

आयकर अपीलीय अधिकरण, हैदराबाद पीठ  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**Hyderabad 'A' Bench, Hyderabad**

श्री रवीश सूद, माननीय न्यायिक सदस्य एवं श्री मधुसूदन सावडिया, माननीय लेखा सदस्य  
**SHRI RAVISH SOOD, HON'BLE JUDICIAL MEMBER**  
**AND**  
**SHRI MADHUSUDAN SAWDIA HON'BLE ACCOUNTANT MEMBER**

आयकरअपीलसं./I.T.A. No. 1426/Hyd/2025

(निर्धारणवर्ष/ Assessment Year: 2018-19)

Neo Seeds India Private Limited, Hyderabad. PAN: AADCN0007C	VS.	Income Tax Officer, Ward-16(1), Hyderabad.
(अपीलार्थी/ Appellant)		(प्रत्यर्थी/ Respondent)

करदाताकाप्रतिनिधित्व/ Assessee Represented by	:	Sri A.V. Raghuram, Advocate
राजस्वकाप्रतिनिधित्व/ Department Represented by	:	Sri Gurpreet Singh, Sr. AR
सुनवाईसमाप्तहोनेकीतिथि/ Date of Conclusion of Hearing	:	28/10/2025
घोषणा की तारीख/ Date of Pronouncement	:	31/10/2025

**ORDER**

**PER RAVISH SOOD, JM:**

The present appeal filed by the assessee company is directed against the order passed by the Commissioner of Income-Tax (Appeals), National Faceless Appeal Center (NFAC), Delhi, dated 15/07/2025, which in turn arises from the order passed by the

Assessing Officer (for short, "A.O.") under Section 143(3) r.w.s 144B of the Income Tax Act, 1961 (for short "the Act") dated 21/04/2021 for A.Y. 2018-19. The assessee company has assailed the impugned order on the following grounds of appeal before us:

"1. On the facts and in the circumstances of the case, the order of the Id. CIT(A) is erroneous and unsustainable in law apart from being passed in violation of principles of natural justice. The Id. CIT(A) failed to appreciate that proper notices were not served on the appellant as required under section 282 of the Act r.w. rule 127 of the Rules, and therefore Appellant could not put forth his case.

2. Without prejudice to the above, the Id. CIT(A) erred in sustaining the addition made by the AO of Rs.32,58,747 by disallowing the claim of revenue expenditure spend on research and development, which amount was not approved by DSIR for weighted deduction u/s.35(2AB) of the Act.

3. The, authorities below failed to appreciate that the Appellant has incurred the above expenditure towards research and development and having spent the same will qualify for deduction u/s:35(2AB) of the Act.

4. The Id. CIT(A) erred in sustaining the addition made by the AO of Rs 94,14,210 by disallowing the royalty payment made to M/s. Mahyco Monsanto Biotech India Ltd., which was incurred for using their technology in the Appellant's business.

5. The CIT(A) further erred in sustaining the findings of the AO that there is no clause with respect to payment of royalty in the agreement, that "the Appellant did not make TDS and further that the payment was not confirmed by M/s. Mahyco Monsanto Biotech India Ltd., and thereby erred in sustaining the addition.

(Tax Effect: Rs.28,47,203)

6. Any other ground that may be urged at the time of hearing."

2. Succinctly stated, the assessee company had filed its return of income for assessment year 2018-19 on 31/10/2018 showing loss of Rs. 82,095/- under the normal provisions and deemed income under section 115JB of the Act of Rs. 4,71,800/-. Subsequently, the case of the

assessee company was selected for complete scrutiny under the E-assessment Scheme, 2019 on multiple issues, viz., (i) default in TDS and disallowance for such default; (ii) deduction on account of donation for scientific research; (iii) unsecured loans; and (iv) verification of genuineness of expenses.

4. Thereafter, the AO had framed assessment vide his order passed under section 143(3) r.w.s 144B of the Act, dated 24/04/2021 wherein he had assessed the income of the assessee company at Rs.1,03,33,736/- after making two additions/disallowances, viz., (i) disallowance of the assessee's claim for deduction under section 35(2AB) of the Act: Rs. 10,01,621/-; and (ii) addition under section 37(1) of the Act: Rs. 94,14,210/-.

5. Aggrieved, the assessee company carried the matter in appeal before the CIT(A) but without success. For the sake of clarity, the observations of the CIT(A) are culled out as under:

**"7.0 DECISION:**

7.1 I have carefully considered the material facts on record and grounds of appeal raised by the appellant.

7.2 Further, even during the course of present appellate proceedings, the appellant has miserably failed to rebut the findings of the AO. Also, on perusal of the Form 35 filed by the appellant for the relevant AY, it is noticed that even vide column 12 and 12.1 it has not specified any documents on which it has relied upon or as not uploaded any documents/evidences relied upon by it.

