IN THE INCOME TAX APPELLATE TRIBUNAL
GUWAHATI BENCH, GUWAHATI
(VIRTUAL HEARING AT KOLKATA)

SHRI LAXMI PRASAD SAHU, ACCOUNTANT MEMBER
SHRI YOGESH KUMAR US, JUDICIAL MEMBER

ITA No. 484/GTY/2026
Assessment Year : 2024-25

Manoj Agarwal, 102, SDC Building, B-18, Todarmal Marg Bani Park, Jaipur - 302001 [PAN: ACFPA9599P]	Vs.	**ITO, Ward-1,** Tinsukia, Assam
APPELLANT		**RESPONDENT**

Assessee by	:	Shri Anoop Bhatia, CA
Revenue by	:	Shri Santosh Kmar Karnani, Addl. CIT

Date of hearing	:	02.09.2026
Date of Pronouncement	:	16.10.2026

O R D E R

PER LAXMI PRASAD SAHU, ACCOUNTANT MEMBER

This is an appeal filed by the assessee against the order passed by the National Faceless Appel Centre (NFAC), Delhi here-in-after referred to as Ld. Commissioner of Income Tax (Appeals)dated 26.05.2026, DIN & Order No. ITBA/NFAC/S/250/2026-27/1088865516(1) on the following grounds of appeal:

"1. Under the facts and in the circumstances of the case as well as in law, the Ld. CIT(A) as well as AO grossly erred in disallowing the deduction

claimed under section 80GGC (inadvertently claimed ws-80G) of the Income Tax Act, 1961 ((he Act) amounting to Rs. 5,00,000/-. Such disallowance being arbitrary, invalid and unlawful, hence deserves to be quashed. Anoop Bhatia CA/AR 2024-2025.

2. Under the facts and in the circumstances of the case as well as in law, the Ld. CIT(A) erred in upholding the determination of total income of the assessee by the AO at Rs.14,48,870/. Such determination of total income being contrary to the facts of the case and settled position of law deserves to be deleted. Grounds of Appeal.

3. Under the facts and in the circumstances of the case as well as in law, the Ld. AO erred in initiating the penalty proceedings u/s-270A of the Act for misrepresentation or suppression of acts and u/s-272A(1)(d) of the Act for non-compliance to the notices being invalid in law, hence deserves to be deleted.

4. That the appellant reserves the right to add/ alter/ modify/delete any or all grounds at any time before the hearing."

2. Briefly stated the facts of the case are that the assessee is an individual, filed his return of income u/s 139 of the Act on 29.07.2024 under the old regime consist income from salary amounting to Rs. 11,50,000/-, income from house property amounting to Rs. 3,36,000/- and income from other sources amounting to Rs. 1,97,865/-. Accordingly, gross total income was computed at Rs. 16,83,865/- after claiming deduction under Chapter VIA aggregating to Rs. 7,35,000/- and total income was determined at Rs. 9,48,870/- and claimed refund of Rs. 50,360/-, the return was processed u/s 143(1) of the Act on 11.08.2024. Later, case was selected for scrutiny under CASS for the purpose of verifying large deduction claimed under Chapter VIA of the Act. Accordingly, notice u/s 143(2) of the Act dated 23.06.2025 was sent on the e-mail ID, the case was fixed for compliance on different dates and assessee furnished reply the assessee had claimed deduction under various section of Chapter VIA

regarding 80C, 8CCD, 1B, 80D, 80G, 80TTA and 80GGC donation given to political party namely Garib Kalyan Party for Rs. 5 lacs. The AO noted that the income tax department conducted investigation into large scale donation made by various persons to certain political party and has found that such party were facilitating for bogus claims by the doner u/s deduction u/s 80GGC of the Act by charging commission. It was observed that the amount received through banking channel were withdrawn by this political party. Subsequently, return the doner after deducting their commission.

