

**THE INCOME TAX APPELLATE TRIBUNAL
AHMEDABAD “SMC” BENCH, AHMEDABAD**

Before Ms. Suchitra Kamble, Judicial Member

**ITA No. 2327/AHD/2025
Assessment Year 2019-20**

Abhishek Rajeshbhai Karia B-402 Vraj Vihar-8, Opp Safal Param Prahladnagar, Ahmedabad 380015 PAN – AQXPK7418H -(Appellant)	Vs	The Income Tax Office, Ward-1(2)(1), Ahmedabad -(Respondent)
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Assessee by: Shri Aagam S Dalal, A.R

Revenue by: Shri Arvind Kumbhare, Sr. DR

Date of hearing : 16-03-2026

Date of pronouncement : 15 -05-2026

आदेश/ORDER

This is an appeal filed against the order dated 29-10-2025 passed by National Faceless Appeal Centre (NFAC), Delhi for the assessment year 2019-20

2. The grounds of appeal are as under:-

“Appellant disagree with Income computation, Tax computation and the demand raised by Ld. AO against which CIT(A) has dismissed appeal

Total Income as per ROI is Rs. 16,95,590/- and while passing order u/s 147 Ld AO has disallowed Rs. 7,92,000/- (Which has been discussed in fact of the cases).

As per the computation sheet Tax payable is Rs. 7,50,754/- (Tax Rs. 5,94,781/-and Interest of Rs. 2,05,395/- and Tax credit allowed Rs. 49,422/-)

Against these additions, Appellant has following eight (8) grounds of appeal.

1. Disallowed u/s 80GGC Rs. 4,00,000/-

The Appellant made donations of Rs. 4,00,000/- to Rashtriya Samajwadi Party (Secular), a political party registered under section 29A of the Representation of the People Act, 1951, through banking channels on 3rd February, 2019 and 11th March, 2019. Valid receipts bearing Nos. 020495 (04th February, 2019) and 027894 (31 March, 2019) were issued by the party. (Which are enclosed along with this appeal).

Ld. AO disallowed the deduction relying on a general statement made by certain officials of the political party and by treating the party as a Registered Un-recognized Political Party (RUPP). No evidence or material was brought on record to show that the Appellant received any cash or other consideration in return for the donation. This fact is mentioned in assessment order of AO.

Section 80GGC is reproduced below;

"In computing the total income of an Appellant, being any person, except local authority and every artificial juridical person wholly or partly funded by the Government, there shall be deducted any amount of contribution made by him, in the previous year, to a political party or an electoral trust:

Provided that no deduction shall be allowed under this section in respect of any sum contributed by way of cash.

Explanation. For the purposes of sections 80GGB and 80GGC, "political party" means a political party registered under section 29A of the Representation of the People Act, 1951 (43 of 1951)."

The above bare text levy the following conditions to claim deduction,

a. Appellant should be any person except Local Authority and Government funded AJP

b. Donation should have been made to a registered political party or electoral trust.

c. Donation should not be made by way of cash.

The above conditions/bare text do not prescribe any word called "Recognised or Unrecognised". It only mandates the political party to be registered u/s 29A of the Representation of the People Act, 1951.

Based on above, Appellant has fulfilled all the conditions i.e. donated to a registered political party through a banking channel. It is further to be noted that Ld. AO while passing the assessment order has mentioned that "It is evident that donation coming to the bank account of the party is returned to the original donor by way of cash."

However, The Ld. AO has erred in relying on generalized statements, given by officials of political parties not corroborated by any evidence linking the Appellant. In fact Appellant has never received cash back and the donation was never made in a Malafied intention.

