii. advancement of educational programmes or skill development relating to,-
 - a. abandoned, orphaned or homeless children;
 - b. physically or mentally abused and traumatized persons;

- c. prisoners; or
 - d. persons over the age of 65 years residing in a rural area;
- iv. preservation of environment including watershed, forests, and wildlife.

From the reading of the above matter, it is elucidated that the exemption from levy of GST is available only if entity provides the services stated above. Further care shall also be taken that the income from only those activities listed above is exempt from GST, income from the activities other than those mentioned above are taxable under GST.

Levy of GST on other ancillary services provided/received by charitable entities:

Various activities performed/received by charitable entities without profit motive will be analysed from GST view which has been discussed below:

a) Educational Services (including services rendered by charitable trusts):

Educational services with certain conditions have been exempted in CGST Notification No. 12/ 2017 (Rate), dated 28/6/2017 as amended via CGST Notification No. 2/ 2018 (Rate), dated 25/01/2018. This exemption consists of various services provided and received by Non-profit making entities. Entry 66 of Mega Exemption Notification contains the following exempted activities provided by institution to:

- a) its students, faculty and staff,
- b) Students in relation to entrance examination against consideration in the form of entrance fee,
- c) an educational institution, by way of:
 - Transportation of students, faculty and staff;
 - Catering, including any mid-day meals scheme sponsored by the Central Government, State Government, Union Territory;
 - Security or cleaning or house-keeping services performed in such educational institution;
 - Services relating to admission to, or conduct of examination by, such institution;
 - Supply of online educational journals or periodicals;

Educational Institution for the levy of GST has been defined as an organisation providing educational services of Pre-school, Higher education and Institutions recognised by law.

b) Importation of services by charitable trust:

As per the entry no. 10 of Notification no. 9/2017 - Integrated Tax (Rate) dated 28/06/2017, in case of charitable trusts registered under Section 12AA of Income-tax Act, receives any services from a service provider located in non-taxable territory, for charitable purposes, then such services received by trust are not chargeable to GST under the reverse charge mechanism.

c) GST on running of public libraries by charitable trusts

As per entry No. 50 of Notification No. 12/2017- Central Tax Rate which is applicable for everyone, including charitable trusts services of public libraries by way of lending of books, publications or any

other knowledge-enhancing content or material are exempt from GST. Thus, no GST will be applicable if charitable trusts are running public libraries and lend books, other publications or knowledge enhancing content/material from their libraries. Thus, if doors of public library remain open to all and if it caters to educational, informational and recreational needs of its users and finance for such libraries can be provided from donation, subscription, from special fund created for this purpose or from combination of all such sources, it will be called public library and no GST will be applicable on such services.

d) Donations Received:

Donations to charitable trusts are not considerations and, thus, not chargeable to GST unless trust is obligated to provide something in return (e.g., display or advertise the name of donor in a specified manner or such that it gives a desired advantage to the donor).

Accordingly, donations received by charitable trusts for religious ceremonies with specific instructions to advertise the name of a donor will be subject to GST. If donation for religious ceremony is received without such instructions, it would not be subject to GST in the absence of any consideration.

e) Renting Services:

Exemption for renting services been provided through CGST Notification No. 12/ 2017 (Rate), dated 28/06/2017, Serial No. 12 which related to services by way of renting of residential dwelling for use as residence. However, for renting service, there is another exemption entry at Serial No. 13 for Non-profit organizations, which reads as follows:

Services by way of:

- conduct of any religious ceremony,
- renting of precincts of a religious place meant for general public, owned or managed by an entity registered as a charitable or religious trust under section 12AA of the Income-tax Act, 1961 or a trust or an institution registered under sub clause (v) of clause (23C) of section 10 of the Income-tax Act or a body or an authority covered under clause (23BBA) of section 10 of the said Income-tax Act.
- Provided that nothing contained in entry (b) of this exemption shall apply to,
 - Renting of rooms where charges are one thousand rupees or more per day.
 - Renting of premises, community halls, Kalyan mandapam or open area, and the like where charges are ten thousand rupees or more per day.
 - Renting of shops or other spaces for business or commerce where charges are ten thousand rupees or more per month.

f) Training or coaching in recreational activities:

Entry No.80 of Notification No.12/2017-Central Tax (Rate), provides the following exemption to an entity registered under Section 12AA.

Services by way of training or coaching in recreational activities relating to:

(a) arts or culture, or

(b) sports by charitable entities registered under section 12AA of the Income-tax Act.

Thus, services provided by way of training or coaching in recreational activities relating to arts or culture or sports by a charitable entity/trust will be exempt from GST.

g) GST on supply of goods by charitable trusts

All goods other than those specifically exempt, supplied by any charitable or religious trust against consideration in any form including donation are liable to GST.