3. In order to verify the genuineness of the assessee's claim of deduction a notice u/s 133(6) of the Act was issued to Garib Kalyan Party seeking confirmation of the donation received from the assessee along with supporting details such as audited financial statements, election expenditure statements, and return of income filed for the relevant period. In response, the political party furnished its reply dated 04-12- 2025 wherein it confirmed receipt of the donation from the assessee and claimed to have submitted its financial details. However, on examination of the submission, it was issued to Garib Kalyan Party seeking confirmation of the donation received from the assessee along with supporting details, the political party confirmed its reply on 04.12.2025 wherein it confirmed receipt of the donation from the assessee and claimed to have submitted its financial details. However, on examination of the submission. it was observed that the

party had furnished only unaudited financial statements and failed to submit audited annual accounts as well as election expenditure statements, despite having contested elections during the relevant period. It was noted that the party had not conducted any audit of its accounts for the relevant financial year and had not furnished audited financial statements as required. Additionally, the party failed to confirm whether it had filed its income-tax return for the relevant period, even though this information was specifically called for in the notice issued under section 133(6) of the Act. The absence of audited accounts and non-furnishing of return filing details casts serious doubt on the financial transparency and statutory compliance of the donee political party. It is further observed that the assessee, having made a donation to a political party was eligible to claim deduction u/s.80GGC of the Act and not u/s.80G, as claimed in the return of income. On perusal of the ITR, it is also noticed that an incorrect PAN was quoted by the assessee at the time of filing the return. Moreover, the assessee is employed and residing in Jaipur, Rajasthan, whereas the donee political party primarily operates in the State of Gujarat. The donation to a political party operating mainly outside the assessee's state of residence, coupled with the above discrepancies, further raises suspicion regarding the genuineness and correctness of the assessee's claim. Accordingly, deduction claimed by the assessee was denied and added back to the total income of the assessee.

4. Aggrieved from the order of AO, the assessee filed appeal before the Ld. CIT(A). The Ld. CIT(A) after considering the submission of the assessee and relied on various judgment. He dismissed the appeal of the assessee observing as under:

> *"6. Ground No. 1 & 2 These grounds of appeal are interlinked and relate to the disallowance of deduction of Rs.6,00,000/- claimed u/s 80G of the Act. The appellant is alleged to have been claimed bogus donation made to political parties namely Garib Kalyan Party of Rs.5,00,000/-. Further, the AO was in possession of information from the Department that the above parties have been identified as bogus donation accommodating parties, whose modus operandi is by charging commission of some percentages from the donors and routing the donations to various banking channels and finally hand over the donations to the concerned beneficiaries by cash. The AO identified that the appellant donated to the above political party which was established by the department as fraudulent party involving in accommodating the fraudulent claims of deductions/exemptions and also the above fact is evident from the notification of the Election Commission showing the above parties are identified as Registered Unrecognized Political Parties (RUPPs).*
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> *6.2 The undersigned after careful consideration of order of the AO, submissions made by the appellant. It is a settled law in the case of Jayeshkumar Gopalbhai Akbari vs. Deputy Commissioner of Income-tax [2024] 162 taxmann.com 395 (SuratTrib.)[28-03-2024], the Hon'ble ITAT has delivered its observation in favour of Revenue which is reproduced as under: -*
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> *"Section 80GGC of the Income-tax Act, 1961 - Deduction - Donation to political parties (Conditions precedent) - Assessment year 2016-17 - Assessee claimed deduction under section 80GGC for contributing to a political party - In order to verify genuineness of claim, Assessing Officer issued notice under section 133(6) to such political party but no response was received - Election Commissioner of India informed that said party was unrecognized political party and had not furnished their annual audited accounts and contribution report to Chief Election Officer - On basis of such adverse report/material, Assessing Officer disallowed entire donation under section 80GGC - Whether on facts disallowance of deduction under section 80GGC was justified"*
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> *6.3 Further, the reliance is placed on the judgment in the case of Nipun Builders and Developers Pvt. Ltd., 30 taxmann.com 292 (Delhi) where it was held that it is the duty of the Tribunal to scratch the surface and probe the documentary evidence in depth, in the light of the conduct of assessee and other surrounding circumstances in order to see whether the assessee is liable to the provisions of section 68 or not. In the case of NR Portfolio 42 taxmann.com 339 (Delhi), it was held that the genuineness and credibility are deeper and obtrusive. Similarly, the bank statements provided by the assessee to prove the genuineness of the transactions alone is not sufficient in view of the judgment of Hon'ble court in the case of Pratham Telecom*

India Pvt. Ltd., (IT Appeal No. 316 of 2016, dated 17.09.2018) wherein, it was stated that bank statement is not sufficient enough to discharge the burden.