Following case laws supports our ground of appeal.

a. The ground is supported by ITAT(VISAKHAPATNAM) in case of "Shri Deepak Mittal, Vijayawada vs. ACIT, Circle-1(1), Vijayawada", it was held that, it is the contention of the Appellant that, to be qualified for deduction u/s 80GGC, registration u/s 29A of the Representation of People Act, 1951 is must, but not recognition by Election Commission of India. We find force in the arguments of the Appellant for the reason that, any contribution given by any person to a political party registered u/s 29A of the Representation of People Act, 1951 whether or not recognized by the Election Commission of India is deductible u/s 80GGC of the Act. The only requirement is that the political party must be registered u/s 29A of the Representation of People Act, 1951 and the payment must be made other than by cash.

b. It is further to be noted that as per Gujarat high court in the case of CIT vs. Chartered Speed Pvt Ltd, It was held that it is an undisputed position that statement of the person concerned which were recorded by the department, which were not available to the Appellant for cross examination and cannot be read against the Appellant because the statement is not supported by any material or evidence that the Appellant has received cash back.

c. The above ground is also supported by ITAT Ahmedabad in the case of Armeem Infotech vs. ACIT (2022) 136, wherein it was held that the fund given by Appellant to political party u/s 80GGC could not be disallowed by treating as bogus on the ground that donee has failed to use it for eligible object as Act nowhere put obligation upon donor to ensure how the fund is utilised.

Further, the order passed under section 250 appears to have been made without due consideration of all the grounds, evidences, and submissions placed on record by the appellant, thereby causing prejudice to the appellant.

Based on all the above, I request your honor to remove this disallowance.

2. Disallowance u/s 80DDB Rs. 87,000/-

The Appellant's father was diagnosed with cancer, a specified disease under Rule 11DD of the Income Tax Act, and has been undergoing treatment for the past several years. As per Section 80DDB, the Appellant is entitled to claim a deduction of up to Rs. 1,00,000/- for medical expenses incurred on the treatment of a dependent parent suffering from a critical illness listed in Rule 11DD.

In this case, the Appellant incurred medical expenses of Rs. 87,000/- for his father's treatment, which included consultations, diagnostic tests, and medications, and has rightfully claimed the full Rs. 87,000 as a deduction under this section.

While the Income Tax Act does not explicitly mandate the retention of medical bills for claiming deductions under Section 80DDB, the Appellant maintains sufficient evidence to substantiate the diagnosis of cancer and the treatment received

during the relevant financial year, ensuring full compliance with the provisions of the Act. Document evidencing Cancer diseases is also attached herewith.

Further, the order passed under section 250 appears to have been made without due consideration of all the grounds, evidences, and submissions placed on record by the appellant, thereby causing prejudice to the appellant.

Based on all the above, I request your honor to remove this disallowance

3. Disallowance u/s 80D Rs. 75,000/-

Appellant has claimed Rs. 75,000/- for Health Insurance Premium of Rs. 25,000/- and medical expenditure incurred for Parents (senior citizen) Rs. 50,000/-, and as per Section 80D(2), maximum permissible deduction was Rs. 75,000/-

It may be noted that the appellant done actual payment in respect of medical insurance and expense incurred resident senior citizen parents and this claim is also supported by Form no. 16 which is attached with this and hence this disallowance should not be made.

As per form 16 attached with this appeal, it is clearly shown that deduction U/s 80D of Rs. 55,208/- is verified by employer as per necessary proofs given at that time. Balance Rs.19,792/- is medical expense done for resident senior citizen parents not covered by Mediclaim policy which is allowed U/s 80D.

I respectfully submit that, as a salaried employee, the appellant is not obligated to maintain books of accounts under section 44AA of the Income Tax Act, 1961. pursuant to the provisions of rule 6F of the said Act.

Moreover, as per section 192, It is the duty of employer to obtain evidences before allowing claims under form 16 and hence it is to be noted that the Form 16 issued by my employer, which duly reflects the deductions and exemptions claimed, constitutes conclusive and sufficient evidence in support of my income tax return. (As at the respected time employer have asked for necessary evidences before issuing form 16)

In the computation of TDS, the employer has relied upon the comprehensive documentation provided, and the Form 16 thereby stands as a definitive record of the relevant deductions and exemptions. I, therefore, hope that this established legal position be accorded due consideration in the adjudication of my appeal.

