

**आयकर अपीलीय अधिकरण, विशाखापटणम पीठ, विशाखापटणम**

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
VISA KHAPATNAM BENCH, VISA KHAPATNAM**

**श्री वी. दुर्गा राव, न्यायिक सदस्य एवं श्री डि.एस. सुन्दर सिंह, लेखा सदस्य के समक्ष**

**BEFORE SHRI V. DURGA RAO, JUDICIAL MEMBER &  
SHRI D.S. SUNDER SINGH, ACCOUNTANT MEMBER**

**आयकर अपील सं./I.T.A.No.398/Viz/2019  
(निर्धारण वर्ष/Assessment Year : 2002-03)**

Shri Grandhi Manoj Kumar, HUF  
C/o Vaibhav Jewellers  
Main Bazag  
Eluru  
**[PAN : AABHG9892B]**

Vs. Asst. Commissioner of  
Income Tax  
Central Circle (1)  
Visakhapatnam

**(अपीलार्थी/ Appellant)**

**(प्रत्यर्थी/ Respondent)**

अपीलार्थी की ओर से/ Appellant by  
प्रत्यर्थी की ओर से / Respondent by

: Shri G.V.N.Hari, AR  
: Shri D.Manoj Kumar, DR

सुनवाई की तारीख / Date of Hearing

: 08.11.2019

घोषणा की तारीख/Date of Pronouncement

: 15.11.2019

**आदेश / ORDER**

**Per Shri D.S.Sunder Singh, Accountant Member :**

This appeal is filed by the assessee against the order of the Commissioner of Income Tax (Appeals), Tirupati in I.T.A.No. 304/2015-16/CIT(A)/TPT dated 27.03.2019 for the Assessment Year (A.Y.) 2002-03.

2. In this case, the Assessing Officer (AO) passed the order u/s 143(3) r.w.s. 263 on 22.02.2007 on total Income of Rs.2985620/- against the original income assessed u/s 143(3) at Rs.7,49,973/-. In the original assessment the AO determined the export profit of Rs.37,22,676/- and allowed deduction u/s 80HHC to the extent of Rs.26,085,873/-.Consequent to revision u/s263, the AO revised the profit from export trade to Rs.5,28,891/- and allowed the deduction u/s 80HHC for an amount of Rs.3,70,224/- and determined the taxable income at Rs.29,85,620/-. In the reassessment made consequent to order u/s 263, the AO reduced the following items for the purpose of computing the export profits :

Profit from Export Trade as per order u/s 143(3)		37,22,676
Less : 1. Rate difference of jewellery	27,97,833	
2. Interest apportioned to export trade	2,65,343	
3. Making charges apportioned to export trade	1,47,721	32,10,897
Revised profit from Export Trade		5,28,891

3. Against which the assessee filed appeal before the CIT(A) and the Ld.CIT(A) disposed the appeal ex-parte, without going into merits. Against which the assessee filed appeal before this Tribunal.

4. We have heard both the parties and perused the material placed on record. In the revised assessment order while giving effect to the consequential order, the AO reduced the export profit from Rs.37,22,676/- to Rs.5,28,891/- which is eligible for deduction u/s 80HHC and allowed the deduction u/s 80HHC of Rs.3,70,224/- against the original amount of Rs. from Rs.26,05,873/- thereby resulting the addition of Rs.22,35,649/-. While disposing the appeal, the Ld.CIT(A) has not passed the speaking order on merits, since the assessee did not respond to the notices. Therefore, we remit the matter back to the file of the Ld.CIT(A) to adjudicate the issue on merits.

9. In the result, appeal of the assessee is allowed for statistical purpose.

Order pronounced in the open court on 15<sup>th</sup> November, 2019.

Sd/-  
(वी.दुर्गा राव)

**(V. DURGA RAO)**

**न्यायिक सदस्य/JUDICIAL MEMBER**

विशाखापटणम /Visakhapatnam

दिनांक /Dated :15.11.2019

L.Rama, SPS

Sd/-

(डि.एस. सुन्दर सिंह)

**(D.S. SUNDER SINGH)**

**लेखा सदस्य/ACCOUNTANT MEMBER**

आदेश की प्रतिलिपि अग्रेषित/Copy of the order forwarded to:-

1. निर्धारिती/ The Assessee - Shri Grandhi Manoj Kumar, HUF, C/o Vaibhav Jewellers, Main Bazag, Eluru
2. राजस्व/The Revenue - Asst.Commissioner of Income Tax, Central Circle (1) Visakhapatnam
3. प्रधान आयकर आयुक्त / The Pr.Commissioner of Income Tax, Rajahmundry
4. आयकर आयुक्त (अपील) / The Commissioner of Income-Tax (Appeals), Tirupati
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, विशाखापटणम/DR, ITAT, Visakhapatnam
6. गार्ड फ़ाईल / Guard file

// True Copy //

आदेशानुसार / BY ORDER

Sr. Private Secretary  
ITAT, Visakhapatnam