M/s Daxen Agritech Pvt Ltd vs. Principal Commissioner of Income Tax (1) & Anr.

a/w connected matters

ITA No.8 of 2025
ITA Nos.9 to 14 of 2025

21.07.2026 Present : Mr. Vishal Mohan, Senior Advocate with Mr. Narender Singh Thakur, Advocate, for the appellant(s) in all appeals.

Mr. Neeraj Sharma and Mr. Ishaan Kashyap, Advocates, for the respondent(s) in all appeals.

ITA No.8 of 2025

Admitted for following substantive questions of law:-

1. Whether the Income Tax Appellate Tribunal is right in law upholding the disallowance of deduction under Section 80-IC of the Income Tax Act, 1961 basing the same on the statements of some of the employees without appreciating the fact that said statement could not have been relied and made the basis of disallowance as appellant had never afforded any opportunity to cross-examine the said witnesses. The Statement without cross-examination cannot be used against the appellant and moreover the said statements have been misconstrued?
2. Whether the Income Tax Appellate Tribunal is right in law in forming a conclusion that no activity amounting to manufacture and production had been done at the unit at Baddi as according to the Assessing Officer the there were no machines installed in the said premises. The said findings are absolutely perverse as ownership of the machinery duly incorporated in the balance sheet has not been disputed at all and the employees who's statements had been recorded had never stated so?
3. Whether the Income Tax Appellate Tribunal is right in law in upholding that the processes undertaken by the appellant do not fall within the definition of manufacture though the end product manufacture is totally different from the raw material and the same had medicinal value ?
4. Whether the impugned order passed by the Income Tax Appellate Tribunal is in conflict with judgment passed in *DXN Herbal Manufacturing (India) (P.) Ltd. vs. Income Tax Officer, Ward(1), Pondicherry*, reported in [2018] 96 taxmann.com 299 (Madras), which has attained finality after dismissal of SLP (C) No.4047 of 2019 titled as *The Income Tax Officer Ward I(1) vs. M/s DXN Herbal Manufacturing (India) Pvt. Ltd.* vide order dated 08.01.2025 passed by the Apex Court.

List for hearing in due course.

<u>ITA No.9 of 2025</u>

Admitted for following substantive questions of law:-

1. Whether the Income Tax Appellate Tribunal is right in law upholding the disallowance of deduction under Section 80-IC of the Income Tax Act, 1961 basing the same on the statements of some of the employees without appreciating the fact that said statement could not have been relied and made the basis of disallowance as appellant had never afforded any opportunity to cross-examine the said witnesses. The Statement without cross-examination cannot be used against the appellant and moreover the said statements have been misconstrued?
2. Whether the Income Tax Appellate Tribunal is right in law in forming a conclusion that no activity amounting to manufacture and production had been done at the unit at Baddi as according to the Assessing Officer the there were no machines installed in the said premises. The said findings are absolutely perverse as ownership of the machinery duly incorporated in the balance sheet has not been disputed at all and the employees who's statements had been recorded had never stated so?
3. Whether the Income Tax Appellate Tribunal is right in law in upholding that the processes undertaken by the appellant do not fall within the definition of manufacture though the end product manufacture is totally different from the raw material and the same had medicinal value?
4. Whether the impugned order passed by the Income Tax Appellate Tribunal is in conflict with judgment passed in *DXN Herbal Manufacturing (India) (P.) Ltd. vs. Income Tax Officer, Ward(1), Pondicherry*, reported in [2018] 96 taxmann.com 299 (Madras), which has attained finality after dismissal of SLP (C) No.4047 of 2019 titled as *The Income Tax Officer Ward I(1) vs. M/s DXN Herbal Manufacturing (India) Pvt. Ltd.* vide order dated 08.01.2025 passed by the Apex Court.

List for hearing in due course along with ITA No.8 of 2025.

<u>ITA No.10 of 2025</u>

Admitted for following substantive questions of law:-

1. Whether the Income Tax Appellate Tribunal is right in law upholding the disallowance of deduction under Section 80-IC of the Income Tax Act, 1961 basing the same on the statements of some of the employees without appreciating the fact that said statement could not have been relied and made the basis of disallowance as appellant had never afforded any opportunity to cross-examine the said witnesses. The statement without cross-examination cannot be used against the appellant and moreover the said statements have been misconstrued?

