

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 Nos.16 & 17/RPR/2026

निर्धारण वर्ष /Assessment Years : 2019-20

Suchismita Dhal
CO Saraj Kanta Dhal,
Block Chowk, Behind LIC Office,
Sonapur Raj Sonapur,
Balangir (Odisha)-767017
PAN: AORPD4399C

.....अपीलार्थी / Appellant

बनाम / V/s.

The Income Tax Officer-1,
Korba (C.G.)

.....प्रत्यर्थी / Respondent

Assessee by : None (Petition filed)
Revenue by : Dr. Priyanka Patel, Sr. DR

सुनवाई की तारीख / Date of Hearing : 05.02.2026

घोषणा की तारीख / Date of Pronouncement : 06.02.2026

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

The captioned appeals preferred by the assessee emanates from the respective orders of the Ld.CIT(Appeals)/NFAC, dated 15.12.2025 for the assessment year 2019-20 as per the grounds of appeal on record.

2. At the time of hearing, none appeared for the assessee. However, an adjournment petition has been filed which is rejected. The matter is heard after recording the submissions of the Ld. Sr. DR and on a careful perusal of the materials available on record.

3. Brief facts in this case are that the assessee had donated Rs.1,50,000/- to Manbadhikar National Party and Rs.50,000/- to Apna Desh Party which are registered unrecognized political party (RUPP) and claimed deduction u/s. 80GGC of the Income Tax Act, 1961 (for short 'the Act').

4. In the present case, neither the A.O nor the Ld. CIT(Appeals)/NFAC has brought on record any direct nexus of the benefit that was received by the assessee, if any, from such bogus donation. The Revenue authorities held that the assessee had donated 20% of his total earning to political party and has not brought on record whether the said political party has derived commission and has paid money back to the assessee through

backdoor. However, the main point is whether it is bogus donation to decline deduction u/s.80GGC of the Act. But in this case, the Revenue authorities has failed to establish that it is a bogus donation by the assessee or that the said donation was made for getting direct benefit in the process of backdoor entry from such political party. Nothing has been brought on record by the A.O to establish the direct nexus regarding benefit derived by the assessee from the said political party while making the said donation.

5. At this stage, I find that similar issue has been dealt with by the ITAT, SMC Bench, Raipur in the case of **ACIT-1(1), Bilaspur Vs. Anuj Prakash Gupta, ITA No.11/RPR/2026, dated 05.02.2026** wherein the issue has been decided in favour of the assessee against the Revenue observing as follows:

“2. In this case, the assessee had claimed deduction of Rs.2 lakhs u/s. 80GGC of the Income Tax Act, 1961 (for short ‘the Act’) for donation given to Rashtriya Samajwadi Party (Secular). That consequent upon search action carried in the case of RUPPs group, Ahmedabad as per Section 132 of the Act, the political party i.e. Rashtriya Samajwadi Party (Secular) was found to be one of the entities that was involved in providing accommodation entries. Based on the information received from Investigation Wing, Ahmedabad that the said political party was involved in providing accommodation entries of bogus donation, the case of the assessee was reopened u/s.147/148 of the Act, wherein the A.O had disallowed deduction of Rs.2 lakhs u/s. 80GGC of the Act.

3. When the matter went before the first appellate authority, the Ld. CIT(Appeals)/NFAC had deleted the addition observing as follows:

“It is not in dispute that the appellant made payment of Rs.2,00,000/- through banking mode and obtained a printed receipt. However, there is also no dispute that the said political party was one of the entities identified by the Investigation Wing as engaged in circular accommodation transactions. Statements of key functionaries recorded on oath admitted to the refund of donations after retaining commission. On the other hand, there is no direct material brought by the AO to show that the appellant in particular received any refund of the alleged donation, nor was the appellant confronted with specific evidence or given cross-examination of persons whose statements were relied upon. The AO disallowed the deduction entirely on a general presumption arising from search findings in third-party cases. While the wider investigation points to systemic irregularities, disallowance in the hands of each donor requires primary evidence establishing the non-genuineness of that specific transaction. The AO has not shown any bank trail, statement, or confirmation linking the assessee to the alleged refund. Therefore, the disallowance made purely on presumption and general findings cannot be upheld in absence of specific corroboration. Accordingly, the disallowance of Rs.2,00,000/- under Section 80GGC is deleted in appeal.”

4. At the time of hearing, the assessee himself appeared. The allegation of the Department is that the said political party in which the assessee had made donation was tainted party providing bogus accommodation entries through donations. However, the A.O had not brought out any evidence which suggests that the said political party has derived commission and has paid money back to the assessee through backdoor. Nothing has been brought on record by the A.O to establish the direct nexus regarding benefit derived by the assessee from the said political party while making the said donation.

5. In view of the aforesaid facts and circumstances, I do not find any infirmity with the findings of the Ld. CIT(Appeals)/NFAC which is hereby upheld.

6. As per the above terms grounds of appeal raised by the Revenue are dismissed.

7. In the result, appeal of the Revenue is dismissed.”

6. Respectfully following the aforesaid decision, I set-aside the order of the Ld. CIT(Appeals)/NFAC and direct the A.O to delete the addition from the hands of the assessee.

7. As per the aforesaid terms grounds of appeal raised by the assessee are allowed.

8. In the result, appeal of the assessee in ITA No.16/RPR/2026 is allowed.

ITA No.17/RPR/2026 (Penalty appeal u/s.270A of the Act)
A.Y.2019-20

9. In this appeal, penalty of Rs.83,200/- has been levied by the Revenue authorities on quantum. Since quantum appeal has been decided in favour of the assessee and the said quantum addition has been deleted. Considering the aforesaid facts and circumstances, I hold that since quantum addition have been deleted, the penalty shall not have any legal sustainability. The aforesaid view is fortified by the judgments of the **Hon'ble High Court of Rajasthan** in the case of **CIT Vs. cosmopolitan Trading Corporation reported as 274 ITR 640** and **Hon'ble Punjab & Haryana High Court** in the case of **CIT Vs. Prakash Industries Ltd reported as 322 ITR 622** that when the entire addition had been deleted

in the quantum appeal, no reason survives for sustaining the penalty.
Hence, the penalty order is quashed.

10. As per the aforesaid terms grounds of appeal raised by the assessee are allowed.

11. In the result, appeal of the assessee in ITA No.17/RPR/2026 is allowed.

12. In the combined result, both the appeals of the assessee are allowed.

Order pronounced in open court on 06th day of February, 2026.

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

रायपुर / Raipur; दिनांक / Dated : 06th February, 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.

// True Copy //

आदेशानुसार / BY ORDER,

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