	List of documentary evidence relied upon	Will be filed durin appeal proceedings
12	Whether any documentary evidence other than the evidence No produced during the	No

	course of proceedings before the Income tax Authority has been filed in terms of Rule 46A	
12.1	If reply to 12 is Yes, furnish the list of such documentary evidence	

7.3 Therefore, the assessment order u/s 143(3) of the Act with total income of Rs.1,03,33,736/- passed by the AO remained logical and reasonable even during the appellate proceedings. Under the circumstances, in the absence of any details or documentary levidence forthcoming from the appellant, I am of the considered opinion that the AO rightly passed the assessment order u/s 143(3) of the Act determining the total income at Rs.1,03,33,736/- of the Act, warranting no interference of the appellate authority.

7.4 From the conduct of the appellant as per the facts noted above, it is clear that the appellant does not wish to pursue the appeal. Even otherwise on the merits of it also, I do not see any reason to differ with the findings of the AO since no attempt has been made by the appellant to discharge its onus of furnishing reasonable cause /explanation/ documents in support of his claim made in the ground of appeal as to why penalty is not attracted in this case. Hence, respectfully following the judicial pronouncements cited in the preceding paras and in view of the facts of the case, the appeal is hereby dismissed.

8.0 In view of the above discussion and on careful consideration of facts and circumstances on merits, the appeal filed by the appellant stands dismissed.”

6. The assessee company being aggrieved with the order of the CIT(A) has carried the matter in appeal before us.

7. We have heard the Learned Authorized Representatives of both the parties, perused the orders of the lower authorities and the material available on record.

8. Sri A V Raghuram, Advocate, the Learned Authorized Representative (for short, “Ld. AR”) for the assessee company, at the threshold of hearing of the appeal, submitted that the assessee company had suffered dismissal of its appeal vide an ex-parte order for no fault on

its part. Elaborating on his contention, the Ld. AR submitted that though the CIT(A) had stated in his order that the assessee had failed to respond to either of the five notices/letters intimating the fixation of the appeal, but the fact was that neither of the said notices/letters were ever served upon the assessee company. The Ld. AR submitted that the assessee company in its memorandum of appeal i.e., "Form-35" had at Sl.No.17 specifically mentioned that the notices intimating the fixation of the hearing of the appeal be sent on its email address i.e., "akularaghuram@yahoo.com" as well as had provided its address, but none of the notices as pointed out by the CIT(A) were served/dropped in the said email account. The Ld. AR submitted that all the notices were forwarded to the email account i.e., "hydchem@hyderabadchemicals.com" or "venkat@neoseedsindia.com" or "umrao@vibrantgreentech.com". The Ld. AR to buttress his aforesaid claim had placed on record the screen shots of the notices/letters that were forwarded by the CIT(A) office. The Ld. AR submitted that as neither of the notices were ever dropped/delivered in the email account of the assessee company that was specifically provided by him in Form-35 i.e., "akularaghuram@yahoo.com", therefore, in absence of any service of notice it had for no fault on its part failed to participate in the proceedings before the CIT(A) and put forth its case qua the additions/disallowances made by the AO.

9. Per contra, the Sri Gurpreet Singh, Learned Departmental Representative (for short, "Ld. DR") relied upon the orders of the lower authorities. The Ld. DR vehemently submitted that as the email accounts on which the notices were forwarded/delivered by the CIT(A) i.e., "hydchem@hyderabadchemicals.com" or "venkat@neoseedsindia.com" or "umrao@vibrantgreentech.com" belong to the assessee company and were provided by the assessee either in its return of income or income tax portal, therefore, it was incorrect on the part of the assessee to claim that it had remained oblivion about the appellate proceedings before the CIT(A). In fact, the Ld. DR submitted that that two of the notices i.e., dated 16/06/25 and 01/07/2025 were dropped in the email account provided by the assessee company in Form-35 i.e., "umrao@vibrantgreentech.com". Elaborating further on his contention, the Ld. DR submitted that as the assessee company was validly put to notice about the fixation of the appeal, therefore, no infirmity arises from the order of the CIT(A) who had validly disposed of the appeal qua merits of the case after considering the material available on record.

10. We have given a thoughtful consideration to the contentions advanced by the Learned Authorized Representatives of both the parties in the backdrop of the material available on record.

