

CIT(E) can't reject trust application merely due to inadvertent error of mismatch in name as appearing on PAN: ITAT

Facts of the case - Shri Balkrishna Shudhhdwait Sthanik Mahasabha vs. CIT (Exemptions) - [2023] (Surat-Trib.)

The assessee applied for registration under section 12AB in Form No. 10AB in accordance with rule 17A. The assessee furnished the necessary details when applying electronically, including a copy of the original registration, trust deed, PAN and the activities with the audited financial statements for the last two financial years.

On perusal of details of the assessee in different documents, the Commissioner (Exemption) found that the assessee's name differed from the name mentioned in the certificate of registration and financial statements.

The Commissioner (Exemption) believed that the assessee had not furnished the required details and decided to dispose of the application based on material available on record. The matter reached the Surat Tribunal.

Decision of the case :

- The Tribunal held that the basic ground of rejection of the application under section 12AB was a mismatch in the name of the assessee vis-à-vis name shown in PAN. Such mistake may be unintentional as the registration number, PAN, and the assessee's object are not in dispute.
- The application of the assessee was rejected in a mechanical way. Assessee had duly filed copy of the PAN, registration certificate granted under the provisions of the Bombay Public Trust Act . The audited financial statement also mentioned the registration number and the name of the assessee trust and PAN. The trust deed also clearly mentioned the name of the assessee-trust.
- The assessee was not given an opportunity either to explain the mismatch or to get such a mismatch corrected. Thus, the assessee deserved one more opportunity to correct its name wherever required. Accordingly, the issue was restored to reconsider the registration of the assessee under section 12AB afresh and pass the order in accordance with the law.