IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 16-04-2026

CORAM

THE HONOURABLE DR JUSTICE G. JAYACHANDRAN
AND
THE HONOURABLE MR.JUSTICE R.SAKTHIVEL

T.C.A.No.50 of 2014

Commissioner Of Income Tax,
Coimbatore. … Appellant

Vs.

V.Rangasamy Naidu Education Trust,
C.I.T Campus,
Civil Aerodrome,
Coimbatore - 641 014. … Respondent

Prayer: Appeal under Section 260A of the Income Tax Act, 1961, against the order of the Income Tax Appellate Tribunal, Madras 'C' Bench, dated 11.06.2013 in ITA No.1251/Mds/2012.

For Appellant: Mr.J.Narayanaswamy,
Senior Panel Counsel
For Respondent: No appearance

J U D G M E N T

(Order of the Court was made by G.Jayachandran J.)

When the matter came up for consideration before us on 09.03.2026, the Learned Counsel on either side were present.

2. The Learned Counsel appearing for the Department submitted that there cannot be retrospective renewal of exemption under Section 80G and this issue is covered by the judgment of the Division Bench of this Court rendered in ***Commissioner of Income Tax vs. Karandhai Tamil Sangam, dated 21st January 2026.***

3. For response, the Learned Counsel for the appellant took time and the matter was adjourned to 18.03.2026. Thereafter, when the matter came up for consideration on 06.04.2026, the Learned Counsel for the respondent sought further adjournment. Hence, the matter is adjourned and listed today.

4. Today i.e., 16.04.2026, when the matter taken up for consideration, there is no representation for the respondent.

5. The Learned Counsel for the Department/appellant submitted that the respondent Trust got exemption under Section 80G upto 31.03.2007. Thereafter, there was no renewal of exemption after lapse of three years. On 08.09.2011, the application made for extension of exemption under Section 80G and the same was rejected by the Commissioner of Income Tax on 29.03.2012.

6. Aggrieved by the rejection order, the respondent preferred an appeal before the ITAT, stating that the Managing Trust, who was dealing with the affairs of the trust was terminally ill during the relevant period and therefore the application for extension could not be done within time. It is further pleaded that, due to the death of the said Managing Trustee, the new trustees filed an application for exemption under Section 80G of Income Tax Act.

7. The ITAT, being satisfied with the request, had granted exemption with retrospective effect from 01.04.2007. This order is now been agitated before this Court, stating that the statute does not provide for granting exemption under Section 80G with retrospective effect. At the most, exemption can be granted only from the date of application and it cannot be pre-dated.

8. In support of the said submission, the Learned Counsel for the appellant circulated the Division Bench judgment of this Court in ***Commissioner of Income Tax vs. Karandhai Tamil Sangam, dated 21st January 2026,*** wherein it was held:

> "*19. The mere fact that there is no specific bar under Section 12AA for grant of retrospective registration would not mean that the registering authority is enabled to so grant such registration especially if the law forbade it. The bar is inherent and explicit in the statutory scheme, and Section 12A(2) inserted simultaneous with the amendment to Section 12AA(1), must be read together.*"

20. In this case, the application for registration has been filed in 2010 and hence the grant can only be prospective. The Tribunal has, in granting retrospective registration, not taken note of the law in this regard and we thus set aside the order of the Tribunal dated 09.08.2011, to this extent. The question of law is answered in favour of the Revenue and this appeal is allowed. No costs."

9. Section 12AA of Income Tax Act, which is akin to Section 80G of Income Tax Act, been dealt in the *Karandhai Tamil Sangam case (cited supra)* and the coordinate bench categorically held that the inherent power cannot be stretched to grant retrospective effect.

10. We concur with the view expressed by the coordinate bench in the *Karandhai Tamil Sangam case*. Any exemption sought and granted can only be with prospective effect. Lapse of four years cannot be taken lightly and the grant of exemption with retrospective effect would have grave impact for the Revenue. A person who seeks exemption must be vigil. Having failed to be vigilant and seek extension in time, the assessee cannot take advantage of its own fault and claim tax exemption.

11. As a result, the Tax Case Appeal is allowed. The order of the Income Tax Appellate Tribunal, Madras 'C' Bench, dated 11.06.2013, is hereby set aside. The exemption under Section 80G of Income Tax Act, for the respondent trust shall take effect only from 08.09.2011, the date on which the application was made.

(G.JAYACHANDRAN J.)(R.SAKTHIVEL J.)
16-04-2026

Index :Yes/No.
Neutral Citation :Yes/No.
bsm

To,
The Income Tax Appellate Tribunal, Madras.

Dr. G.JAYACHANDRAN, J.
AND
R.SAKTHIVEL, J.
bsm

TCA No. 50 of 2014

16-04-2026