

**IN THE INCOME TAX APPELLATE TRIBUNAL  
HYDERABAD BENCH "B", HYDERABAD**

**BEFORE SMT. P. MADHAVI DEVI, JUDICIAL MEMBER  
AND SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER**

**ITA No. 1641/Hyd/2017  
Assessment Year: 2011-12**

Dy. CIT,  
Circle-3(1),  
Hyderabad.

vs. RCC Laboratories India  
Pvt Ltd., Hyderabad.

PAN – AADCR1813J

(Applicant)

(Respondent)

Revenue by : Smt. N. Swapna  
Assessee by : Shri P. Murali Mohana  
Rao

Date of hearing : 05-06-2018

Date of pronouncement : 05-06-2018

**ORDER**

**PER P. MADHAVI DEVI, J.M.:**

This is Revenue's appeal for the A.Y 2011-12 against the order of the CIT(A)-3, Hyderabad, dated 20.07.2017.

2. Brief facts of the case are that the assessee company, engaged in the business of pre-clinical testing of drugs, filed its return of income for the A.Y 2011-12 on 30.09.2011, admitting total income at Rs. Nil, after set off of carried forward business losses of Rs. 5,74,61,053/-. The A.O accepted the returned income of the assessee in the assessment completed u/s 143(3) of the Act.

3. Subsequently, the CIT assumed jurisdiction u/s 263 of the Act and perused the assessment records and passed an order u/s 263 of the IT Act directing the A.O to redo the assessment. Consequently, the A.O passed the assessment order u/s 143(3) r.w.s 263 of the IT Act, against which, the assessee filed an appeal before the CIT(A), who allowed the same and the revenue is in appeal before us in this appeal.

4. At the time of hearing, the Ld. Counsel for the assessee submitted that the order u/s 263 of the IT Act was challenged by the Assessee before the ITAT and the ITAT has set aside the order u/s 263 of the IT Act and consequently the order u/s 143(3) r.w.s 263 of the IT Act is to be set aside, as rightly done by the CIT(A). The copy of the order of the ITAT in ITA Nos. 459 & 1259/Hyd/2016 dated 28.04.2017 has been filed before us.

5. Taking the same into consideration, we find that the basis for the assessment order u/s 143(3) r.w.s 263 of the IT Act i.s the order u/s 263 of the IT Act has been set aside by the Tribunal, and therefore the consequential assessment order cannot be sustained. In view of the same, we see no reason to interfere with the order of the CIT(A). Accordingly Revenue's appeal is dismissed.

6. In the result the appeal filed by the Revenue is dismissed.

Pronounced in the open court on 05<sup>th</sup> June, 2018.

Sd/-  
**(S. RIFAUR RAHMAN)**  
**ACCOUNTANT MEMBER**

Sd/-  
**(P. MADHAVI DEVI)**  
**JUDICIAL MEMBER**

Hyderabad, Dated: 05<sup>th</sup> June, 2018

*KRK*

- 1) *RCC Laboratories Ind Pvt Ltd., Genome Valley, Turkapally, Shameerpet Mandal, Hyderabad-78.*
- 2) *Dy. CIT, Circle-3(1) Hyderabad.*
- 3) *CIT(A)-3, Hyderabad*
- 4) *Addl.CIT, Range-3as, Hyderabad.*
- 4) *The Departmental Representative, I.T.A.T., Hyderabad.*
- 5) *Guard File.*