Applicability of threshold exemption to Trusts

After deciding the taxability of the supplies by charitable trust under the GST Law it is very important to discuss on applicability of threshold exemption in respect of aggregate turnover in respect of obtaining registration and payment of tax by trusts. Even if the services provided by trusts are taxable, GST need not be charged by trusts if its aggregate turnover does not exceed the prescribed amount.

As per section 22(1) of the CGST Act 2017, every supplier shall be liable to be registered under this Act in the State or Union territory, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds Rs. 20 lakhs (Rs. 10 lakh for special category States).

Meaning of aggregate turnover

The term aggregate turnover is defined under Section 2(6) of the CGST Act, 2017. According to said Section 'Aggregate turnover' means value of all outward supplies (taxable supplies + exempt supplies + exports + inter-State supplies) of a person having the same PAN and computed on all India basis excluding central tax (CGST), State tax (SGST), Union territory tax (UTGST), integrated tax (IGST) and compensation cess.

Also, the value of inward supplies on which tax is payable under reverse charge is not taken into account for calculation of aggregate turnover.

Let us understand the same with the help of some examples:

Example 1:

Suppose a Trust is wholly engaged in supply of exempt services and its annual receipt is Rs. 50 lakhs which exceeds threshold limit of Rs. 20 lakhs. As this entire turnover is exempt supply, in light of section 23(1)(a) of the CGST Act, 2017 there will be no requirement to obtain registration and pay tax.

Example 2:

Suppose a Trust is engaged in exempt supplies as well as taxable supplies and annual receipts from such supplies being Rs.50 lakhs and Rs. 5 lakhs respectively. In this case the benefit of Section 23(1)(a) of the CGST Act, 2017 cannot be taken. As the aggregate turnover of the Trust is Rs. 55 lakhs which breaches the threshold limit of Rs. 20 lakhs, such Trust would be required to obtain registration and pay GST on the taxable supplies.

Conclusion

There are many other activities in which charitable trusts work, the taxability of those activities will be dealt with on case-to-case basis. However, it is crystal clear that all the activities of charitable and religious trusts are not exempted from taxability under GST. The taxability of activities of charitable and religious trusts registered under Section 12AA of Income Tax Act 1961, would be determined in below manner:

1. Firstly, check whether the activities are falling within the meaning of Charitable activities as per GST Act or not.
2. Secondly, if the activities are not falling within the meaning of charitable activity, check whether any specific exemption exists under GST law regarding the taxability of such activities.
3. Finally, if no specific exemption exists, the activities are taxable under GST assuming that all other conditions for making it a supply as per Section 7 persists.

Considering the development in the country's economic and social environment the corporates as well as the citizens are more attracted and focused towards helping the needy and the poor. As a result, there has been a substantial growth in the number of trusts and NGO registration on a PAN India basis.

However, while providing the helping hand towards the poor and needy care shall be taken that the compliances of the various laws such as Income tax, Charity Commissioner, Goods and Service Tax and FCRA shall also be considered by the charitable trusts because compliance of law is also a charity/help towards the country. Moreover, the cost of compliance has always been lesser than the cost of non-compliance.

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Disclaimer: The views, information, or opinions expressed in this article are solely those of the authors and do not necessarily represent those of Giriraj Khandelwal & Associates and its employees.

NATIONAL NEWS UPDATES

1. The gross GST revenue collected during December 2022 is Rs.1,49,507 crores, of which CGST is Rs. 26,711 crores, SGST is Rs.33,357 crores, IGST is Rs.78,434 crores (including Rs.40,263 crores collected on import of goods), and Cess is Rs. 11,005 crores (including Rs. 850 crores collected on import of goods).
2. The Central Board of Indirect Taxes and Customs on 26th Dec 2022 concluded that there is no proposal before the government to lower the threshold limit to ₹5 crore for mandatory generation of e-invoices from January 1st 2022 , currently it is mandatory to generate an electronic invoice for all B2B transactions for the businesses with turnover of ₹10 crore and above.
3. Slum area of Dharavi got approval for the purpose of redevelopment project from the Maharashtra Cabinet for ₹5,069-crore by the way of bidding to Adani group.
4. It is mandatory for all PAN holders, who do not fall under the exempt category, to link their PAN with Aadhaar before 31.03.2023 otherwise the PANs which are not linked with Aadhaar by the end of March 2023 will be deemed inoperative.
5. Drone Acharya Aerial Innovations got listed at ₹102 on BSE, an 88.89% premium over its issue price of ₹54.
6. The International Monetary Fund (IMF) projected India's inflation to be at 6.9% in FY 2023-24.
7. Letter of Award has been issued by Indian Railways for manufacturing and maintenance of about 1,200 high-horsepower electric locomotives to Siemens and the estimated value of the contract is about ₹26,000 crore, excluding taxes and price variation as per the data provided by government.
8. RBI Governor C. Rangarajan stated that, India needs more than two decades of strong growth rate of 8%-9% to be classified as a developed country.
9. Gautam Adani will now have control 64.71% stake in NDTV, as the company's Founders Radhika and Prannoy Roy have decided to sell most of their shares.
10. Confederation of All India Traders (CAIT) has alleged that more than 50,000 mobile stores across India are being shut down in the last few years due to illegal practices of foreign e-commerce firms.
11. Penalties of totaling ₹45 lakh was imposed by The Securities and Exchange Board of India (SEBI) on two people for indulging in insider trading in the shares of Deepak Fertilizers and Petrochemicals Limited.