2. Whether the Income Tax Appellate Tribunal is right in law in forming a conclusion that no activity amounting to manufacture and production had been done at the unit at Baddi as according to the Assessing Officer the there were no machines installed in the said premises. The said findings are absolutely perverse as ownership of the machinery duly incorporated in the balance sheet has not been disputed at all and the employees who's statements had been recorded had never stated so?

3. Whether the Income Tax Appellate Tribunal is justified in upholding the disallowance under Section 80IC though no fault in the opinion of the Chartered Accountant in issuing the form 10CCB has been found by the Authorities below?

4. Whether the impugned order passed by the Income Tax Appellate Tribunal is in conflict with judgment passed in *DXN Herbal Manufacturing (India) (P.) Ltd. vs. Income Tax Officer, Ward(1), Pondicherry*, reported in [2018] 96 taxmann.com 299 (Madras), which has attained finality after dismissal of SLP (C) No.4047 of 2019 titled as *The Income Tax Officer Ward I(1) vs. M/s DXN Herbal Manufacturing (India) Pvt. Ltd.* vide order dated 08.01.2025 passed by the Apex Court.

List for hearing in due course along with ITA No.8 of 2025.

ITA No.11 of 2025

Admitted for following substantive questions of law:-

1. Whether the Income Tax Appellate Tribunal is right in law upholding the disallowance of deduction under Section 80-IC of the Income Tax Act, 1961 basing the same on the statements of some of the employees without appreciating the fact that said statement could not have been relied and made the basis of disallowance as appellant had never afforded any opportunity to cross-examine the said witnesses. The statement without cross-examination cannot be used against the appellant and moreover the said statements have been misconstrued?

2. Whether the Income Tax Appellate Tribunal is right in law in forming a conclusion that no activity amounting to manufacture and production had been done at the unit at Baddi as according to the Assessing Officer the there were no machines installed in the said premises. The said findings are absolutely perverse as ownership of the machinery duly incorporated in the balance sheet has not been disputed at all and the employees who's statements had been recorded had never stated so?

3. Whether the Income Tax Appellate Tribunal is justified in upholding the disallowance under Section 80IC though no fault in the opinion of the Chartered Accountant in issuing the form 10CCB has been found by the Authorities below?

4. Whether disallowing the claim of cultivation expense of Rs.38,72,900/- and claim of planting expenses of Rs.4,40,539/- is in conflict with provisions of Section 80IC?

5. Whether the impugned order passed by the Income Tax Appellate Tribunal is in conflict with judgment passed in *DXN Herbal Manufacturing (India) (P.) Ltd. vs. Income Tax Officer, Ward(1), Pondicherry*, reported in [2018] 96 taxmann.com 299 (Madras), which has attained finality after dismissal of SLP (C) No.4047 of 2019 titled as *The Income Tax Officer Ward I(1) vs. M/s DXN Herbal Manufacturing (India) Pvt. Ltd.* vide order dated 08.01.2025 passed by the Apex Court.

List for hearing in due course along with ITA No.8 of 2025.

ITA No.12 of 2025

Admitted for following substantive questions of law:-

1. Whether the Income Tax Appellate Tribunal is right in law upholding the disallowance of deduction under Section 80-IC of the Income Tax Act, 1961 basing the same on the statements of some of the employees without appreciating the fact that said statement could not have been relied and made the basis of disallowance as appellant had never afforded any opportunity to cross-examine the said witnesses. The statement without cross-examination cannot be used against the appellant and moreover the said statements have been misconstrued?
2. Whether the Income Tax Appellate Tribunal is right in law in forming a conclusion that no activity amounting to manufacture and production had been done at the unit at Baddi as according to the Assessing Officer the there were no machines installed in the said premises. The said findings are absolutely perverse as ownership of the machinery duly incorporated in the balance sheet has not been disputed at all and the employees who's statements had been recorded had never stated so?
3. Whether the Income Tax Appellate Tribunal is justified in upholding the disallowance under Section 80IC though no fault in the opinion of the Chartered Accountant in issuing the form 10CCB has been found by the Authorities below?
4. Whether the impugned order passed by the Income Tax Appellate Tribunal is in conflict with judgment passed in *DXN Herbal Manufacturing (India) (P.) Ltd. vs. Income Tax Officer, Ward(1), Pondicherry*, reported in [2018] 96 taxmann.com 299 (Madras), which has attained finality after dismissal of SLP (C) No.4047 of 2019 titled as *The Income Tax Officer Ward I(1) vs. M/s DXN Herbal Manufacturing (India) Pvt. Ltd.* vide order dated 08.01.2025 passed by the Apex Court.

