

आयकरअपीलीयअधिकरण,राजकोटन्यायपीठ,राजकोट।  
IN THE INCOME TAX APPELLATE TRIBUNAL, “SMC”  
RAJKOT BENCH, RAJKOT

BEFORE DR. ARJUN LAL SAINI, ACCOUNTANT MEMBER

आयकरअपील सं./ITA No.727/RJT/2025  
निर्धारण वर्ष/Assessment Year : 2019-20

Chirag Bhikhabhai Patel 10-B, Navjivan Society, Mahmedabad Kheda 387130, Gujarat India	बनाम/ Vs	DCIT, Central Circle-1, Jamnagar Income Tax Office, Taranjali Building, Near Amber Cinema, Jamnagar, Jamnagar Gujarat 361008
स्थायीलेखासं./जीआइआरसं./PAN/GIR No.: AIEPP7006P		
(अपीलार्थी/Appellant)		(प्रत्यर्थी/Respondent)

निर्धारिती की ओर से/Assessee by : Ms. Rutvika, Ld. AR  
राजस्वकी ओर से / Revenue by : Shri Abhimanyu Singh Yadav, Ld. Sr. DR

सुनवाई की तारीख/ **Date of Hearing** : **05/12/2025**  
घोषणा की तारीख/ **Date of Pronouncement** : **12/01/2026**

आदेश/ORDER

**Per, Dr. Arjun Lal Saini, A.M**

Captioned appeal filed by the assessee, pertaining to Assessment Year 2019-20, is directed against the order passed under section 250 of the Income Tax Act, 1961 (hereinafter referred to as “the Act”) by National Faceless Appeal Centre (NFAC), Delhi/Commissioner of Income-tax (Appeals) (‘CIT(A)’), dated 16.10.2025, which in turn arises out of an assessment order passed by Assessing Officer u/s. 147 of the Act, on 24.03.2025.

2. Grounds of the appeal raised by the assessee are as follows:-

*“1. The Ld. CIT(A) erred in law as well as on facts by upholding an addition of Rs. 4,00,000/- made by Ld. AO u/s 80GGC of the Act.*

*2. The Ld. CIT(A) has erred in law as well as on fact in upholding an action of Ld. AO which is in not providing any evidence against the assessee, statements of deponents and opportunity of cross examination.*

*3. The Ld. CIT(A) erred in law as well as on facts in upholding re-opening assessment and assuming jurisdiction which is based on notice issued u/s 148, ought to be issued in faceless manner.”*

3. The brief facts qua the issue are that the assessee filed his return of income on 28.06.2019 declaring total income at Rs. 16,06,910/-. Information received from Investigation Wing, which suggested that the assessee has shown donation of Rs. 4,00,000/- to Rashtriya Samajwadi Party (Secular), a Registered Unrecognized Political Party ('RUPP'), and claimed deduction u/s 80GGC/80GGB of the Act. As per the information, the comprehensive investigations was carried out on such RUPPs and found that they are engaged in providing accommodation entries to the various beneficiaries of bogus claims made u/s 80GGC of the Act. The case was reopened u/s 147 of the Act by issuing notice u/s 148 of the Act on 14.04.2023. In the assessment order, the AO held that the alleged donation of Rs.4,00,000/- is not genuine and therefore, disallowed the claim of deduction made u/s 80GGC of the Act. The assessment u/s 147 of the Act was completed on 24.03.2025 by assessing the total income at Rs. 20,06,910/-.

4. Aggrieved by the order of the Assessing Officer, the assessee carried the matter in appeal before the CIT(A), who has confirmed the action of the Assessing Officer, therefore, assessee is in appeal before this Tribunal.



5. The Ld. Counsel for the assessee submitted that in this appeal, the addition made by the A.O. is only Rs. 4,00,000/-, therefore, considering the smallness of the amount and taking into account that it is on money an estimated adhoc addition may be made in the hands of the assessee. The Ld. Counsel for the assessee submitted that an estimated addition @ 10% may be made in the hands of the assessee.

6. On the other hand, ld. D.R. for the revenue submitted that in order to plug the linkage of the revenue at least 15% addition of on money (of Rs. 4,00,000/-) should be made in the hands of the assessee.

7. I have heard both the parties and perused the material available on record. I note that the addition made by the A.O. on account of disallowance of deduction u/s. 80GGC of the Act to the tune of Rs. 4,00,000/-. The assessee submitted that he has made a genuine donation without any involvement in the alleged scam. There is no single piece of evidence against the assessee despite of this the addition was made by the A.O, only on the basis of assumption. I also note that in order to claim the deduction of donation u/s. 80GGC of the Act made to political parties, by and large two conditions should be fulfilled viz, the political parties should be registered with Election Commissions and second the donation should not be made in cash. I note that in the present case when the assessee made the donation to the political party, then political party was duly registered u/s. 29A of the Representation of the People Act, 1951 and the assessee has made donation by way of proper banking channel. I also note that so far allegation of accommodation entry is concerned, I note that the said political parties manages his own affairs and the affairs of the said political parties is not in the control of the assessee who has

given the donation in good faith to the political party. I also find that there is no direct or indirect corroborative evidence against the assessee that he is involved in such scam.

8. However, to meet the end of justice, and considering the smallness of the amount of Rs. 4,00,000/- “on money” an estimated addition @ 10% of Rs. 4,00,000/- is made in the hands of the assessee to plug the leakage of revenue. Therefore, I direct the A.O. to make addition in the hands of the assessee Rs. 40,000/-, (10% of Rs. 4,00,000/-) by applying normal rate of income tax. This adjudication is made considering the smallness of the amount and hence this should not be treated as a precedent in the previous years and the subsequent years.

9. In the result, appeal filed by the assessee is partly allowed in above terms.

**Order pronounced in the open court on 12/01/2026.**

Sd/-  
**(Dr. Arjun Lal Saini)**  
लेखा सदस्य/**Accountant Member**

राजकोट /Rajkot  
दिनांक/ Date: 12/01/2026

**Copy of the Order forwarded to**

1. The Assessee
2. The Respondent
3. The CIT(A)
4. Pr. CIT
5. DR/AR, ITAT, Rajkot
6. Guard File

**(True Copy)**

By Order

Assistant Registrar/Sr. PS/PS  
ITAT, Rajkot