6.4 Further, the Hon'ble ITAT AHMEDABAD BENCH 'B' had held in the case of Pavan Anil Bakeri v. DCIT, had held that Assessee paid certain amount of donation to a political party, namely RSP - Assessing Officer issued a notice under section 133(6) to RSP to verify genuineness and utilization purpose of said donation, however, there was no representation from RSP - Assessing Officer found that bank accounts of above political party had been used by accommodation entry provider where donation received by cheques were layered through various bank accounts and ultimately cash was returned back and, therefore, donation claimed under section 80GGC was merely accommodation entry - AO made a detailed enquiry of RSP and its Bank accounts and transfer of funds to one 'M' proprietor of two firms and he transferred it to other firms which was clearly a systematic financial maneuver to legitimate illicit moneys and evade taxes - Whether in absence of any evidence from assessee, findings given by lower authorities did not require any interference and addition was to be sustained.

6.5 The Hon'ble Supreme Court in the case of Commissioner of Income-tax (Exemptions), Kolkata vs. Batanagar Education And Research Trust [2021] 129 taxmann.com 30 (SC)/[2021] 282 Taxman 1 (SC)/[2021] 436 ITR 501 (SC)[02-08- 2021], delivered the following pronouncements in favour of the revenue, the excerpts are reproduced hereunder: -

"Section 12AA, read with section 80G, of the Income-tax Act, 1961 - Charitable or religious trust - Registration procedure (Cancellation of registration) - Assessee-trust was registered under section 12AA and was also accorded approval under section 80G(vi) - A survey was conducted on another entity, one SHG & PH, under section 133A and it was observed that assessee-trust had received bogus donation from them - Consequently, Commissioner cancelled registration of assesseetrust under sections 12AA and 80G - However, High Court set aside order of cancellation of registration of assessee-trust - It was noted that answers given to questionnaire by managing trustee of assesseetrust showed that substantial amount of money received as donations by assessee by way of cheques was ploughed back or returned to donors in cash and assessee misused status of trust conferred upon it by section 12AA - Whether thus, assessee-trust was not entitled to retain and enjoy its status as a trust and cancellation of registration under sections 12AA and 80G was justified - Held, yes."

6.6. In the light of the above decisions of the Hon'ble Supreme Court of India, Hon'ble High Court and Hon'ble ITAT, it is hereby held that the donation made by the appellant is bogus in nature and thus, deduction cannot be allowed. Accordingly, the order passed by the AO is hereby confirmed. Accordingly, the ground No. 1 & 2 raised by the appellant are dismissed."

5. Aggrieved from the order of Ld.CIT(A), the assessee is in appeal before the ITAT.

6. The Ld. Counsel reiterated the submissions made before the lower authorities and submitted that the donation was made through banking channel. The political party has confirmed that it has received donation from the assessee and the assessee is not responsible for non-compliance made by the political party, the assessee discharged his initial burden to prove the genuineness of the donation.

7. On the other hand, the Ld. DR relied on the order of lower authorities and submitted that the assessee is a salaried employee posted in state of Rajasthan and political party belongs to state of Gujarat, they did not know to each and other and as per investigation by the income tax department that the political parties are involved for providing accommodation entry in the form of accepting donation and after deducting their commission the money is returned to the concerned donee, therefore, the transaction carried out by the assessee is not genuine and he submitted that the Ld. CIT(A) has after relying on various judgments rightly dismissed the appeal of the assessee. Alternatively, he requested that the matter may be remitted back to the AO for further investigation.

8. In the rejoinder, the Ld. Counsel objected for giving further chance to the AO and requested that the assessee has discharged his initial liability as cast upon him to prove the genuineness of the transaction therefore, appeal of the assessee should be allowed.

