



called for by the Id. CIT(Exemption), which was duly submitted. The Id. CIT(E) perused the financial statements of the last four years and noticed that there were no transaction in the Technical College section. He further observed that there was huge surplus in the education society activity. The assessee was called upon vide notice dated 09-02-2021 to explain as to how such huge surplus was generated and why the activity should not be considered as 'business activity'. The Id. CIT(E) proceeded with the matter as if the assessee had no explanation to offer, after recording that the assessee did not submit any explanation, and rejected the application for grant of registration. Aggrieved thereby, the assessee has approached the Tribunal.

3. After considering the rival submissions and going through the relevant material on record, it is observed that the assessee was called upon by the Id. CIT(E) to show as to how there was huge surplus generated and why the activity should not be considered to be 'business activity. In response to this, the assessee submitted an explanation, whose copy has been placed on record. The Id. CIT(E) did not go through such submission and simply decided the matter by holding that "The applicant has not submitted any explanation in this regard. In absence of any

explanation from the applicant in this regard, there is no alternative but to presume that the applicant has no explanation to offer". In view of the fact that the assessee filed the explanation, which skipped the attention of the Id. CIT(E), we are satisfied that the impugned order cannot be upheld. We, therefore, set aside the impugned order and send the matter back to the Id. CIT(E) with a direction to decide the question of registration afresh as per law after allowing reasonable opportunity of hearing to the assessee. It is expected that the Id. CIT(E) will expeditiously dispose of the application for the registration.

4. In the result, the appeal is allowed for statistical purposes.

Order pronounced in the Open Court on 22<sup>nd</sup> June, 2022.

Sd/-  
**(S.S. VISWANETHRA RAVI)**  
**JUDICIAL MEMBER**

Sd/-  
**(R.S.SYAL)**  
**VICE PRESIDENT**

पुणे Pune; दिनांक Dated : 22<sup>nd</sup> June, 2022  
सतीश

**आदेश की प्रतिलिपि □ ग्रेषित/Copy of the Order is forwarded to:**

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent
3. The CIT concerned
4. DR, ITAT, 'B' Bench, Pune
5. गार्ड फाईल / Guard file.

**आदेशानुसार/ BY ORDER,****// True Copy //**

Senior Private Secretary  
आयकर अपीलीय अधिकरण ,पुणे / ITAT, Pune

		Date	
1.	Draft dictated on	21-06-2022	Sr.PS
2.	Draft placed before author	22-06-2022	Sr.PS
3.	Draft proposed & placed before the second member		JM
4.	Draft discussed/approved by Second Member.		JM
5.	Approved Draft comes to the Sr.PS/PS		Sr.PS
6.	Kept for pronouncement on		Sr.PS
7.	Date of uploading order		Sr.PS
8.	File sent to the Bench Clerk		Sr.PS
9.	Date on which file goes to the Head Clerk		
10.	Date on which file goes to the A.R.		
11.	Date of dispatch of Order.		

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