Further, the order passed under section 250 appears to have been made without due consideration of all the grounds, evidences, and submissions placed on record by the appellant, thereby causing prejudice to the appellant.

Based on all the above, I request your honor to remove this disallowance

4. Disallowance of exemption u/s 10(5) Rs. 1,25,000/-

Appellant has claimed exemption u/s 10(5) of Rs. 1,25,000/- for travel concession received by Appellant during the year.

As per section 10(5),

"in the case of an individual, the value of any travel concession or assistance received by, or due to, him,

(a) from his employer for himself and his family, in connection with his proceeding on leave to any place in India;

(b) from his employer or former employer for himself and his family, in connection with his proceeding to any place in India after retirement from service or after the termination of his service,

subject to such conditions as may be prescribed (including conditions as to number of journeys and the amount which shall be exempt per head) having regard to the travel concession or assistance granted to the employees of the Central Government:

Provided that the amount exempt under this clause shall in no case exceed the amount of expenses actually incurred for the purpose of such travel."

Appellant claimed the actual amount of expense incurred during the travel for such purpose and this claim also supported by Form no. 16 and supporting document claiming such exemption is also attached herewith.

Further, the order passed under section 250 appears to have been made without due consideration of all the grounds, evidences, and submissions placed on record by the appellant, thereby causing prejudice to the appellant.

Based on all the above, I request your honor to remove this disallowance

5. Improper calculation of total income

As per the assessment order passed u/s 147 r.w.s. 1448 of the Income Tax Act, 1961, the total income of the Appellant has been determined at Rs. 24,87,590/- after disallowing the deductions and exemptions claimed.

However, as per the computation sheet accompanying the said order u/s 147, the total income has been shown at Rs. 25,31,349/-

Thus, leading to a discrepancy of Rs. 43,759/- in computation of total income.

6. Error in allowing Tax Credit

In the return filed under sections 139(1), 139(5), and 148, a TDS credit of Rs. 5,18,283/- was duly claimed which is shown by form 26AS also. However, in the computation sheet issued under section 147, the TDS credit has been restricted to Rs. 49,422/-, Form 26AS, which is enclosed herewith, clearly reflects a TDS

credit of Rs. 5,18,283/-, substantiating the claim made in the return

Further, the order passed under section 250 appears to have been made without due consideration of all the grounds, evidences, and submissions placed on record by the appellant, thereby causing prejudice to the appellant.

Based on all the above, I request your honor to rectify this calculation and allow entire tax credit.

7. Section 234C, improper levy of interest Rs. 17,691/-

As per section 234C, Interest to be levied if there is a short fall in advance tax as per returned income (and not assessed income).

In this case, Appellant has claimed refund in return of income and no advance tax liability arises as per returned Income (this can be evident from return file u/s 139(1), 139(4) and u/s 148) and hence interest u/s 234C should not be levied. Ld. AO has again erred in levy of Interest U/s 234C of Income Tax Act, 1961 The above ground is supported in case of M/s. EY Global Delivery Services India LLP vs. DCIT-4(1)(1), Bengaluru Wherein it was held that Interest u/s. 234C of the Act is to be levied on the returned income and not on the assessed income.

Further, the order passed under section 250 appears to have been made without due consideration of all the grounds, evidences, and submissions placed on record by the appellant, thereby causing prejudice to the appellant.

Based on all the above, I request your honor to remove this levy

8. Section 234B

As per all the above grounds of appeal, I have requested your honor to remove all disallowances and hence based on revise tax calculation I request your honor to revise interest u/s 234B also.”

