RAJASTHAN HIGH COURT
सत्यमेव जयते

HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

D.B. Income Tax Appeal No. 47/2026

Principal Commissioner Of Income Tax,

----Appellant

Versus

Naresh Kumar Luhadia

----Respondent

For Appellant(s)	:	Mr. Sandeep Pathak.
For Respondent(s)	:	

HON'BLE MR. JUSTICE INDERJEET SINGH
HON'BLE MR. JUSTICE RAVI CHIRANIA

<u>Order</u>

<u>27/02/2026</u>

Heard.

Issue notice to the respondent(s).

The appeal is admitted on the following substantial questions of law:-

<u>Question No.1</u>

Whether, on the facts and in the circumstances on the case and in law, the Ld. ITAT was justified in allowing assessee's appeal ignoring that Client Code Modification carried out by broker i.e. Fair Wealth Securities Limited is colourable device for tax evasion, where this legally permitted facility is misused to provide fictitious losses and that assessee is a beneficiary of this systematic tax evasion practice?

<u>Question No.2</u>

Whether, on the facts and in the circumstances of the case and in law, the Ld. ITAT was justified in deleting the addition of

Rs.15,58,282/- made by the Assessing on account of fictitious profit/losses by the assessee by way of Client Code Modification without appreciating the fact that the transaction(s) was prearranged and was sham and was carried out in collusion with the brokers as the tool of tax evasion for obtaining losses?

(RAVI CHIRANIA),J (INDERJEET SINGH),J

MG/95