United Education Society v. Chief Commissioner of Income Tax

WP No. 42179 of 2012

W.P. No. 42179/2012 (High Court of Karnataka, 2013-03-13) | 2013-03-13

Educational exemption refusal sustained where donation powers and possible non-educational use remained unexplained.

10(23C)(vi)

High Court of Karnataka | Single Judge | Justice Ram Mohan Reddy

Assessment years:

Scope of this order

The refusal of approval under section 10(23 C)(vi) remained effective.

01 FACTS OF THE CASE

United Education Society challenged rejection of its Form 56 D application dated 26 September 2011 by the Chief Commissioner's order of 28 August 2012. Its rules permitted pupil donations under Executive Committee discretion.

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02 DISCUSSION BY THE HON'BLE COURT

The Court considered the unexplained scope of donation collection and use, including the state capitation-fee law and the possibility of non-educational application. The Society supplied no satisfactory material explanation of those powers.

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03 JUDICIAL DECISION

The writ petition was rejected as without merit.

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04 OUTCOME / IN WHOSE FAVOUR

The refusal of approval under section 10(23 C)(vi) remained effective.

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05 EXPERT COMMENTS

The constitutional documents required an explanation — The judgment focuses on donation clauses and discretionary application, not merely the presence or absence of accounting profit in prior years.

Do not overstate the donation proposition — The facts involve pupil donations, the cited capitation-fee statute and unexplained executive discretion. The judgment should not be reduced to a universal bar on every voluntary donation.

Distinguish the pleaded case from the Court's conclusion — The Society relied on an absence of monetary profit. The Court nevertheless sustained the authority because the disputed powers and their use were not adequately explained.

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SOURCE & VERIFICATION

Primary High Court order - verified local repository copy

Complete 6-page supplied source; all pages read.

Complete source text and every original page visually reviewed; identity and SHA-256 checked. AI-assisted source analysis.

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All 6 physical source pages read and visually inspected. SHA-256: ee0d62b2b8b10eee9abc2823187450d6c1ee109da3efa471888620fec60e278f.

STATUTORY SCOPE

Only source-supported provisions are indexed; no Income-tax Act, 2025 equivalence is asserted.

LATER TREATMENT

Source checked 2026-10-21. Subsequent judicial treatment has not been 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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