9. Considering the rival submissions and perusing the entire materials available on record and order of authorities below. We noted that the case of the assessee was selected for scrutiny for the purpose of large claim of deduction under chapter VI-A of the Act. We further noted that the income tax department has investigated and found that some political parties are providing accommodation entries to the doners in the form of accepting donation and after retaining their commission the balance amount is refunded in the form of the cash to the concerned doner. During the course of assessment proceedings, notice was issued u/s 133(6) of the Act, the donee has also not complied in entirety as the information was sought. The assessee is a salaried person. He has given huge donation and claimed deduction u/s 80G with quoting wrong PAN of the donee which also create doubt. On going through the order of Ld. CIT(A) noted supra, we do not find any infirmity in the order of Ld. CIT(A). The co-ordinate bench of Tribunal in the case of Meetkumar Hasmukhbhai Chaturvedi *v.*Income-tax Officer reported in [2026] 188 taxmann.com 1104 (Ahmedabad - Trib.). A similar issue has been decided in favor of Revenue observing as under after relying of the various other judgements:-.

> *"7. On careful consideration of the grounds of appeal, it is found that the identical issue was considered by Co-ordinate Bench of this Tribunal in in the case of Saurabh Pravinbhai Patel v. ITO [IT Appeal No. 1017(Ahd) of 2023, dated 30.04.2025] on donation made to political parties u/s. 80GGC of the Act wherein it was held as follows:*

"4. Aggrieved against the assessment order, assessee filed an appeal before Ld. CIT(A). After considering the Tribunal's decision, confirmed the disallowance made by the Assessing Officer by observing as follows:

"While adjudicating the instant case by the undersigned, the eyeopening facts came in notice in the case of Pavan Anil Bakeri v. Deputy Commissioner of Income-tax adjudicated by the Hon'ble ITAT, Ahmedabad Bench which changed the course of the case to a whole new direction In the above case the Hon'ble ITAT held that where assessee made donation to a political party and claimed deduction under section 80GGC, since Assessing Officer found that bank accounts of above political party had been used by accommodation entry provider where donation received by cheques were layered though various bank accounts and ultimately cash was returned back, donation claimed under section 80GGC was merely accommodation entry and thus, disallowance of deduction under section 80GGC was proper. The sequence of events in the above case are "The assessee paid donation of Rs 52,00,000/- to Rashtriya Samajwadi Party (Secular) To verify the genuineness and utilization purpose of the donation, a notice u/s 133(6) was issued on 5-102018 to Rashtriya Samajwadi Party (RSP) There was no representation from RSP Therefore another opportunity was granted vide letter dated 16-10-2018 Again there was no response from RSP. Therefore a summon u/s 131(1) of the Act was issued to Shri S.N. Chaturvedi, National President, RSP to attend the office on 19-11-2018 to produce the requisite the donation details. No one attended the office of the said date of hearing.

21 RSP is a political party registered with Election Commission of India. The Assessing Officer called for the bank details of RSP with Oriental Bank of Commerce, New Naroda Branch. From the perusal of the bank statement, it was observed there was a credit entry of Rs. 52,00,000/-on 07-10-2015 which is donation given by the assessee and there was two debit entries amounting to Rs. 27,00,000/- and Rs 25,00,000/- respectively on the same day On further enquiry from the Oriental Bank of Commerce the amount of Rs. 27,00,000/- credited to Sterlite Inc and Rs 25,00,000/-credited to Shah And Co. on 7-10-2015.

2.2 . On examination of the RSP bank statement, it was found that it is a general practice of crediting huge cash and subsequently transferring to another party on same day. Further analysis of the transaction particulars reveals that the cash was transferred to mainly four parties namely Guru Enterprise, Unique Trading, Mahavaisnavi and KK Indersriz. It was also observed that no cashwithdrawal for expenses like rent, electricity, water, newspaper, fuel etc of RSP and is not reflecting in the bank account. There is an Inspector of Income-tax was deputed to visit the premises of RSP at UG-8. Harekrishna Complex, C.TM Char Rasta, Amraiwadi, Ahmedabad-380026 on 15-11-2018 The Inspector submitted his report that RSP office situated on 2nd Floor of 3 storey building which is a small shop and shutter of which was half closed on that day. Nearby peoples were inquired that RSP Office which is found to be closed in most of the times. Copy of the said RSP Office photographs is reproduced in the assessment order. Further perusal of the records of RSP it is observed that during the assessment year 2016-17, RSP has received only donation amounting to Rs. 14,73,309/- whereas as per the bank account statement of the RSP in Oriental Bank of Commerce, total amount credited is Rs. 38,15,03,885/-That apart from RSP is maintaining two other bank account one at Bank of India and another of Central Bank of India. Further enquiry of Mis. Sterlite Inc and Shah And Co both the accounts were closed on 30-3-2016. An enquiry by the Bank both the proprietorship firms,

where there is no stocks found and the office premises were being occupied by another person.