11. Admittedly, it is a matter of fact borne from the record that the assessee had at Sl.No.17 of the memorandum of appeal in Form-35 had

specifically provided its address along with the email address i.e., “akularaghuram@yahoo.com” on which it had requested that the notices be sent. Further, we find on perusal of the screen shots of the notices/letters as had been brought to our notice by the Ld. AR that neither of the five notices intimating the fixation of the hearing of the appeal i.e., dated 16/09/2021, 27/10/2021, 14/08/2023, 16/06/2025 and 01/07/2025 were ever forwarded/delivered on the aforementioned email Id as was provided by the assessee i.e., “akularaghuram@yahoo.com”. Although, the Ld. DR had tried to impress upon us that the notices/letters intimating the fixation of hearing of the appeal were forwarded/dropped in the email accounts that were provided by the assessee company either in its return of income or income tax portal or mentioned in Form-35, but we are unable to persuade ourselves to concur with him that the same could be brought within the meaning of valid service of notice. We say so, specifically for the reason that now when the assessee had provided the address/email Id for service of the notices from the office of the CIT(A), for the latter to have forwarded/delivered the notices to any other email account/address other than that provided by the assessee company. At this stage, we may herein refer to section 282 of the Act read with rule 127 of the Income Tax Rules, 1962 which contemplates the manner of service of notices. Although the rule 127(2) refers to the addresses where the notices/communications can be delivered or transmitted to the assessee, viz., (i) address available in the PAN database of the

assessee; (ii) the address available in the income tax return to which communication relates; or (iii) the address available in the last income tax return furnished by the assessee; or (iv) in the case of an assessee being a company, address of registered office as available on the website of Ministry of Corporate Affairs, the “proviso” appended to Rule 127(2) specifically envisages that no such communication shall be delivered or transmitted to either of the said addresses mentioned in items (i) to (iv) where the addressee furnishes in writing any other address for the purposes of communication to the income tax authority or any person authorized by such authority issuing the communication.

12. In fact, in the case before us as the assessee company had specifically at Sl.No.17 of Form-35 provided its address along with email address at which it had requested that the notices/communications be forwarded/delivered, therefore, we are of a firm conviction that the CIT(A) office was obligated to have forwarded/delivered all the notices intimating the fixation of the hearing of the appeal at such specific address and there could be no justification on its part in forwarding/delivering the same at any other email address even though the same might have been provided by the assessee in its income tax portal or the return of income etc.

13. We in terms of our aforesaid observations find substance in the Ld. AR's contention that as the CIT(A) had failed to validly put the assessee

company to notice about the fixation of the appeal on either of the five occasions, therefore, the ex-parte dismissal of its appeal cannot be sustained. Accordingly, we herein set aside the matter to the file of the CIT(A) with a direction to re-adjudicate the matter after affording a reasonable opportunity of being heard to the assessee company.

14. Before parting, we may as a word of caution observe that the CIT(A) shall in the course of the set aside proceedings forward/deliver the notices/letters intimating the fixation of the appeal at the address provided by the assessee company in its Form-35 i.e., "akularaghuram@yahoo.com".

15. Resultantly, the appeal filed by the assessee is allowed for statistical purposes in terms of our aforesaid observations.

Order pronounced in the open court on 31<sup>ST</sup> October, 2024.

<b>Sd/-</b> <b>(मधुसूदन सावडिया)</b> <b>(MADHUSUDAN SAWDIA)</b> <b>लेखासदस्य/ACCOUNTANT MEMBER</b>	<b>Sd/-</b> <b>(रवीश सूद)</b> <b>(RAVISH SOOD)</b> <b>न्यायिकसदस्य/JUDICIAL MEMBER</b>
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Hyderabad, dated 31.10.2025.

OKK/sps

आदेशकीप्रतिलिपिअग्रेषित/ Copy of the order forwarded to:-

<b>1.</b>	निर्धारिती/The Assessee	:	Neo Seeds India Private Limited, 7-1-22/14, Lane Next to Roxana Tower, Begumpet Railway Station Road, Green Lands, Secunderabad, Telangana-500016.
<b>2.</b>	राजस्व/ The	:	Income Tax Officer, Ward-16(1), IT Towers,

	Revenue		AC Guards, Masab Tank, Hyderabad, Telangana-500004.
3.	The Principal Commissioner of Income Tax, Hyderabad.		
4.	विभागीयप्रतिनिधि, आयकरअपीलीयअधिकरण /DR,ITAT, Hyderabad.		
5.	The Commissioner of Income Tax		
6.	गार्डफ़ाईल / Guard file		

आदेशानुसार / BY ORDER

Sr. Private Secretary  
ITAT, Hyderabad.