

**IN THE INCOME TAX APPELLATE TRIBUNAL  
'G' BENCH: MUMBAI**

**BEFORE SMT. BEENA PILLAI, JUDICIAL MEMBER AND  
SHRI JAGADISH, ACCOUNTANT MEMBER**

**ITA No. 275/Mum/2025  
Assessment Year: 2012-13**

DCIT, Central Circle-3(2)  
Room No. 402, Kautilya Bhawan, **Vs.**  
BKC,  
Mumbai-400051

Saachi Sales Agency Private  
Limited  
Shop No 4, Tapovan View CHS  
Ltd. Pathanwadi Road, Malad  
(East)  
Mumbai- 400097

PAN: AAPCS4281B

**(Appellant)**

**(Respondent)**

Appellant by	:	None
Respondent by	:	Shri Arun Kanti Datta, CIT DR
Date of Hearing	:	16.12.2025
Date of Pronouncement	:	31.12.2025

**ORDER**

**PER JAGADISH, A.M :**

Aforesaid appeal filed by the revenue for Assessment Year (AY) 2012-13 arises out of the order of Learned Commissioner of Income Tax (NFAC), Delhi [hereinafter "CIT(A)"] dated 18.11.2024 in the matter of assessment framed by Ld. Assessing Officer [hereinafter "AO"] u/s. 143(3) r.w.s 153A of the Income-tax Act, 1961 (hereinafter "the Act") dated 29.12.2016.

2. When the appeal was called for , none appeared from the respondent assessee's side. Notices were earlier issued on 7 occasions and also through Ld. DR , but none from assessee's side appeared. Therefore the appeal is decided with the able assistance of Ld. CIT(DR) .

3. The assessee has filed his return of income showing total income of Rs. 3,10,380/-. Subsequently, pursuant to a search conducted in the case of the assessee in First Winner Group of cases on 11.08.2014 , notice u/s 153A dated 06.05.2015 was issued and the assessee filed return on 23.02.2016 at total income of Rs.3,10,380/-. The A.O in the assessment order has noted that during the course of search proceedings, it was found that several group companies were paper companies having dummy directors .The statement of dummy directors such as Smt Namrata Jadhav, Shri Sachin Jadhav, Shri Manubhai Patel, Shri Kamlesh Patel, etc were recorded who admitted that they were dummy directors in the companies owned and controlled by Shri Rinku Patodia. They admitted that they knew nothing about the nature of business of the said companies nor attended any Board meeting. They were only signing documents as per directions given by Shri Rinku Patodia and

M/s Saachi Sales Agency Pvt Ltd is a paper company as per the statement of Shri Rinku Patodia. Further, The statements made by dummy directors were confronted to Shri Rinku Patodia, the Managing Director of the First Winner Industries Limited and group companies who in his statement recorded u/s.132(4) on 11/08/2014 and on 12/08/2014 admitted and confirmed that M/s First Winner Group has received accommodation entries in the form of share application money through Shri Praveen K. Jain and the same were shown as investments of share capital in his group companies, controlled and managed by him. Further, Shri Rinku Patodia also admitted that the directors were either his employees, relatives or persons who were merely name sake / dummy directors in the paper companies.

4. The assessee during the relevant previous year has shown investment of Rs. 9,06,00,00/- in the form of share capital in M/s First Winner Textiles (India) Pvt. Ltd. The A.O has discussed the *modus operandi* of these paper concerns at para 11 of the assessment order and concluded that the assessee was a paper entity of Shri Rinku Patodia established only for the purpose of routing the bogus share application money and the amount shown in share application money is nothing but money belonging to Shri Rinku Patodia routed through

this paper entity. The A.O therefore has made the addition of share application money invested in First winner Textiles (India) Pvt. Ltd of Rs 4,60,00,000 /- on protective basis as addition has been made in the hand of beneficiary company First winner Textiles (India) Pvt. Ltd on substantive basis . On appeal Ld CIT(A) has deleted the addition on protective basis as the same has been confirmed in the beneficiary *M/s First Winner Industries Ltd* on substantive basis. The observation of Ld CIT(A) is as under :