2.3 On further verification the donation amount of Rs. 52,00,000/-paid by the assessee to RSP was transferred to Waheguru Enterprise and Sapan Traders on 7-10-2015 of Rs. 25,00 000/-and Rs. 27,00,000/- respectively. This systematic pattern of transferring the funds credited by RSP clearly establishes the modus operandi of the account opening i.e. to route or transfer the funds of RSP back to the donator. Thus the assessee gave Rs. 52,00,000/- to RSP in the form of donation which was transferred to accounts of Shri Mukesh Mehta who claimed to be a businessman. Again the said amount was transferred to Sapan Traders and Waheguru Enterprise. Thus the donation claimed to be paid by the assesse is found to be bogus and the same is disallowed u/s. 80GGC of the Act and added back to the total income of the assessee and also initiated penalty proceedings u/s. 271(1)(c) of the Act for concealment of income."

On further appeal Ld. CIT (A) observed in the case "The Assessing Officer has clearly brought out facts that bank accounts of above political party have been used by the accommodation entry provider where the donation received by cheques were layered through various bank accounts and ultimately cash was returned back. I therefore, agree with the findings given by the AO that donation of Rs. 52,00,000/-claimed u/s. 80GGC is merely accommodation entry. The Honorable ITAT Ahmedabad in the case of Pavankumar M. Sanghvi v. ITO, Wd. 3(1)(2), Baroda [2017] 81 taxmann.com 308 on the issue of accommodation entry has observed as under-

"8. As I proceed to deal with genuineness aspect, it is important to bear in mind the fact that what is genuine and what is not genuine is a matter of perception based on facts of the case vis-a-vis the ground realities. The facts of the case cannot be considered in isolation with the ground realities. It will, therefore, be useful to understand as to how the shell entries, which the loan creditors are alleged to be, typically function, and then compare these characteristics with the facts of the case and in the light of well settled legal principles. A shell entity is generally an entity without any significant trading, manufacturing or service activity, or with high volume low margin transactions to give it colour of a normal business entity used as a vehicle for various financial manoeuvers. A shell entity, by itself, it not an illegal entity but it is their act of abatement, of, and being part of financial manoeuvring to legitimize illicit monies and evade taxes, that takes it actions beyond what is legally permissible These entities have every semblance of a genuine business its legal ownership by persons in existence, statutory documentation as necessary for a legitimate business and a documentation trail as a legitimate transaction would normally follow. The only thing which sets its apart from a genuine business entity is lack of genuineness in its actual operations. The operations came out by these entities, are only to facilitate financial manoeuvring for the benefit of its clients, or with that predominant underlying objective, to give the colour of genuineness to these entities. These shell entities, which are routinely used to launder unaccounted monies, are a fact of life, and as much a part of the underbelly of the financial world, as many other evils. Even a layman, much less a Member of this specialized Tribunal, cannot be oblivious of these ground realities."

In the aforesaid case, the Hon'ble ITAT bench held "As regarding ground no. 2, donation of Rs. 52,00,000/- made u/s. 80GGC, the ground is general in nature. The assessee has not produced any additional evidence in support of its claim. In fact the assessee had stated that it had cordial relationship with Mr. Kamlendu

Tripathi Secretary of RSP and no other criteria was followed for making these donations. The Ld AO made a detailed enquiry of RSP and its Bank accounts and transfer of funds to one Shri Mukesh Mehta proprietor of two firms and he transferred it to Waheguru Enterprise and Sapan Traders, which is clearly a systematic financial maneuver to legitimate illicit moneys and evade taxes. It is appropriate to follow the Hon'ble Supreme Court judgment, wherein SLP filed by the assessee is dismissed confirming the Tribunal's decision to come to the conclusion that the entire loan transaction was not genuine, in the case of Pavankumar M. Sanghvi v. ITO [2018] 97 taxmann.com 398/258 Taxman 160 (SC) which held as follows:

