

The CIT(A)'s detailed discussion affirming the Assessing Officer's action to this effect reads as under :

"6.1 In this case, information was available on record that some assessee including the appellant in connivance with brokers has misused the Client Code Modification Utility of NSE/BSE in order to create bogus losses and shifting the profits to other person. The appellant, being one of the beneficiaries of the CCM, the income to the extent of Rs.3,17,709/-, being contrived income, the assessment was reopened u/s 147 as the appellant in connivance with broker namely, M/s Exclusive Securities Ltd has misused the client code modification (CCM) utility on NSE/BSE in order to contrive losses and profits creating net reduction in the income of Rs.3,17,961/-. The Assessing Officer, therefore made an addition of Rs. 3,17,961/- to the returned income.

6.2 The assessing officer has elaborately discussed from Para 4 in the assessment order and has discussed the issue of misuse of Client Code Modification, the broker has failed to furnish the requisite details and information as required for inquiries by the AO and in Para 6 of the assessment order, the appellant was asked to furnish the details & information, but failed to do so. The relevant portion of para 6 is reproduced as below:-

"6. During the course of assessment proceedings, the assessee was asked to furnish details of day wise transactions of F&O, Securities and Commodities along with substantive documents, copy of contract note, copy of global report on profit and loss on account of trading in F & O, Securities and Commodities, details of broker through which all said transactions were made, details of transaction made by changing Client Code. Considering non compliance a show-cause notice was issued on 19/12/2016 to comply by 26/12/2016. The assessee was made aware that failure to furnish the information by 26/12/2016 will compel to finalize the assessment on the basis of material available on records. But till date the assessee has not furnished required details. Instead of furnishing details the authorized representing of the assessee engaged in raising objections, which was already disposed off by passing speaking order."

6.3 On perusal of the above stated facts, it is seen that, the addition made by the assessing officer is on the basis of the documentary evidences and it was also established that, as per SEBI's report, the brokers along with other beneficiaries including the appellant have misused the Client Code Modification Utility of NSE/BSE in order to create bogus losses and shifting the profits to other persons. The documents available with the assessing officer shows that, the appellant contrived losses of Rs.1,27,367/- and contrived profits out of Rs.4,45,328/-.Therefore, the net reduction in income due to Client Code Modification is Rs. 3,17,961/- and the same is treated as unexplained income and is added back to the total income of the appellant.”

3. It is clear from the above extracted CIT(A) detailed discussion that the assessee has not even filed the corresponding detailed evidence in either of the lower proceedings. This is coupled with the fact that he has also not pleaded even violation of principles of natural justice. I accordingly confirm the impugned addition and reject the assessee's sole substantive ground.

4. This assessee's appeal is dismissed.

Order pronounced in the Open Court on 30th May, 2022.

Sd/-

**(S.S.GODARA)
JUDICIAL MEMBER**

पुणे Pune; दिनांक Dated : 30th May, 2022
Satish

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order is forwarded to :

1. अपीलार्थी / The Appellant;
2. प्रत्यर्थी / The Respondent;
3. The CIT(A)-1, Nashik
4. The Pr.CIT-2, Nashik
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, पुणे "SMC"
/ DR 'SMC', ITAT, Pune;
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

// True Copy //

Senior Private Secretary
आयकर अपीलीय अधिकरण ,पुणे / ITAT, Pune

		Date	
1.	Draft dictated on	26-05-2022	Sr.PS
2.	Draft placed before author	27-05-2022	Sr.PS
3.	Draft proposed & placed before the second member	--	JM
4.	Draft discussed/approved by Second Member.	--	JM
5.	Approved Draft comes to the Sr.PS/PS		Sr.PS
6.	Kept for pronouncement on		Sr.PS
7.	Date of uploading order		Sr.PS
8.	File sent to the Bench Clerk		Sr.PS
9.	Date on which file goes to the Head Clerk		
10.	Date on which file goes to the A.R.		
11.	Date of dispatch of Order.		