

IN THE INCOME TAX APPELLATE TRIBUNAL  
Mumbai "D" Bench, Mumbai.

Before Shri Pawan Singh (JM) & Shri Omkareshwar Chidara (AM)

ITA No. 5767/MUM/2024 (Assessment Year : 2012-13)

M/s. Mississippi IT Services Pvt. Ltd. 215, New Nirmal Nagar, Jantanagar Road, Nr. Station Nr. Podar School Bhayander West, Thane Bhayander W, Thane, Mah.-401101.	Vs.	DCIT, Circle-1 Qureshi Mansion Gokhale Road Thane Maharashtra-400604.
PAN : AAGCM4216K		
Appellant		Respondent

Assessee by	:	Shri Satyaprakash Singh, CA
Revenue by	:	Shri Annavarani Kosuri
Date of Hearing	:	29/07/2025
Date of pronouncement	:	29/08/2025

ORDER

Per Omkareshwar Chidara (AM) :-

In this case, the Ld. AO suspected the purchase and sale transactions of appellant company with M/s. Paradyne Infoservices Pvt. Ltd., M/s. Glodyne Technoserve Ltd. and M/s. Pollen Computers Pvt. Ltd. It was mentioned in the assessment order that these three companies were not doing any business and the letters sent to them were returned. The bank statement of appellant company shows huge money was received and transferred to others within a short span. The appellant's version that they are into computer hardware and software business was disbelieved by the Ld. AO as no documentary evidence relating to license and approval from Government to do such business. The Ld. AO relied on the statement of Director of M/s. Pollen Computers (P) Ltd., who has stated before the DDIT(Inv) that they are not doing any business and they provide only accommodation entries to various entities. As the reply of appellant company was not satisfactory, the Ld. AO finally made an addition of 2% of total transactions and completed the assessment.

2. The Ld. CIT(A) upheld that addition made by Ld. AO, because the appellant could not produce a single invoice for sale or purchase of this year even though Rs. 300 crore was transferred through this company's bank account. Based on the material available, the Ld. CIT(A) concluded that the addition made by Ld. AO is correct.

3. Aggrieved by the orders of Ld. AO and Ld. CIT(A), the appellant company filed an appeal before ITAT. During the hearing before ITAT, Ld. AR of the appellant requested that one more opportunity may be given to present their case as the companies with whom they transacted were in liquidation and could not respond to the notices issued by Ld. AO and due to non-response of other companies, addition cannot be made in their company. The Ld. AR pleaded that all details would be presented before Ld. CIT(A), if an opportunity is given. The Ld. DR opposed the plea because sufficient number of opportunities were given and it was conclusively held by Ld. AO and Ld. CIT(A) that the appellant company is not doing any business and it is a fictitious company engaged in providing entries to other companies and hence the addition made by AO should be conformed.

4. Heard both sides. There is strong force in the arguments made by Ld. AO and Ld. CIT(A) in their orders, because no copies of license, trade mark or approval to do software business were provided to Department despite being asked. The statements relied on by Department were not contradicted with evidence by the appellant company. The Ld. CIT(A) in fact said that for fictitious sales 100% addition should be made based on the decision of Hon'ble Supreme Court in the case of Vijay Proteins/N.K. Proteins Ltd. But, principles of natural justice require that if an opportunity was requested by appellant, the same should be given when the other companies with whom appellant has transacted were claimed to be under liquidation. Moreover, the Ld. AR of the appellant has pointed out that further time was granted to the appellant to file its submissions till 22.9.2024, but Ld. CIT(A) passed the

order on 10.9.2024. Hence, the matter is remanded to the file of Ld. CIT(A) with a direction that a reasonable opportunity should be given to the appellant before passing the appeal order. The appellant is directed to cooperate with the Department and provide all the required documents.

5. The appeal of appellant is allowed for statistical purposes.

Order pronounced in the open Court on 29/08/2025.

Sd/-  
(PAWAN SINGH)  
JUDICIAL MEMBER

Sd/-  
(OMKARESHWAR CHIDARA)  
ACCOUNTANT MEMBER

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent.
3. CIT
4. DR, ITAT, Mumbai
5. Guard file.

//True Copy//

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BY ORDER,  
(Assistant Registrar)  
ITAT, Mumbai