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- * **IN THE HIGH COURT OF DELHI AT NEW DELHI**
- + ITA 434/2026, CM APPL. 35437/2026, CM APPL. 35438/2026 & CM APPL. 35439/2026
- + ITA 435/2026, CM APPL. 35444/2026, CM APPL. 35445/2026 & CM APPL. 35446/2026
- + ITA 439/2026, CM APPL. 35542/2026, CM APPL. 35543/2026 & CM APPL. 35544/2026
- + ITA 442/2026, CM APPL. 36211/2026, CM APPL. 36212/2026 & CM APPL. 36213/2026
- + ITA 443/2026, CM APPL. 36214/2026, CM APPL. 36215/2026 & CM APPL. 36216/2026
- + ITA 444/2026, CM APPL. 36218/2026, CM APPL. 36219/2026 & CM APPL. 36220/2026
- + ITA 449/2026, CM APPL. 36369/2026, CM APPL. 36370/2026 & CM APPL. 36371/2026
- + ITA 480/2026, CM APPL. 39889/2026, CM APPL. 39890/2026 & CM APPL. 39891/2026

PUBLIC POLITICAL PARTY Appellant

Through: Mr.Mohan Lal Sharma, Adv.

versus

DEPUTY COMMISSONER OF INCOME TAX AND ANR

.....Respondents

Through: Mr.Shlok Chandra, SSC, Ms. Naincy Jain, Ms. Madhavi Shukla, JSC and Mr. Udit Dad, Adv.

CORAM:

HON'BLE MR. JUSTICE DINESH MEHTA

HON'BLE MR. JUSTICE RAJNEESH KUMAR GUPTA

ORDER

% **13.07.2026**

1. By way of present appeals, the appellant has challenged the common order dated 17.12.2025 passed by the Income Tax Appellate Tribunal 'C' Bench, New Delhi, (hereinafter referred to as 'Tribunal') in the appeals filed by the appellant.



2. Learned counsel for the appellant argued that when the Tribunal has come to a conclusion that the addition under Section 68 of the Income Tax Act, 1961 (hereinafter referred to as '*the Act of 1961*'), made by the Assessing Officer (AO) as affirmed by the Commissioner Income Tax, (Appeal) [hereinafter referred to as '*CIT (A)*'], was not sustainable it could not have directed addition of 6% of the donation/contribution under Section 56 of the Act of 1961.
3. He argued that once the addition made under Section 68 of the Act of 1961 was found to be untenable, then as a natural corollary, the appellant's income was eligible for exemption under Section 13A of the Act of 1961.
4. Mr. Shlok Chandra, learned Senior Standing Counsel, on the other hand, argued that the appellant, a political party has as neither done any political activity nor has it received any genuine political contribution or donation and as a matter of fact it had issued forged receipts. He further submitted that a perusal of the order of the Tribunal and record would reveal that it had issued receipts of the donation and had given back the amount to the payers for which, the Assessing Officer had made addition under Section 68 of the Act of 1961. He argued that the Tribunal in turn has held that instead of adding the entire amount i.e., 6%, being commission in fact on such amount should be added under Section 56 of the Act of 1961. He nevertheless maintained that this is without prejudice to the Department's stand that as a matter of fact entire amount should have been added under Section 68 of the Act of 1961, as has been done by the Assessing Officer.
5. Heard learned counsel for the parties.
6. On perusal of the record and orders of the authorities below, more particularly, the order of the Tribunal, we find that the Tribunal has recorded a



categorical finding that the assessee has indulged in issuing bogus donation receipts to various persons in a bid to give them undue advantage of deductions under Section 80GGB and Section 80GGC of the Act of 1961.

7. The Tribunal has recorded a finding that the so-called amount received as donation has been paid back to the persons from whom the amount was purportedly received. Such finding recorded by the Tribunal is a finding of fact, which cannot be interfered with by this Court under Section 260A of the Act of 1961.

8. If such finding is taken into consideration, then we do not find any error or infirmity in the approach of the Tribunal. It has rightly taken 6% of the total amount as assessee's income rather than the entire amount of purported donation. Because the assessee had facilitated false donation receipts in order to enable them to claim deduction under Section 80GGB and 80GGC of the Act of 1961.

9. Assessee's claim that once the addition under Section 68 of the Act of 1961 is deleted, the appellant should get benefit of Section 13A of the Act of 1961 is misplaced and misconceived, inasmuch as a violator of law, cannot claim exemption. Such benefit will result in mischief with the mandate of the provisions of Section 13A of the Act, as appellant's books of accounts do not reflect a true and correct picture.

10. A perusal of the assessment order (para No. 4.13.1) shows that the appellant had failed to submit report to the Election Commission of India as per second proviso to Section 13A of the Act of 1961.

11. In light of the findings recorded by the AO and CIT (A), we are of the view that the appellant has flouted the second proviso to Section 13A of the Act of 1961 by filing the improper report in some assessment years, while in



other assessment years, it did not file any report at all. Therefore, the assessee had lost the very eligibility to claim exemption under Section 13A of the Act of 1961.

12. The appeals along with pending applications, therefore, fail.

DINESH MEHTA, J.

RAJNEESH KUMAR GUPTA, J.

JULY 13, 2026
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