

**IN THE INCOME TAX APPELLATE TRIBUNAL
"F" BENCH, MUMBAI**

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

**ITA No.8463/MUM/2025
(Assessment Year: 2022-2023)**

Jyotsna Kunwar

2603, Odyssey – 1, Hiranandani Gardens,
Powai, Mumbai – 400076. Maharashtra
[PAN:AUKPK0527A]

..... **Appellant**

Vs

**Income Tax Officer Ward 41(1)(1),
Mumbai**

Piramal Chamber, Mumbai – 400013.
Maharashtra.

..... **Respondent**

Appearance

For the Appellant/Assessee : Shri S. Krishnan
For the Respondent/Department : Shri Nakul Agrawal

Date

Conclusion of hearing : 25.02.2026
Pronouncement of order : 26.03.2026

ORDER

Per Rahul Chaudhary, Judicial Member:

1. The present appeal preferred by the Assessee is directed against the Order, dated 25/11/2025, 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 of the Assessee against the Assessment Order, dated 23/02/2024, passed under Section 143(3) read with Section 144B of the Income Tax Act, 1961 [hereinafter referred to as '**the Act**'], for the Assessment Year 2022-2023.
2. The Assessee has raised following grounds of appeal:

"On the facts and in the circumstances of the case and in law the Ld. NFAC/CIT(A) erred in confirming the following actions of the Assessing Officer"

- i. *passing order u/s 143(3) of the Act determining taxable income at Rs.1,71,96,581/- against returned income in a sum of Rs.23,80,340/-.*
- ii. *making an addition of Rs.1,48,16,241/- by disallowing the deduction u/s.54GB of the Act."*

3. The relevant facts in brief are that for the Assessment Year 2022-2023, the Assessee filed return of income of 31/07/2022 declaring total income of INR.23,80,340/-. The case of the Assessee was selected for complete scrutiny on account of '*Non-fulfilment of Requisite Condition(s) for claiming deduction u/s.54/54B/54F/54GB on Capital Gains (Non-business ITR)*'. The Assessing Officer noted that the Assessee claimed deduction of INR.1,48,16,241/- under Section 54GB of the Act in respect of investment of INR.3.69 Cores made in equity shares of Autonymi Pvt. Limited [hereinafter referred to as '**APL**']. Vide show cause notice, dated 19/12/2023, the Assessee was asked to explain why the Long Term Capital Gain exemption claimed under Section 54GB of the Act should not be disallowed due to non-fulfillment of the requisite conditions for claiming the aforesaid deduction. The relevant extract of the aforesaid show cause notice read as under:

"3. *Cases where variation is proposed:*

3.1. *Complete description of issues involved (issue wise):*

On perusal of the submission and record available, it is seen that assessee had sold an immovable property to the tune of Rs.4,40,00,000/- on 02.09.2021 and determined capital gain of Rs.1,76,67,062/-. The Assessee has invested amount of Rs.3,69,00,000/- in New SMC (Autonymi Pvt. Limited) and claimed deduction of Rs.1,48,16,241/- under section 54GB of the Act. In this connection following observation has been made:

- (i) *As per section 54GB, assessee had to invest net consideration received on account of sale of*

*residential plot i.e. Rs.4,40,00,000/- in the equity shares of new SMC during year, but she had **invested only Rs.3,69,00,000/-**.*

- (ii) Further, the provision of section 54GB of the Act shall **not apply to any transfer of residential property made after the 31st March 2017**. However, in this case transfer of residential plot was done on 02.09.2021.*
- (iii) Further, notice u/s.133(6) of the Act was issued on 08.12.2023 to the concerned SMC to furnish the relevant details/information such as details of investment, shareholding, new assets purchases etc. but **no confirmation or compliance has been received till dated**.*
- (iv) Further, as per provision of section 54GB maximum limit of investment is **Rs.50 lakhs** only, whereas assessee has invested much more than the prescribed limited.*

In view of the above, facts, you are hereby show caused as to why the deduction u/s.54GB of the Act amounting to Rs.1,48,16,241/- should not be disallowed and the total capital gain of Rs.1,76,67,062/- earned on account of sale of residential plot should not be add back to your total income for the relevant assessment year as per provision of I.T. Act, 1961.

You are hereby given an opportunity to show cause why proposed variation should not be made and the assessment should not be completed accordingly."