Assessee received certain sum as loan from two companies -Assessing Officer having found that said lender companies were shell entities added loan amount to income of assessee under section 68-Bank statement of lender companies revealed high transactions during day and a consistently minimal balance at end of working day-Further day when assessee was given loan there were credit entries of almost similar amounts, and balance after these transactions was a small amount Tribunal taking into account bank statements of lender companies and fact that assessee failed to produce these lenders for verification held that alleged loan transactions were not genuine -High Court by impugned order held that since Tribunal had given elaborate reasons to come to conclusion that entire loan transaction was not genuine, appeal filed before it was to be dismissed Whether Special Leave Petition against impugned order was to be dismissed.

5.2 In the absence of any evidence from the assessee, the grounds raised by the assessee are untenable and therefore the same is rejected. The findings given by the lower authorities does not require any interference and the addition is sustained.

It is pertinent to mention here that out of two political parties to whom the appellant paid total donation of Rs. 1,13,51,000/- the modus operandi of the one political party named the Rashtriya Samajwadi Party (Secular) has already been discussed in details in the preceding paragraphs of the instant order. It can be safely presumed that the modus operandi of other political party named Kisan party of India is also indulging only in providing accommodation entry as can be ascertained from various newspaper reports and enquiries which is being conducted by various institutions.

In view of the findings in the above case I am inclined to agree with the decision made by the AO during the assessment proceedings regarding the donation made was basically a bogus donation as the Political Party is indulging only in providing accommodation entry. Thus in view of the above discussion, the submission made by the appellant regarding the claim of deduction for donation of Rs.

1.13.51,000/- to be allowed is not acceptable as already discussed in detail in the preceding Paras of the instant order. Therefore, the ground of appeal stands dismissed."

5. Aggrieved against the same, the assessee is in appeal before us raising the following Grounds of Appeal:

1. The learned National Faceless Appeal Centre has erred in law and facts by confirming the disallowance of claim for deduction under section 80GGC of the

Act of Rs.1,13,51,000/- made by the learned A.O. and therefore the learned A.O. be directed to allow the same while computing total income.

2. That the appellant craves liberty to add, amend and alter any ground of appeal before the final hearing.

6. Ld. Counsel appearing for the assessee filed same set of documents filed before the Assessing Officer and reiterated its submissions. Nothing new documents or evidences filed before us to deviate from the findings of the Lower Authorities. The Ld AO has clearly brought out facts that bank accounts of above political parties have been used by the accommodation entry provider, where the donation received by cheques were layered through various bank accounts and ultimately cash was returned back. The same is not disputed by the assessee with relevant materials. Further the Ld AO made a detailed enquiry of RSP and its Bank accounts and transfer of funds to one Shri Mukesh Mehta proprietor of two firms and he transferred it to Waheguru Enterprise and Sapan Traders, which is clearly a systematic financial maneuver to legitimate illicit moneys and evade taxes. In the absence of any fresh materials in support of the assessee's claim. The Grounds raised by the assessee is devoid of merits and liable to be dismissed."

8. It is found that similar issue stands adjudicated by the Co-ordinate benches of this Tribunal in the cases of :-

(i)		*Mihir Bipinbhai Parekh v. DCIT [IT Appeal No. 1173 (Mum) of 2026, dated 12-5-2026],*

(ii)		*Milind Pankajbhai Shroff v. Pr. CIT [IT Appeal No.93 (RJT) of 2023, dated 20-05-2024], Ritesh Sugan Jain v. ITO [IT Appeal No. 8546 (Mum) of 2025, dated 27-4-2026],*

(iii)		*Rajen Jayantilal Merchant v. ITO [IT Appeal No. 1683 (Ahd) of 2025],*

9. For the sake of ready reference, the detailed adjudication in the case of Milind Pankajbhai Shroff,(supra) is reproduced as under :-

"22. Now, we shall also adjudicate the other arguments advanced by Id. DR for the revenue to the effect that "fraud vitiates everything". In this connection, at the cost of repetition, we reiterate the findings of Id PCIT, which are as follows:

(i)		*Rashtriya Samajwadi Party (Secular) is a Registered Unrecognized Political Party and it is one of the 23 RUPPs covered in the RUPPs Group of Ahmedabad. This party was established on 21.10.2008 and its registered address as per its website is Samruddhi Complex, Opp- Sakar-3, Income Tax Circle,*

		Ahmedabad. However, during pre-search enquiry, no party office is found at the aforesaid address.