*“6.3. Decision: The findings of the AO and the submission of the appellant in the appeal memo have been considered. It is seen that in the instant case the AO has made addition of Rs.4,60,00,000/- on a protective basis since the appellant has been held to be a conduit in the entire operation wherein M/s First Winner Industries Ltd was the ultimate beneficiary of these accommodation entries. The substantive addition of Rs.4,60,00,000/- on account of share application money has been done by the AO in the hands of M/s First Winner Industries Ltd for the AY 2012-13. It is further seen that the CIT(A) has already adjudicated upon the issue of addition of unexplained share application money in the hands of M/s First Winner Industries Ltd on a substantive basis. In para 6.3.24 of order in Appeal No: CIT(A)-51/IT-346/DCITCC-3(2)/16-17 dated 27.03.2019, the CIT(A) has confirmed the addition of Rs.23,00,00,000/- which includes the amount of Rs.4,60,00,000/- from the appellant in the hands of M/s First Winner Industries Limited. Since the addition on a substantive basis already stands confirmed, the consequential addition on protective basis cannot be sustained. Thus, the addition of Rs.4,60,00,000/- in the hands of the appellant on a protective basis is deleted. Further since the addition is deleted, the Page 6 of 7 AAPCS4281B- SAACHI SALES AGENCY PRIVATE LIMITED A.Y. 2012-13 ITBA/APL/S/250/2024-25/1070428222(1)*

*question of making any payment for taking the accommodation entry also does not arise. The addition of Commission @ 2.5% amounting to Rs.11,50,000/- is also deleted. The grounds of appeal of the appellant are therefore allowed.”*

5. The AO has also made addition of unaccounted expenditure for the accommodation entry observing that the assessee must have incurred some commission expense on the said accommodation entries which has not been accounted for in the assessee's books of accounts. Such expenditure incurred has been meted out from unaccounted income generated from the business of the assessee. Thus as per prevailing market rate of commission charged on such accommodation entries, estimating commission @ 2.5% on routing of bogus share application money, an amount of Rs.11,50,000/- [2.5% of (Rs.4,60,00,000/-)] is also added to the income of the assessee on protective basis. The Ld. CIT(A) deleted the above addition also .

6. At the outset, the Learned Departmental Representative ( D.R) submitted that the Ld. CIT(A) has deleted the addition on the basis of finding that substantive addition of share application money of Rs. 4,60,00,000/- in the beneficiary M/s First Winner Industries has already been confirmed. The Ld. DR pointed out that the A.O has made

addition of share application money in the case of M/s First Winner Textiles (India) Pvt. Ltd., but Ld. CIT(A) has discussed the share application in M/s First Winner Industries, which is a different company with different PAN. The Ld.DR has also brought in our notice that share application money as discussed in para 5.3 of assessment order is Rs. 9,06,00,00/- but, the A.O has made addition of only Rs.4,60,00,000/-. The Ld DR therefore submitted that matter be restored back to A.O for denova assessment .

7. We have heard the Ld DR and gone through the material available. We find that the A.O in the assessment order has mentioned share application money of Rs. 9,06,00,00/- in M/s First Winner Textiles (India) Pvt. Ltd. but has made the protective addition of Rs. 4,60,00,000/-. The Ld. CIT(A) has deleted the addition on the basis of share application money Of Rs 4,60,00,000/- confirmed on substantive basis in the case of M/s First Winner Industries Limited, which is different company than alleged by A.O to be beneficiary of share application. We, therefore set aside the order of lower authorities and restore the matter to the file of A.O to pass the *de novo* assessment order after affording proper opportunity to the assessee.

8. In the result, the appeal filed by the revenue is statistically allowed.

*Order pronounced on 31<sup>st</sup> day of December, 2025 at Mumbai.*

**Sd/-**

**(BEENA PILLAI)**  
**Judicial Member**

**Sd/-**

**(JAGADISH)**  
**Accountant Member**

Mumbai, Dated: 31<sup>st</sup> December, 2025.

*Poonam Mirashi*  
*(Stenographer)*

**Copy of the order forwarded to:**

1. Appellant
2. Respondent
3. The CIT
4. The CIT (Appeals)
5. The DR, I.T.A.T.

By order

(Asstt. Registrar)  
**ITAT, Mumbai**