3. Abhishek Rajeshbhai Karia (PAN: AQXPK7418H) (hereinafter referred to as "Assessee") is a regular taxpayer filed Return of Income u/s 139(1) for Asst. Year 2019-20 (Ack No. 613125770150719) (ITR-1 SAHAJ) which was later revised U/s 139(5) on 24th October, 2019 (Ack No. 218460430241019) showing Total Income of Rs. 16,95,590/- (Gross Total Income Rs. 25.12,585/-and Deduction u/c VI-A Rs. 8,17,000/-).

The Gross Total Income as referred contains-

- a. Salary income (Computed) Rs. 26,81,353/-
- b. Interest on Bank FD Rs. 31,232/-
- c. Loss under head House Property Rs. 2,00,000/- which relates to the self occupied property.
Deduction u/c VI-A contains-
 - a. Section 80C Rs. 1,50,000/-
 - b. Section 80D (Mediclaime) Rs. 75,000/-
 - c. Section 80DD Rs. 1,05,000/-
 - d. Section 80DDB (Medical treatment of specified diseases) Rs. 87,000/-
 - e. 80GGC (Donation to political parties) Rs. 4,00,000/-

This revised return was processed with demand of Rs. 3,18,200/- due to mismatch in calculation of TDS and after correcting the same, rectification was filed (on 13th November, 2019 having ACK No. 254927080131119) and this was processed without any adjustment dated 23rd November, 2019 and refund of Rs. 1,89,790/- (Principal: 1,84,260/- & Interest: 5,530/-) was credited to the bank account of the Assessee on 28th November, 2019. Assessee has received a notice u/s 148A on 29th March, 2023 for the above Asst. Year demanding justification regarding reopening of the case This notice has asked details about donation made to political party u/s 80GGC (Rashtriya Samajwadi Party (Secular), registered u/s 29A of the Representation of the People Act, 1951 (43 of 1951)) and claiming such donation to be bogus, as the party has been declared Registered Unrecognized Political Parties ("RUPP" in short) and thereby reopening the case as per Section 147. Assessee has given suitable reply on 06th April, 2023 claiming that reopening should not be proceeded with as the conditions mentioned in Section 80GGC is duly fulfilled without any malafied intention. After the above reply, the closure order u/s 148A was passed on 12th April, 2023 along with notice u/s 148 asking Assessee to file Return of Income. In pursuance of the

notice referred above, Assessee filed the Return of Income (Ack No. 140095350080523) u/s 148 showing same income as disclosed in revised return u/s 139(5). Then after notices u/s 143(2), 142(1) were issued and Assessee has responded all notices by furnishing necessary evidences, reference of various case laws. Establishing the fact that allegation made against the Assessee is grossly incorrect. After all these submissions, department has issued order u/s 147 r.w. 144B dated 11th March, 2025 wherein they have disallowed Rs. 7,92,000 (Rs. 4.00.000/- donation u's SOGGC Rs. 75,000 deduction u's 80D. Rs 105.000 3 R 87,000 U/s 80DDB of chapter VI-A and Rs 1.25.000 exemption us 10051. From the above, assessed income as per computation sheet is Rs. 25,31,350/-(A per SCN u's 147) and tax payable is Rs. 7.50,754-. After disallowing the deduction, assessed income as per order u/s 147 1448 dated 11 March, 2025 is Rs. 24,87,590/-. In ROI filed u/s 139(1), 139(5), 148, TDS claimed of Rs. 5.18.283/- but in order issued u/s 147 rws 144B TDS allowed to the extent of Rs 49,422/-. The Assessing Officer has disallowed deduction u/s 80GGC and also deductions u/s 80D, 80DD. 80DDB and 10(5) are disallowed.

4. Being aggrieved by the assessment order the assessee filed appeal before CIT(A). The CIT(A) dismissed the appeal of the assessee.

5. Ld. A.R. submitted that as regards Ground No.1 the CIT(A) was not right disallowing deduction under section 80GGC as the same was related to donation of a political parties and the details of bank was given to the Assessing Officer.

