

Premal Gandhi

The debate whether the Charitable Institutions registered under the Income-tax Act 1961 under the various sections are doing genuine charity and therefore requiring these exemptions or a being used as colorful device to masquerade business objects and to claim the exemptions and to evade taxes by certain individuals on their business objects. This debate has unfortunately become very loud in the last decade and the Government has been putting pressure on the CBDT to come out various regulations to ensure that the exemptions are given to genuine cases only. In fact, the CAG has recently done a performance Audit of Exemptions to Charitable Trusts & Institutions tabled in the Parliament on 8th August 2022 mentioned “These entities receive donation, voluntary contributions and have other incomes from activities which are charitable in nature. The receipts of such entities are required to be applied for the objects for which these Trusts and Institutions .....