

आयकर अपीलीय अधिकरण न्यायपीठ “एक-सदस्य” मामला रायपुर में

**IN THE INCOME TAX APPELLATE TRIBUNAL  
RAIPUR BENCH “SMC”, RAIPUR**

**श्री पार्थ सारथी चौधरी, न्यायिक सदस्य के समक्ष  
BEFORE SHRI PARTHA SARATHI CHAUDHURY, JUDICIAL MEMBER**

**आयकर अपील सं./ITA No.219/RPR/2026**

**निर्धारण वर्ष / Assessment Year : 2019-20**

The Income Tax Officer,  
Raipur (C.G.)

.....अपीलार्थी / Appellant

**बनाम / V/s.**

Sakshi Saggar  
2981 Matri Kripa, Near Dr. Salim Nursing Home,  
Cristian Colony, Raja Talab,  
Raipur (C.G.)-492 001  
PAN: AJGPS4300N

.....प्रत्यर्थी / Respondent

Assessee by : Shri R.B Doshi, CA  
Revenue by : Dr. Priyanka Patel, Sr. DR

सुनवाई की तारीख / Date of Hearing : 02.04.2026

घोषणा की तारीख / Date of Pronouncement : 02.04.2026

**आदेश / ORDER****PER PARTHA SARATHI CHAUDHURY, JM**

The present appeal preferred by the Revenue emanates from the order of the Ld.CIT(Appeals)/NFAC, Delhi dated 20.01.2026 for the assessment year 2019-20 as per the grounds of appeal on record.

2. The relevant facts in this case are that the assessee had traded in the scrips of Oasis Tradelink Ltd. and Padmanabh Industries Ltd. (formerly Nilchem Industries Ltd.) and, upon sale of these shares during F.Y. 2018-19 relevant to A.Y. 2019-20, reported a short-term capital loss of Rs.6,12,692/- from Oasis Tradelink Ltd. and a long-term capital gain of Rs.10,258/- with sale proceeds of Rs.11,93,100/- from Padmanabh Industries Ltd. The A.O treated these transactions as accommodation entries on the basis of information received from DDIT (Inv.) Units 7(1) and 7(3), Mumbai, and DDIT (Inv.)-1(3), Ahmedabad, alleging that both scrips formed part of a wider modus operandi involving rigged penny stocks used to generate bogus LTCG or loss. Resultantly, the A.O invoked section 68 of the Income Tax Act, 1961 (for short 'the Act') to make additions of Rs.6,12,692/- and Rs.11,93,100/- and further invoked section 69C of the Act to add Rs.18,381/- and Rs.35,793/- as purported commission expenses.

3. That being aggrieved with the assessment order, the assessee carried the matter before the Ld.CIT(Appeals)/NFAC and the said authority after perusing the assessment order and the submissions of the assessee observed and held as follows:

“5.3.3 Upon perusal of the appellant's submissions, it is observed that all purchases and sales were executed through the stock exchange with STT duly paid, the shares were reflected in the appellant's demat account, payments were routed through regular banking channels, and the transactions were fully disclosed in the return of income. The Assessing Officer did not bring any material on record establishing a direct nexus between the appellant and any alleged colourable device, nor demonstrating that the appellant knowingly traded in rigged scrips for the purpose of deriving bogus capital gains or losses. No corroborative evidence was produced to show any connection between the appellant and the entry operators, brokers, or other persons involved in the alleged syndicate, and no direct evidence of conscious involvement was placed on record.

5.3.4 Although the Assessing Officer relied on investigation findings describing a broader modus operandi involving certain penny stock companies, including Oasis Tradelink Ltd. and Padmanabh Industries Ltd., no material was brought forth to link the appellant's specific transactions with any share-rigging activity or to show that the appellant derived any malafide benefit. The Assessing Officer also did not dispute that the shares were held in demat form and that all payments were made through verifiable banking channels. The additions made were therefore based solely on generalized suspicion regarding the nature of the scrips and on the application of the theory of human probabilities, without any supporting evidence establishing the appellant's involvement in the alleged scheme.”