FINANCIAL NEWS FROM AROUND THE GLOBE

1. Shares of Tesla fell by 11% on 27th Dec 2022, down by more than 40% in the month of Dec 2022. Reuters, a global information, and news provider reported that production at its gigafactory in Shanghai will be reduced through January 2023.
2. The **Federal Reserve** raised its benchmark interest rate by half a percentage point, taking it to a target range of 4.25% to 4.5%. The half-point increase follows four consecutive rises of three-quarters of a percentage point. The **European Central Bank** and the **Bank of England** followed suit and also raised their key rates by half a percentage point.
3. Big tech pushed further into the world of high finance when **Microsoft** and the **London Stock Exchange** announced a strategic partnership in which the software giant will provide the bourse with cloud-computing services and take a 4% stake in the LSE and a seat on its board.
4. **Foxconn** reported a sharp drop in revenue for November, which is normally a boom time for the electronics contract manufacturer. It noted the impact that covid-19 restrictions have had on its hub in Zhengzhou, where workers have clashed with security guards over their conditions and walked out after being told they would be locked in.
5. In what it described as one of the largest-ever foreign direct investments in the United States, **Taiwan Semiconductor Manufacturing Company** announced that it would build a second chip factory in Arizona, taking the amount it is spending on both plants to \$40bn.
6. The global **airline industry** should return to profitability in 2023, according to the International Air Transport Association. It reckons total net profits will come in around \$5bn, still some way below the \$26bn racked up in 2019.
7. A decree has been signed by Russian President Vladimir Putin that bans the supply of oil and oil products to nations participating in imposing price cap fixing from February 1, 2023, until July 1, 2023.
8. As per the Financial Times report, Adidas has been unable to sell its inventory of Yeezy sneakers which amounts to nearly \$500 million after cutting ties with rapper-designer Kanye West.
9. World's biggest chip buyer country China has been notified by several new trade restrictions on the export of semiconductor equipment by America.
10. Apple, which makes most of its gadgets in China, is steadily shifting new production to India and Vietnam.
11. The Qatar Investment Authority (QIA), the country's sovereign-wealth fund which is located in Doha Qatar Middle East, contributed €2.4bn of cash for the deal with RWE and will henceforth own 9% of RWE AG an German multinational energy company.

SNAPSHOT OF THE FINANCIAL MARKETS

- Rupee has depreciated a bit in the month of Dec 2022 against USD, on 30th Nov 2022 the rupee had settled at **Rs. 81.31/-** against the closing value of **Rs. 82.75 /-** on 31st Dec 2022.
- The summary of Indices is as follows:

Indices	Nov 2022 (Closing Value)	Dec 2022 (Closing Value)	Percentage change during the month
NIFTY 50	18,759	18,105	(3.48%)
SENSEX	63,100	60,841	(3.58%)
BANK NIFTY	43,231	42,987	(0.56%)

- The summary of performance of global indices the has been given below:

Indices	Nov 2022 (Closing Value)	Dec 2022 (Closing Value)	Percentage Change during the month
NASDAQ COMPOSITE	11,468	10,467	(8.72%)
NIKKEI 225	27,969	26,095	(6.70%)
SHANGHAI	3,152	3,090	(1.96%)
DAX	14,397	13,924	(3.28%)
KOSPI	2,473	2,236	(9.58%)

- The summary of performance of various crypto currencies have been given below:

Crypto's	Nov 2022 (Closing Value) IN USD	Dec 2022 (Closing Value) IN USD	Percentage Change during the month
BITCOIN	17,169	16,570	(3.48%)
ETHEREUM	1,296	1,197	(7.63%)
DOGECOIN	0.106860	0.070	(34.49%)

- The brent crude oil rate per barrel has seen a gradual decrease in the month of December 22. On 30th Nov 2022 the rates had settled at \$86.63/- while on 31st Dec 2022 the rates were \$ 85.65/-.

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