(ii)		*The modus-operandi of this political party is that the donation is received through cheque in the bank account of the party and then routed through intermediary(ies) (which is generally shell entity(ies) controlled by either the persons running the party or by any other person) in the garb of various purchases or other payments, which are found to be bogus in nature. It is pertinent to mention here that the political party doesn't pay any tax since it is exempt u/s 13A of the Act.*

(iii)		*During the search proceedings, on 07.09.2022, statement on oath u/s 132(4) of the I.T. Act, was recorded of Smt. Sandhya Singh, National Party President of the Rashtriya Samajwadi Party (Secular). As evident from the declaration made on oath by Smt. Sandhya Singh that although she is national party president of the party, however, all the work related with party is being looked-after by her husband Shri Bishwajeet Singh. She was not aware about any activity of the party. Further, vide Q. No. 18 and 19, she was categorically asked regarding details of bank accounts, books of accounts, nature and quantum of the expenditures of the Rashtriya, Samajwadi Party. In reply to the same, she again stated that she is not aware of any details regarding these subjects. She stated that all these things are being handled by her husband Shri Bishwajeet Singh.*

(iv)		*It is on record that statement of Shri Bishwajeet Singh, on oath u/s 132(4) of the I.T. Act, was recorded on 07.09.2022. During the statement proceedings, Shri Bishwajeet Singh admitted the fact that on his instance, his wife Smt. Sandhya Singh joined RSP, as president. During the statement proceedings, Shri Bishwajeet Singh revealed that the party i.e. RSP is involved in bogus donations scam across India and founder of party i.e. Shri Surya Nath Chaturvedi carried out bogus donations scam since inception of the party. He further stated that after deducting certain commission donations are being returned to the donors.*

(v)		*Furthermore, Shri Bishwajeet Singh stated that these affairs are also being the handled by the Shri Ritesh Shah. Shri Bishwajit Singh submitted list of some bogus entities used for cash generation, which is reproduced by Id PCIT on page number 13 of his order.*

(vi)		*During the post search inquiries, statement of Shri Amitkumar Chaturvedi (AHLPC7736R), past president of political party was also recorded, he categorically admitted that the party was engaged in bogus donations scam.*

(vii)		*It is relevant to refer to the fact that on verification with the website of regional Chief Electoral Officer where the party is registered i.e. CEO, Gujarat State, it has been found that Rashtriya Samajwadi Party (Secular) has not filed any contribution report, since F.Y. 2013-14 onward.*

(viii)		*The party been claiming wrong and invalid exemption, over the years under section 13A of the I.T. Act but it has also been, mentioning in its Income Tax Return of F.Y. 2018-19 that no contribution report has been filed u/s 29C of the R.P. Act, 1951.*

(ix)		*Rashtriya Samajwadi Party (Secular) is not registered, as of today, as informed by Id Counsel for the assessee, with Election Commission of India/R.P. Act, 1951.*

(x)		*There is no retraction of statements given by Smt. Sandhay Singh, Shri Bishwajeet Singh and Shri Amit Kumar, hence their statements are correct and valid.*

On analysis of gathered data of the conducted search, it was learnt that these RUPP's are either not carrying out any sort of genuine political or social activity or they are carrying out such activities to project themselves as genuine parties. However, in reality these political parties are being used as a vehicle of accommodation entries under the garb of political activities. The biggest advantage of creating a facade of a political party to propagate the accommodation entry scam is the fact that the income of political party is completely exempt from taxation as long as conditions laid down in section 13A of the Act, are satisfied. The persons making donations to such organizations, at the same time received back the donations made by them in the form of cash after deduction of certain percentage of commission. By this way, the assessee i.e. the donor becomes eligible for the deduction u/s 80GGC of the Act and evades the income tax liability by claiming 100% deduction on donated amount irrespective of his/her ITR. Further, In the light of disclosures made by Shri Suryanath Chaturvedi the former president and founder member of RSP (Secular), it is an established fact the Rashtriya Samajwadi Party has been formed to carry out bogus donations scam and bogus donation activities are being carried out from the inception of the party. All the party presidents from the inception have admitted that the RUPP is involved in the bogus donation

scam. Moreover, Umapati IT Solution is a paper entity and has been used for layering of bogus donation received in the bank accounts of RSP(Secular).