4. In response to the above show cause notice, dated 19/12/2023, the Assessee filed Reply, dated 27/12/2023, wherein it was explained that deduction under Section 54GB of the Act was claimed by the Assessee of proportionate basis. Out of total capital gains of INR.1,76,67,062/-, deduction was claimed under Section 54GB of the Act amounting to INR.1,48,16,241/- in proportion to the amount invested in the equity shares of APL to total consideration received computed as under:

A	Amount Invested	INR.3,69,00,000
B	Sale Consideration	INR.4,40,00,000
C	Total Capital Gains	INR.1,76,67,062/-
D= (A/B) x C	Exemption u/s 54GB	INR.1,48,16,241/-

The Assessee clarified that the benefit of Section 54GB of the Act was available to the Assessee even for the transactions undertaken during the relevant previous year as the benefit of Section 54GB of the Act extended for the transactions undertaken before 31st March, 2022.

As regards Assessing Officer's observations that amount of investment under Section 54GB of the Act could not exceed INR.50 Lakhs, the Assessee clarified that the said limit was not application to Section 54GB of the Act.

The Assessee further submitted that APL has submitted detailed response on 23/12/2023 to the Notice, dated 08/12/2023, issued by the Assessing Officer under Section 133(6) of the Act to APL whereby APL has clarified that entire amount of investment (INR.3.69 Cores) has been used for purchase of capital assets as per provision of Section 54GB of the Act.

5. However, the Assessing Officer was not convinced with the response received from the Assessee and proceeded to disallow the deduction claimed under Section 54GB of the Act holding as under:

"3.4.2 Therefore, to claim deduction u/s 54GB of the Act, is mandatory condition that the assessee, before the due date of furnishing of return of income under sub-section (1) of section 139, utilizes the net consideration for subscription in the equity shares of an eligible company. In this case assessee had sold an immovable property to the tune of Rs. 4,40,00,000/- on 02.09.2021 and

earned/determined total LTCG of Rs. 1,76.67,602/- However, **she had invested amount of Rs. 3,69,00,000/-only in the equity of New SME, M/s Autonymi Pvt. Limited** and claimed deduction u/s 54GB of the Act to the tune of Rs. 1,48,16,241/-, Further, **as per section 54GB of the Act the maximum amount that can be invested in eligible SMEs is Rs. 50 lakh.** Any investment made above this limit will not be eligible for tax exemption under Section 54GB of the Act. So, assessee has failed to fulfill the requisite condition to claim deduction u/s 54GB of the Act. Therefore, a Show Cause Notice dated 19.12.2023 was issued and assessee was show caused as to why the LTCG claimed u/s 54GB of the Act should not be disallowed and add back to her total income due to non fulfillment of requisite condition(s) for claiming deduction u/s 54GB of the Act. In this regard, assessee has simply submitted that the assessee has invested Rs 3.69 crores and claimed proportionate relief

3.4.3 Further during the course of assessment proceeding notice u/s 133(6) of the Act was issued to M/s Autonymi Pvt. Limited to get the complete details of the new assets purchased against the investment made by the assessee with supporting evidence. In this regard, M/s Autonymi Pvt. Limited filed its reply on 23.12.2023 stating that the complete investment received from the assessee has been converted into fully paid voting equity shares. However, assessee has furnished a letter issued by M/s Autonymi Pvt. Limited wherein it is stated that company has procured new capital goods in form of plant and machinery against investment of assessee i.e. Rs. 3.69,00,000/-, Hence, **assessee as well as the third party (M/s Autonymi Pvt. Limited) have failed to provide the complete details of plant & machinery (new assets) procured against the investment of assessee with supporting evidences.** Therefore deduction claimed by the assessee to the extent to Rs. 1,48,16,241/- u/s 54GB of the Act has been disallowed.

Assessee has earned total capital gain of Rs. 1,76,67,062/ during the year under consideration. Out of this total capital gain assessee has claimed deduction u/s 54GB to the tune of Rs. 148,16,241/- and balance Rs. 28,50,821/- has shown and declared under LTCG and offered for taxation. Hence the long term capital gain amounting to Rs.

1,48,16,241/- is being added back to the total income of the assessee for the relevant assessment year Penalty proceeding u/s 270A of the Act for under reported of income in consequence of misreporting is being initiated separately.

(Addition of Rs.1,48,16,241/-)

6. Being aggrieved, the Assessee preferred appeal before Learned CIT(A). Vide Letter, dated 27/05/2025, the Assessee filed written submissions which were further supplemented by the written submissions submitted on 06/12/2025. After considering the submission of the Assessee and taking into consideration the findings returned by the Assessing Officer, the Learned CIT(A) dismissed the appeal preferred by the Assessee concluding as under:

"5. Decision:

Ground of Appeal:

"The Learned Assessing Officer erred in disallowing the exemption claimed under Section 54GB without properly appreciating the facts, evidences submitted, and the statutory provisions governing the claim."

