

THE INCOME TAX APPELLATE TRIBUNAL  
AHMEDABAD "SMC" BENCH

Before Ms. Suchitra Kamble, Judicial Member

**ITA No. 1917/Ahd/2025**  
**Assessment Year 2019-20**

|  |    |   |
|--|----|---|
| Sunil Piyush Shah,<br>8 Meera Madhav Flat,<br>24 Patel Society,<br>Gulbai Tekra,<br>Ellisbridge, Ahmedabad<br>PAN: ANZPS1580M<br>(Appellant) | Vs | NFAC, Delhi<br>Present<br>Jurisdiction:<br>ITO Ward-5(3)(2),<br>Ahmedabad<br>(Respondent) |
|--|----|---|

**Assessee by: Shri Sunil Piyush Shah, A.R.**  
**Revenue by: Shri Suresh Chand Meena, Sr. D.R.**

Date of hearing : 03-12-2025  
Date of pronouncement : 16-01-2026

**आदेश/ORDER**

This is an appeal filed against the order dated 05-09-2025 passed by National Faceless Appeal Centre(NFAC), Delhi for assessment year 2019-20.

2. The grounds of appeal are as under:-

*"1. That the order under section 250 dated 05.09.2025 passed by the learned CIT(A), NFAC, New Delhi, upholding the reassessment order dated 11.02.2025 passed under section 147 read with section 144B of the Income-tax Act, 1961 ("the Act"), is bad in law, void ab initio, without jurisdiction, and contrary to the settled principles of law.*

*2. That both the reassessment order dated 11.02.2025 passed under section 147 read with section 144B and the appellate order dated 05.09.2025 passed under section 250 are vitiated in law, having been framed and upheld without furnishing the Appellant with any incriminating material specific to him, and without*

*granting an opportunity to cross-examine the persons whose statements were relied upon. The orders suffer from gross procedural irregularities, non-application of mind, and mechanical reliance on third-party statements, thereby violating the principles of natural justice and rendering the entire proceedings null and void.*

*3. That the initiation of reassessment proceedings itself is void ab initio, as the notice issued under section 148A(b) and the consequential order under section 148A(d) dated 02.05.2023 were passed mechanically, without furnishing the Appellant with any incriminating material specific to him, and without granting an opportunity to cross-examine the persons whose statements were relied upon, thereby violating the principles of natural justice.*

*4. That the learned CIT(A) erred in law and on facts in confirming the disallowance of deduction of Rs. 1,00,000 claimed under section 80GGC of the Act towards donation to MANVADHIKAR NATIONAL PARTY, a political party duly registered under section 29A of the Representation of the People Act, 1951, and continuing to be notified as eligible to receive donations under section 29B thereof. The finding that the donation constituted an accommodation entry is perverse, as it is based solely on generic investigation reports and third-party statements, without confronting the Appellant with any material linking him to such allegations.*

*5. That the learned CIT(A) has erred in drawing adverse inference on irrelevant considerations, including the alleged nearing of retirement of the Appellant, which was erroneously or deliberately related to a statement given in January 2019, whereas in fact the statement was given in January 2025. Such inference has no nexus to the genuineness or allowability of the donation for deduction under section 80GGC.*

*6. That the initiation of penalty proceedings under section 270A and rejection of immunity under section 270AA are wholly unsustainable in law, since the reassessment order contains no finding invoking section 270A(9) or identifying circumstances of misreporting. The penalty notice is templated and conclusory, and cannot form the basis for denying immunity.*

*7. That the voluntary payments made by the Appellant of Rs.29,490 (on 27.02.2025) and Rs.8,669 (on 15.08.2025), were made voluntarily without prejudice to avoid hardship, and are liable to be refunded with statutory interest under section 244A, as the demand giving rise to such payments is unlawful.*

*8. That the orders of the learned AO and learned CIT(A) are arbitrary, contrary to facts and law, violative of the principles of equity, fairness, and natural justice, and hence liable to be quashed in their entirety.*

*The Appellant craves leave to add, alter, amend, or withdraw any of the above grounds of appeal at the time of hearing, in the interest of justice.”*

3. The assessee is an individual and filed return of income from assessment year 2019-20 declaring total income at Rs. 9,73,730/- after claiming deduction u/s. 80G of Rs. 1,05,000/-. As per the information uploaded by the DCIT Central Circle-2(3), Ahmedabad, the assessee is one of the beneficiaries and claimed bogus deduction of Rs. 1,00,000/- u/s. 80GGC/80G of the Act in the case of Manvadhikar National Party during assessment year 2019-20. A search and seizure action u/s. 132 of the Act was conducted in various cases of political parties including Manvadhikar National Party and 2 Charitable Organizations on 02-02-2021. The statement u/s. 132(4) was recorded on 02-02-2021 of Shri Ram Bhavan Ojha, National President of the said party and the settler of all India Social Education Charitable Trust wherein he has admitted that the political party is engaged in bogus donation. The proceedings u/s. 147 of the Act were initiated and notice u/s. 148 along with order passed u/s. 148A(d) of the Act were issued. The assessee filed details which was taken on record by the Assessing Officer and after taking cognizance of the same held that the assessee's explanation with the documentary evidences is nothing a sham arrangement with malafide intention to evade tax and thus made the disallowance of Rs. 1,00,000/- u/s. 80G/80GGC.

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

5. The ld. A.R. submitted that the assessment order is bad in law, void ab-initio as the assessee was not granted an opportunity to cross examine the persons whose statements were relied upon. The ld. A.R. submitted that the notice issued u/s. 148A(b) and the consequential order u/s. 148A(d) dated 02-05-2023 were passed mechanically without granting an opportunity to cross examine the persons whose statements were relied upon thereby violating principles of natural justice. The ld. A.R. further submitted that the political party, Manvadhikar National party was duly registered and therefore donations given to the said party allows the assessee to claim deduction u/s. 80GGC in respect of the donation to such parties.

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 notice issued u/s. 148A(b) and consequential order u/s. 148(A)(d) dated 02-05-2023 was passed as per the procedures because the said order has categorically mentioned details of information received by the Investigation Wing. In fact para 8.1 of the order u/s. 148A(d) dated 02-05-2023 has categorically mentioned that the assessee has been given the opportunity to categorically answer notice u/s. 148A(b). In para 8.2, the Assessing Officer categorically mentions that the said donation of

Rs. 1,00,000/- were returned in cash after reopening a certain percentage of commission and therefore the Assessing Officer has not solely relied upon the statement but also the conduct of the assessee which was mentioned in para 8.2 of the said order. Thus, ground nos. 1 to 3 are dismissed. As regards the merits of the case, the assessee has not given the details related to the donations either to the Assessing Officer as well as to the CIT(A) that the said donations were genuine donations and the assessee has also not demonstrated as related to the commission received by the assessee from the said political party. Thus, the appeal of the assessee is dismissed.

8. In the result, the appeal of the assessee is dismissed.

Order pronounced in the open court on 16-01-2026

**Sd/-**  
**(Suchitra Kamble)**  
**Judicial Member**

a.k.

**Ahmedabad : Dated 16/01/2026**

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