List for hearing in due course along with ITA No.8 of 2025.

ITA No.13 of 2025

Admitted for following substantive questions of law:-

1. Whether the Income Tax Appellate Tribunal is right in law upholding the disallowance of deduction under Section 80-IC of the Income Tax Act, 1961 basing the same on the statements of some of the employees without appreciating the fact that said statement could not have been relied and made the basis of disallowance as appellant had never afforded any opportunity to cross-examine the said witnesses. The statement without cross-examination cannot be used against the appellant and moreover the said statements have been misconstrued?

2. Whether the Income Tax Appellate Tribunal is right in law in forming a conclusion that no activity amounting to manufacture and production had been done at the unit at Baddi as according to the Assessing Officer the there were no machines installed in the said premises. The said findings are absolutely perverse as ownership of the machinery duly incorporated in the balance sheet has not been disputed at all and the employees who's statements had been recorded had never stated so?

3. Whether the Income Tax Appellate Tribunal is justified in upholding the disallowance under Section 80IC though no fault in the opinion of the Chartered Accountant in issuing the form 10CCB has been found by the Authorities below?

4. Whether the impugned order passed by the Income Tax Appellate Tribunal is in conflict with judgment passed in *DXN Herbal Manufacturing (India) (P.) Ltd. vs. Income Tax Officer, Ward(1), Pondicherry*, reported in [2018] 96 taxmann.com 299 (Madras), which has attained finality after dismissal of SLP (C) No.4047 of 2019 titled as *The Income Tax Officer Ward I(1) vs. M/s DXN Herbal Manufacturing (India) Pvt. Ltd.* vide order dated 08.01.2025 passed by the Apex Court.

List for hearing in due course along with ITA No.8 of 2025.

<u>ITA No.14 of 2025</u>

Admitted for following substantive questions of law:-

1. Whether the Income Tax Appellate Tribunal is right in law upholding the disallowance of deduction under Section 80-IC of the Income Tax Act, 1961 basing the same on the statements of some of the employees without appreciating the fact that said statement could not have been relied and made the basis of disallowance as appellant had never afforded any opportunity to cross-examine the said witnesses. The statement without cross-examination cannot be used against the appellant and moreover the said statements have been misconstrued?

2. Whether the Income Tax Appellate Tribunal is right in law in forming a conclusion that no activity amounting to manufacture and production had been done at the unit at Baddi as according to the Assessing Officer the there were no machines installed in the said premises. The said findings are absolutely perverse as ownership of the machinery duly incorporated in the balance sheet has not been

disputed at all and the employees who's statements had been recorded had never stated so?

3. Whether the Income Tax Appellate Tribunal is justified in upholding the disallowance under Section 80IC though no fault in the opinion of the Chartered Accountant in issuing the form 10CCB has been found by the Authorities below?

4. Whether the impugned order passed by the Income Tax Appellate Tribunal is in conflict with judgment passed in *DXN Herbal Manufacturing (India) (P.) Ltd. vs. Income Tax Officer, Ward(1), Pondicherry*, reported in [2018] 96 taxmann.com 299 (Madras), which has attained finality after dismissal of SLP (C) No.4047 of 2019 titled as *The Income Tax Officer Ward I(1) vs. M/s DXN Herbal Manufacturing (India) Pvt. Ltd.* vide order dated 08.01.2025 passed by the Apex Court.

List for hearing in due course along with ITA No.8 of 2025.

OMP No.1436 of 2025 in ITA No.8 of 2025
OMP No.1437 of 2025 in ITA No.9 of 2025
OMP No.1438 of 2025 in ITA No.10 of 2025
OMP No.1439 of 2025 in ITA No.11 of 2025
OMP No.1440 of 2025 in ITA No.12 of 2025
OMP No.1441 of 2025 in ITA No.13 of 2025
OMP No.1442 of 2025 in ITA No.14 of 2025

Learned counsel for the appellant(s) has placed on record challan of deposit of additional amount of Rs.2,50,00,000/- on 20.07.2026 in addition to the same amount deposited earlier. From the outstanding amount of more than Rs.8,00,00,000/-, Rs.5,00,00,000/- stands deposited.

Considering the entire facts placed before us and aforesaid deposit by the appellant(s), subject to direction of further deposits, if any, by the Court, order dated 20.11.2025 is made absolute during the pendency of the appeals.

Applications are disposed of.

(Vivek Singh Thakur)
Judge

(Ranjan Sharma)
Judge

21st July, 2026
(Pardeep)