After carefully examining the assessment order, the written submissions, and the statutory scheme of Section 54GB, it is noted that while certain foundational conditions remain undisputed, the conditions specifically examined and disputed by the Assessing Officer are substantive statutory prerequisites. These disputed conditions go to the core of the eligibility criteria and must be adjudicated. Based on the findings recorded in the assessment order and the statutory mandate of Section 54GB, this ground of appeal is decided against the appellant for the reasons set out below.

1. Investee Company Not an "Eligible Company" Engaged in Manufacturing Statutory Requirement:

Section 54GB requires that the investment must be made in an "eligible company". which must be engaged in the business of manufacture of an article or thing or must qualify as an eligible start-up.

AO's Findings:

"The assessee has not furnished any material to establish that the company in which investment was made is engaged in any form of manufacturing activity. No manufacturing licence, factory registration, environmental clearance, electricity load sanction, GST registrations related to manufacturing, or any production-related records have been filed."

"The company has not commenced any manufacturing operations nor does it possess machinery, plant or infrastructure necessary to fall within the definition of an 'eligible company' under Section 54GB."

In the absence of any evidence of manufacturing activity, the company cannot be treated as an eligible company. This statutory condition is not fulfilled.

2. Subscription Money Not Utilised for Purchase of New Plant and Machinery**Statutory Requirement:**

Section 54GB mandates that the amount received by the company must be utilised "for purchase of new plant and machinery before the due date of filing the return."

AO's Findings:

"No evidence has been furnished to show that any plant or machinery was acquired out of the funds received from the assessee. The bank statements of the company reveal withdrawals for administrative expenses, payments to related parties, and transfers to third-party accounts unrelated to capital asset acquisition."

"No bills, invoices, payment vouchers, fixed asset schedules or auditor certificates have been submitted to show utilisation of funds for new plant or machinery."

Non-utilisation of the funds for new plant or machinery is a fatal defect under Section-54GB. This condition has not been satisfied.

3. Post-Subscription Shareholding Threshold Not Satisfied

Statutory Requirement:

The assessee must hold the minimum prescribed percentage of share capital or voting power after subscription, depending on whether the company qualifies as an eligible start-up or a general eligible company.

AO's Findings:

"As per the ROC records and the shareholding pattern obtained during assessment. the assessee's holding after subscription is below the statutory threshold required under Section 54GB. The assessee has not met the mandatory post-investment voting requirement."

Conclusion:

The failure to meet the prescribed post-subscription shareholding threshold independently disqualifies the assessee from exemption.

4. Absence of Genuine Commercial or Manufacturing Activity**AO's Findings:**

"The company has no employees, no premises fit for manufacturing activity, no utility connections, and no plant or machinery. The entity appears to be only a paper company created to route the funds for claiming exemption."

Conclusion:

The absence of genuine commercial or manufacturing activity shows that the legislative purpose of Section 54GB has not been met. This further reinforces the ineligibility of the claim.

5. Judicial Standards Supporting Disallowance and Strict Construction of Exemption Provisions

Courts have consistently held that exemption provisions must be strictly construed and every statutory condition must be strictly satisfied by the assessee. The following Judicial principles apply:

Commissioner of Customs v. Dilip Kumar & Co., (2018) 9 SCC 1 (SC)

A Constitution Bench held that the burden of proving eligibility for an exemption lies squarely on the assessee, and any ambiguity or failure to comply with statutory conditions results in denial of exemption.

Novopan India Ltd. v. CCE, 1994 Supp (3) SCC 606 (SC)

The Supreme Court reaffirmed that exemption provisions must be interpreted strictly, and that failure to meet any condition cannot be cured by equitable or purposive interpretation.

In the present case, multiple statutory conditions have not been met. The AO's In the present case, multiple statutory conditions inding remain butted. Under settled law, the exemption must therefore be denied.

On a cumulative consideration of the AO's findings and the statutory conditions of Section 54GB, the appellant has failed to demonstrate compliance with the mandatory requirements of the provision. The disallowance made by the Assessing Officer under Section 54GB is accordingly upheld."

7. The Assessee has now preferred appeal before the Tribunal challenging the addition vide Order, dated 25/11/2025, passed by the Learned CIT(A) on the grounds reproduced in Paragraph 2 above.
8. We have heard rival submissions and have perused the material on record. The issue that arises for consideration is whether in the facts and circumstances of the present case the Assessee was entitled to claim deduction of INR.1,48,16,241/- under Section 54GB of the Act. Section 54GB of the Act is applicable to the Assessment Year 2022-2023 reads as under:

"Section - 54GB, Income-tax Act, 1961 - FA, 2022

Capital gain on transfer of residential property not to be charged in certain cases.

