Commissioner of Income Tax (Exemptions), Chandigarh v. Tibetan Children's Village, Dal Lake

ITAs 28, 29, 30, 31 and 32/2019; ITA 1/2020

ITA 28-32/2019 and 1/2020 | 2023-08-22

Charitable funds: change-of-opinion reassessment and unchallenged utilisation findings

11 | 12(1) | 13 | 147 | 148 | 260A

High Court of Himachal Pradesh | Shimla | M.S. Ramachandra Rao | Ajay Mohan Goel

Assessment years: 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10

01 FACTS OF THE CASE

Six Revenue appeals concerned Tibetan Children's Village for AY 2004-05 through AY 2009-10 and its Funds Pending Utilization. For the first two years, reopening treated earmarked funds as receipts giving rise to an application shortfall, although their nature had been examined in regular assessment. For the later four years, appellate findings recorded charitable spending above 85% and deleted the alleged shortfall additions.

Source: PDF pp.3–10, paras1–12

02 DISCUSSION BY THE HON'BLE COURT

For AY 2004-05 and 2005-06, the Court applied Kelvinator, ICICI Securities and Techspan: the same material already examined could not sustain reassessment through a mere change of opinion. For AY 2006-07 through 2009-10, it upheld the concurrent factual findings of sufficient charitable utilisation, which Revenue had not displaced with evidence. It found no substantial question of law or perversity warranting interference.

Source: PDF pp.10–14, paras13–21

03 JUDICIAL DECISION

All six Revenue appeals and pending applications were dismissed; no costs. The earlier-year reassessment relief and later-year deletion of additions therefore remained undisturbed.

Source: PDF p.14, paras21–22

04 OUTCOME / IN WHOSE FAVOUR

Final assessee-favourable dismissal on two different grounds for the two groups of years. The judgment does not establish that every earmarked fund is automatically corpus or that a balance-sheet label alone satisfies the charitable-exemption conditions.

Source: PDF pp.10–14

05 EXPERT COMMENTS

Separate the reopening issue from the exemption computation — The earlier-year result rests on prior examination of the same earmarked funds. The recorded questionnaire, explanation and supporting letters show why the subsequent reassessment was a change of opinion. This is stronger and narrower than assuming that silence in any assessment order proves consideration of every issue. Preserve the original enquiry and reply when assessing whether a later reopening merely revisits an existing opinion.

For later years, the evidence of utilisation carries the result — The Court relied on findings that charitable spending exceeded 85%, including the relevant funds, and that Revenue supplied no material to displace them. The words Funds Pending Utilization did not themselves confer exemption. A comparable claim requires reconciliation of receipts, application, balances and charitable purpose; a label cannot substitute for the factual computation that survived appellate scrutiny here.

Keep six dockets and their distinct routes visible — Paragraph 1 maps AY 2004-05 to ITA 1/2020,2005-06 to 28/2019,2006-07 to 31/2019,2007-08 to 29/2019,2008-09 to 30/2019 and 2009-10 to 32/2019. Later passages have uneven cross-references; that express opening mapping controls this note. The first two years concern reopening, while the later four turn on utilisation findings. Combining them into a single universal corpus-donation ruling would erase the basis of decision.

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

Himachal Pradesh High Court common judgment; verified source copy

Complete source PDF reviewed: 14 physical pages.

All 14 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

Sections and disposition are recorded only to the extent stated in this source order.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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