HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

D.B. Income Tax Appeal No. 155/2026
URN: ITA / 193U / 2026

The Principal Commissioner Of Income Tax-1, Jaipur, New Central Revenue Building, Statue Circle, B.D. Road, Jaipur.

----Appellant

Versus

Gck Stock Private Limited, 135, Everest Vihar, T.N. Mishra Marg, Shyam Nagar, Brijlal Pura, Jaipur-302019.

----Respondent

For Appellant(s)	:	Ms. Kriti Kalawatia
For Respondent(s)	:	

HON'BLE THE ACTING CHIEF JUSTICE MR. SANJEEV PRAKASH SHARMA

HON'BLE MR. JUSTICE BHUWAN GOYAL

Order

22/07/2026

1. The issue sought to be raised by the learned counsel for the appellant is: (a) whether on the facts and in the circumstances of the case and in law, the ITAT was justified in deleting the addition made under Section 68 of the Income Tax Act of Rs.57,72,066/- by the Assessing Officer on account of loss arising through Client Code Modification (CCM), ignoring the material and information received from the Investigation Wing indicating misuse of CCM for shifting artificial losses and profits among clients?

2. We find that the Income Tax Appellate Tribunal (ITAT) with regard to the aforesaid aspects has observed as under:

> *"5.The assessee vide letter dated 29.09.2025 submitted his ledger account in the books of the broker M/s. Gyan Deep Stocks Pvt. Ltd. As per this ledger the assessee has opening balance of Rs. 3 Cr. and further credit of Rs. 10 lacks whereas the loss incurred by the assessee in F&O Account was Rs. 57,72,066/-only. This fact in our view*

essential to bring on record and is a vital fact while deciding this issue. It is further observed that information u/s. 133(6) of the I.T. Act, 1961 was called from the broker of the assessee viz M/s. Gyandeep Stocks Pvt. Ltd., E-164, Neelkanth Apts, Ramesh Marg, C-Scheme, Jaipur regarding the procedure followed for entering transactions on behalf of the clients, rectification/modification and showcaused whether any transactions of the assessee we modified/rectified and supporting evidences for rectification. Further it was also requested to furnish the complete name, address, PAN and global report and 10DB form of the original parties in whose names transactions were originally carried out.

7. We have gone through para 7.3 of the assessment order wherein the amount of loss on various transactions discussed by the AO vis a vis the submissions of the broker and the fact discussed (supra) above credit balance in margin money account, it can be reasonably concluded that the transactions undertaken by the assessee are genuine. The modus operandi as discussed by the AO and the Ld. CIT (A) with respect to fictitious transactions are basically an indication of so called sham transactions but this indicator has to be affirmed with the evidences and facts of each case. As pointed out (supra) in the case of sham transactions, the element of margin money is always missing and that is the only corroborative evidence against the assessee. Whereas in this case that condition was being fulfilled by the assessee, hence, the observations of the authorities below are based on assumptions hence not sustainable. In view of the above the additions made by the AO and confirmed by the Id. CIT (A) are set aside."

3. In view of the above, no substantial question of law can be said to be made out for interfering.

4. The appeal is accordingly dismissed.

5. All pending applications also stand disposed of.

(BHUWAN GOYAL),J (SANJEEV PRAKASH SHARMA),ACTING CJ

Gaurav/Riya/10