6. The Ld. D.R. relied upon the assessment order and the order of the CIT(A).

7. Heard both the parties and perused all the relevant material available on record. It is pertinent to note that the assessee has not given the details of bank statement subsequent to the donations and in fact the same was not verified properly by the Assessing Officer. Therefore, the matter is remanded back for verification to the file of the Assessing Officer for proper verification and adjudication. Needless to say the assessee be given opportunity of hearing by following the Principles of Natural Justice. Thus, Ground No.1 is partly allowed for statistical purpose.

8. As regards to Ground No. 2 the Ld. A.R. submitted that the disallowance under Section 80DDB was not justified as the assessee's father diagnosed with cancer and under Rule 11DD he was a specified disease patient. Thus, the assessee is entitle to claim a deduction up to Rs. 1 Lakh for medical expenses.

9. Ld. D.R. relied upon the Assessment Order and the Order of the CIT(A). Heard both the parties and perused all the relevant material available on record. The Assessing Officer has called for the details of 11 documents which was not given before the Assessing Officer as well as before the CIT(A) and therefore, the matter is remanded back to the file of the Assessing Officer for proper verification of these details and adjudicate the same as per Income Tax Act. Needless to say the assessee be given opportunity of hearing by following the Principles of Natural Justice. Thus, Ground No.2 partly allowed for statistical purpose.

10. As regards Ground No.3, the Ld. A.R. submitted that the CIT(A) has disallowed Rs.75, 000/- under Section 80D which was related to health insurance premium and medical expenditure incurred for parents.

11. The Ld. D.R. relied upon the Assessment Order and the Order of CIT(A).

12. Heard both parties and perused all the material available on record. It is pertinent to note that the assessee has incurred the medical expenditure for his parents and the same is allowable deduction under Section 80(2) therefore, the disallowance made by the Assessing Officer is not justified. Thus, Ground No.3 is allowed.

13. As relates to Ground No.4, the Ld. A.R. submitted that disallowance of exemption under Section 10(5) for travel concession received by the assessee was supported by Form No.16 and supporting documents but the same was ignored by the Assessing Officer as well as CIT(A).

14. The Ld. D.R. relied upon the Assessment Order and the Order of the CIT(A).

15. Heard both the parties and perused all the relevant material available on record. It is pertinent to note that the assessee has given all the details related to travel expenses and these details were overlooked by the Assessing Officer as well as by the CIT(A). Therefore, the disallowance does not sustain. Ground No.4 is allowed.

16. As regards Ground No.5 related to improper calculation of total income and allowing tax credit the same needs verification and therefore, these two issues in Ground No.5 and 6 are remanded back to the file of the Assessing Officer for proper verification and adjudication as per Income Tax Act. Needless to say the assessee be given opportunity of hearing by following Principles of Natural Justice. Ground No.5 and 6 are partly allowed for statistical purpose.

17. As regards Ground No.7 related to Section 234(C) levy of interest. The Ld. A.R. submitted that the assessee claim refund in return of income and no advance tax liability arises as per return income.

18. The Ld. D.R. relied upon the Assessment Order and the Order of the CIT(A)

19. Heard both the parties and perused all the relevant material available on record. It is pertinent to note that the interest under Section 234(C) of the Act is to be levied on the return income and not on the assessed income as contemplated by the assessee. Therefore, Ground No.7 is allowed.

20. As relates to Ground No.8 the same is consequential hence, not adjudicated at this juncture.

21. In result appeal of the assessee is partly allowed for statistical purpose.

Order pronounced in the open court on 15-05-2026

Sd/-
(Suchitra Kamble)
Judicial Member

Ahmedabad : Dated 15/05/2026
H.C. PS

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. Assessee
2. Revenue
3. Concerned CIT
4. CIT (A)
5. DR, ITAT, Ahmedabad
6. Guard file.

By order/आदेश से,

उप/सहायक पंजीकार
आयकर अपीलीय अधिकरण,
अहमदाबाद