Thereafter, the Ld. CIT(Appeals)/NFAC relied on various case laws and finally at Para 5.4 had held and observed as follows:

“5.4 In view of the foregoing examination of the facts and circumstances of the case, and in light of the legal principles laid down in the judicial pronouncements cited, the addition of Rs.18,05,792 made under section 68 is held to be arbitrary and unsustainable in law and is accordingly deleted. Likewise, the addition of Rs.54,174 made under section 69C towards alleged commission expenses, determined on an ad-hoc basis at 3% without any evidence of services rendered or justification for such payment, is also found to be unjustified and contrary to law and is therefore deleted. Hence, the Ground Nos. 1, 2, 3, 4 and 5 raised by the appellant are hereby allowed.”

4. At the time of hearing, the Ld. Counsel for the assessee while supporting the findings of the Ld. CIT(Appeals)/NFAC vehemently contended that the A.O had made addition in a routine manner complying with the information received from Investigation Wing of the Department without conducting any independent inquiry nor has brought on record any direct nexus between the rigged shares of the entry operator and the benefit, if any that accrued to the assessee. That if at all, additions need to be made, then it was incumbent upon the Department to bring out clearly that on one hand due to the transactions entered into by the assessee, the Revenue was defrauded and that unlawful gains had been attained by the assessee in transacting into the scrips of Oasis Tradelink Ltd. and Padmanabh Industries Ltd., but nothing has been brought on record by the A.O regarding any direct benefit, if at all, received by the assessee through these transactions.

5. Per contra, the Ld. Sr. DR supporting the findings of the A.O submitted that there has been a detailed report through Investigation Wing of various regions i.e. Mumbai & Ahmedabad so far as this case is concerned, wherein it has been found that these scrips were used for transaction as accommodation entries and therefore, they were rigged penny stock used to generate bogus LTCG or loss, and therefore, the A.O had rightly made additions.

6. I have carefully considered the submissions of the parties herein, relevant documents and facts on record and analyzed the spectrum of the allegation made by the Department against the assessee in the background of the transactions entered into by the assessee during the year under consideration. The assessee had made all the purchases and sales through stock exchange with STT duly paid. The shares were reflected in the assessee's demat account and payments have been made through regular banking channels, and the transactions were fully disclosed in the return of income. The A.O has not brought on record any evidence establishing any direct nexus between the assessee and the alleged colourable device, nor it has been demonstrated by the A.O that the assessee knowingly traded in such penny stock shares in order to attain illegal gains or losses. Further there has been no evidence to establish any connection between the assessee and the entry operators, brokers, or other persons involved in the alleged syndicate. In other

words, no direct evidence of conscious involvement has been placed on record. The A.O had simply relied on the findings of the Investigation Wing of the Department and had in detailed manner explaining modus operandi of how these scrips are used as penny stock accommodation entries without bringing on record any evidence as examined by me earlier to even suggest that the assessee knowingly entered into the said transactions or that the assessee had received some benefit through back door entry. Nothing has been brought against the assessee by the A.O. In the similar facts and circumstances, the **ITAT, DB Bench, Raipur** in the case of **ITO/ITO-3(1), Raipur (C.G.) Vs. Rahul Kathuria, ITA Nos. 151 & 152/RPR/2025, dated 26.11.2025** had provided relief to the assessee.

7. In view thereof, I do not find any infirmity with the findings of the Ld. CIT(Appeals)/NFAC and relief provided to the assessee on both the counts i.e. in respect to addition u/s.68 & Section 69C of the Act as has been deleted by the Ld. CIT(Appeals)/NFAC is hereby sustained.

8. As per above terms, grounds of appeal of the Revenue stands dismissed.

9. In the result, appeal of the Revenue is dismissed.

Order pronounced in open court on 02<sup>nd</sup> day of April, 2026.

Sd/-  
**(PARTHA SARATHI CHAUDHURY)**  
न्यायिक सदस्य/JUDICIAL MEMBER

रायपुर / Raipur; दिनांक / Dated : 02<sup>nd</sup> April, 2026.

SB, Sr. PS

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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The Pr. CIT-1, Raipur (C.G.)
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "एक-सदस्य" बेंच,  
रायपुर / DR, ITAT, "SMC" Bench, Raipur.
5. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

Senior Private Secretary  
आयकर अपीलीय अधिकरण, रायपुर / ITAT, Raipur