

**IN THE INCOME TAX APPELLATE TRIBUNAL
"K (SMC)" BENCH, MUMBAI**

**SHRI RAHUL CHAUDHARY, JUDICIAL MEMBER
SHRI BIJAYANANDA PRUSETH, ACCOUNTANT MEMBER**

**ITA No.8549/MUM/2025
(Assessment Year:2019-2020)**

Hemaben Babubhai Parekh

15/17, Ratnakar Co-op. Hsg. Soc. Ltd.
8th Khetwadi Lane, Girgaon,
Mumbai - 400004. Maharashtra
[PAN: AADPP5708P]

..... **Appellant**
Vs

**Deputy Commissioner of Income Tax
19(1), Mumbai**

Room No.506, Piramal Chambers, Lalbaug,
Mumbai - 400012. Maharashtra.

..... **Respondent**

Appearance

For the Appellant/Assessee : Ms. Sneha Kothari
For the Respondent/Department : Shri Bhagirath Ramawat

Date

Conclusion of hearing : 17.02.2026
Pronouncement of order : 26.02.2026

ORDER

Per Rahul Chaudhary, Judicial Member:

1. The present appeal preferred by the Assessee is directed against the order, dated 30/10/2025, passed by the National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'the **CIT(A)**'] whereby the Ld. CIT(A) had dismissed the appeal against the Assessment Order, dated 20/01/2025, passed under Section 147 read with Section 144B of the Income Tax Act, 1961 [hereinafter referred to as 'the **Act**'] for the Assessment Year 2019-2020.
2. The Assessee has raised the following grounds of appeal which read as under:

"1. On the facts and in the circumstances of the case and in law, the Ld. CIT has erred in considering the fact that the assessee has by

mistake added the income twice and have failed to appreciate the fact that the assessee had already disallowed the donation expenses, of Rs.2,00,000/-, by adding the same to her business Income (570858 + 200000 equals to 770858) and simultaneously not claiming the deduction u/s 80GGC of Chapter VIA of the Act.

2. *On the facts and circumstances of case and in law, the Ld. CIT has erred in confirming the Assessment Order passed by the Ld. AO who failed to compute the assessed income correctly by accepting the reversal of donation expenses of Rs.2,00,000/- as business income and miscellaneous income of Rs.2,00,000/-resulting in double taxation. The assessee thereby prays that the same may be reduced from the income of the assessee.*
3. *On the facts and circumstances of case and in law, the Ld. CIT has erred in confirming the Assessment Order passed by the Ld. AO without considering the mechanical mistake incurred by the assessee.”*

3. We have considered the rival submissions and have perused the material on record.
4. It emerges that the Assessee, an individual, filed income tax return for the Assessment Year 2019-2020 declaring total income of INR.23,00,390/- on 30/08/2019 after claiming deduction under Section 80GGC of the Act towards donation made to political party (i.e., Kisan Party of India) amounting to INR.2,00,000/-. When the reassessment proceedings were initiated in the case of the Assessee, the Assessee filed return of income on 19/05/2023 in response to notice issued under Section 148 of the Act. The Assessee declared total income of INR.28,43,930/- and did not claim deduction of INR.200,000/- under Section 80GGC of the Act (as claimed in the original return of income).
5. The contention of the Assessee is that during the reassessment proceedings the Assessee had pointed out to the Assessing Officer that

the Assessee had offered additional income of INR.200,000/- to tax and had not claimed deduction of INR.2,00,000/- under Section 80GGC of the Act. Thus, the Assessee had, mistakenly, offered to tax income of INR.2,00,000/- twice. The Assessing Officer completed the assessment proceedings and passed order under Section 148 of the Act assessing the total income of the Assessee at INR.28,43,930/- as per the return of income filed by the Assessee in response to notice issue under Section 148 of the Act. The Learned CIT(A) also declined to grant any relief and therefore, the Assessee has carried the issue in appeal before us.

6. On perusal of record we note that the Assessee had filed return of income for the Assessment Year 2019-2020 under Section 139(1) of the Act declaring income of INR.23,00,390/-. Thereafter, the Assessee filed return declaring income of INR.28,43,390/- in response to notice issued under Section 148 of the Act.
7. On comparing the computation of income filed with the original return of income and revised return of income, we find that as per the original as well as the revised computation of income, the Assessee had offered to tax INR.7,70,858/- as Business Income.
8. However, the Assessee offered to tax additional income of INR.200,000/- as Income from Other Sourced in the revised computation of income. Further, the Assessee had claimed INR.200,000/- as deduction under Section 80GGC of the Act as per the original computation of income, whereas the Assessee did not make such claim as per the revised computation of income. As a result, the aggregate deduction claimed reduced from INR.4,49,262/- to INR.2,43,262/-. Thus, the Assessee had surrendered the claim of deduction of INR.200,000/- under Section 80GGC of the Act and had offered to tax additional income of INR.200,000/- under the head 'Income from Other Sources' in the revised return.

9. The case of the Assessee is that by doing as above, the Assessee had offered to tax additional income of 4,00,000/- instead of additional income of INR.200,000/-. We do not find merit in the aforesaid contention advanced on behalf of the Assessee. We note at the time of initiation of reassessment proceedings a sale transaction of INR.200,000/- (with Jinal Pankajbhai Shah) was also got flagged on the insight portal. In our view, additional income of INR.200,000/- offered to tax by the Assessee under the head Income from Other Sources in the revised return of income pertained to the aforesaid sale transaction.
10. At the same time, we note that in the original computation of income, the Assessee has shown that Business Income of INR.7,70,858/- which included 'Donation considered separately' of INR.200,000/-. Before the Learned CIT(A), the Assessee had raised Ground No. 3 contending that the Assessee had already disallowed donation by making addition of INR.2,00,000/- to her Business Income. We note that the revised return while the Assessee surrendered the deduction claimed under Section 80GGC of the Act, the Assessee had again offered to tax Business Income of INR.7,70,858/- (which included donation amount of INR.200,000/-). Thus, by mistake, the Assessee failed to revise the Business Income downwards by INR.200,000/- and ended up suffering tax twice on amount of INR.200,000/-. First time by making addition of INR.200,000/- to the Business Income and Second time by surrendering deduction of INR,200,000/- earlier claimed under Section 80GGC of the Act.

Therefore, to this extent, we find merit in the contention of the Assessee. Accordingly, we direct the Assessing Officer to re-compute the total taxable income of the Assessee and the corresponding tax liability by taking Business Income of Assessee as INR.5,70,858/- (as against INR.7,70,858/-). In terms of the aforesaid Ground No. 1 raised

by the Assessee is allowed while Ground No. 2 and 3 are rejected.

11. In terms of above, the present appeal preferred by the Assessee is partly allowed.

Order pronounced on 26.02.2026.

Sd/-
(Bijayananda Pruseth)
Accountant Member

Sd/-
(Rahul Chaudhary)
Judicial Member

मुंबई Mumbai; दिनांक Dated : 26.02.2026
Milan, LDC

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त/ The CIT
4. प्रधान आयकर आयुक्त / Pr.CIT
5. विभागीय प्रतिनिधि , आयकर अपीलीय अधिकरण , मुंबई / DR,
ITAT, Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

उप/सहायक पंजीकार / (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण, मुंबई / ITAT, Mumbai