23. From the above facts, it is abundantly clear that donation received by "Rashtriya Samajwadi Party" is bogus. The assessee has claimed deduction under Section 80GGC of the Act, and 80G(5) of the Act, which is also bogus and to that extent Assessment Order passed by assessing officer is erroneous and prejudicial to the interest of Revenue. There is a saying that The 'tail' cannot wag the 'dog'. When there is a fraud, then the details and documents submitted by the assessee, before the assessing officer, during the assessment proceedings, do not assist the assessee in any manner, that is, the assessee cannot take the plea that he has submitted enough documents and details before the assessing officer and assessing officer has taken the plausible view. For that reliance can be placed on the judgment of the Coordinate Bench of ITAT Pune, in the case of Abhishek Ashok Lohade in ITA No.816/pUN/2018, order dated 22.11.2022.

From the above facts and relying on the decision cited above, it is abundantly clear that donation received by "Rashtriya Samajwadi Party" is bogus. The assessee has claimed deduction under Section 80GGC of the Act, which is also bogus and to that extent the assessment order passed by assessing officer in disallowing the deduction claimed by the assessee u/s 80GGC to the tune of Rs.xxxxx/- is upheld."

10. It is now well settled by the Hon'ble Supreme Court in the cases of CIT v. Durga Prasad More [(1971) 82 ITR 540 (SC)] and Sumati Dayal v. CIT [[1995] 80 Taxman 89/214 ITR 801 (SC)]) that the taxing authorities are not required to put on blinkers while examining a transaction merely because it is supported by documentary evidence. They are entitled to look beyond the apparent, examine the surrounding circumstances, apply the test of human probabilities and ascertain the real nature of the transaction. Where the cumulative facts and attending circumstances establish that the apparent is not the real, the Revenue is justified in drawing an inference based on the preponderance of probabilities. In the present case, the investigation material, statements recorded under section 132(4), bank trail analysis and the established modus operandi of the recipient political party constitute a complete chain of circumstances which overwhelmingly demonstrate that the impugned donation was merely an accommodation entry and not a genuine contribution eligible for deduction under section 80GGC of the Act.

11. In view of the foregoing discussion, the material brought on record by the Revenue, the findings emerging from the investigation and respectfully following the consistent view taken by the Co-ordinate Benches of this Tribunal in identical matters, we hold that the assessee has failed to establish that the impugned contribution represented a genuine donation eligible for deduction under section 80GGC of the Act. Mere payment through banking channels and production of donation receipts cannot, in the facts of the present case, override the overwhelming evidence demonstrating that the recipient political party was engaged in providing accommodation entries through a systematic layering of funds. The decisions relied upon by the Ld. AR are distinguishable on facts and do not advance the case of the assessee. Therefore, no infirmity in the order of the Ld. CIT(A) affirming the disallowance made by the Assessing Officer. Accordingly, the grounds raised by the assessee are dismissed.

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

10. Mere payment through banking channels and production of donation receipts cannot, in the facts of the present case, override the overwhelming evidence demonstrating that the recipient political party was engaged in providing accommodation entries through a systematic layering of funds, the same are supported by the findings of the investigation wing that the Garib Kalyan Party is engaged in providing to accept bogus donation after retaining its commission returning the money to the done. Accordingly, respectfully following the above judgement of the co-ordinate Bench noted supra, we dismiss the appeal of the assessee.

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

Order pronounced on 16.10.2026.

Sd/-	Sd/-
(Yogesh Kumar US)	**(Laxmi Prasad Sahu)**
Judicial Member	**Accountant Member**

Dated: 16.10.2026
AK, Sr. P.S.
Copy of the order forwarded to:
1. Appellant
2. Respondent
3. Pr. CIT
4. CIT(A)
5. CIT(DR)

//True copy//

By order

Deputy Registrar, Kolkata Benches