54GB. (1) Where,—

- (i) *the capital gain arises from the transfer of a long-term capital asset, being a residential property (a house or a*

plot of land), owned by the eligible assessee (herein referred to as the assessee); and

- (ii) the assessee, before the due date of furnishing of return of income under sub-section (1) of section 139, utilises the net consideration for subscription in the equity shares of an eligible company (herein-referred to as the company); and*
- (iii) the company has, within one year from the date of subscription in equity shares by the assessee, utilised this amount for purchase of new asset,*

then, instead of the capital gain being charged to income-tax as the income of the previous year in which the transfer takes place, it shall be dealt with in accordance with the following provisions of this section, that is to say,

- (a) if the amount of the net consideration is greater than the cost of the new asset, then, so much of the capital gain as it bears to the whole of the capital gain the same proportion as the cost of the new asset bears to the net consideration, shall not be charged under section 45 as the income of the previous year; or*
- (b) if the amount of the net consideration is equal to or less than the cost of the new asset, the capital gain shall not be charged under section 45 as the income of the previous year***

(2) The amount of the net consideration, which has been received by the company for issue of shares to the assessee, to the extent it is not utilised by the company for the purchase of the new asset before the due date of furnishing of the return of income by the assessee under section 139, shall be deposited by the company, before the said due date in an account in any such bank or institution as may be specified and shall be utilised in accordance with any scheme which the Central Government may, by notification in the Official Gazette, frame in this behalf and the return furnished by the assessee shall be accompanied by proof of such deposit having been made.

(3) xx xx

(4) xx xx

(5) *The provisions of this section shall not apply to any transfer of residential property made after the **31st day of March, 2017**:*

***Provided** that in case of an investment in eligible start-up, the provisions of this sub-section shall have the effect as if for the figures, letters and words "31st day of March, 2017", the figures, letters and words "**31st day of March, 2022**" had been substituted."*

9. On examination of the provisions of Section 54GB of the Act, we find that Section 54GB of the Act was inserted by Finance Act, 2012 with effect from 01/04/2013. The purpose of Section 54GB of the Act was to encourage individuals/HUF's to make investment into equity share of eligible company. Section 54GB of the Act provided exemption in respect of capital gain arising on transfer of residential property in case investment was made in "eligible company". By way of Finance Act, 2016 the scope of Section 54GB of the Act was expanded to cover investments into "eligible start-up" and "eligible business". Initially, as per Section 54GB(5) of the Act the benefit of Section 54GB of the Act was not available in respect of transfer of residential property after 31st March 2017. However, the aforesaid cut-off date extended to 31st March, 2019 by Finance Act, 2017, thereafter to 31st March, 2021 by the Finance Act, 2019 and thereafter to 31st March, 2022 by the Finance Act, 2021. This becomes clear on Proviso to Section 54GB(5) of the Act which reads as under:

*"**Provided** that in case of an investment in eligible start-up, the provisions of this sub-section shall have the effect as if for the figures, letters and words "31st day of March, 2017", the figures, letters and words "**31st day of March, 2022**" had been substituted."*

10. Therefore, it is apparent that the stand taken by the Assessing Officer in the show-cause notice to the effect that the benefit of Section 54GB of the Act could not have been availed in respect

of transfer of residential property after 31st March, 2017 was based upon incorrect understanding of the legal position. It is also clear that benefit of exemption under Section 54GB of the Act was available in respect of "*eligible start-up*". In the present case, it has not been disputed by the Assessing Officer that the investment was made by the Assessee in APL which failed within the definition of "*eligible start-up*" contained in Section 54GB(6)(ba) of the Act.

11. On perusal of Section 54GB of the Act, we find that the provisions contained therein did not provide for a cap of INR.50 Lakhs on the amount invested. Therefore, the finding returned by the Assessing Officer that Section 54GB of the Act provides maximum limit of investment of INR.50 Lakhs is without only legal basis.
12. We note that in Paragraph 3.4.3 of the Assessment Order the Assessing Officer has noted that APL had filed confirmation of receipt of investment of INR.3.69 Crores from the Assessee in respect of which equity shares were issued to the Assessee. However, the Assessing Officer observed that details of procurement of plant and machinery were not furnished by the Assessee. In this regard, we find that the Assessee had filed confirmation dated 24th July 2023 wherein it was clearly stated that APL had received a sum of INR.3.69 Crores as contribution towards share capital. After the aforesaid investment, the Assessee held 51% shareholding of APL. Further, APL had also confirmed that the invested amount was utilized towards purchase of capital goods stating as under:

"As proof of creation of new assets, we are enclosing the audited balance sheet of the company for Financial Year 2022-2023 which includes:

1. *In addition, a sum of INR.1.1468 crore was utilised to*

pay advances for purchase of capital goods in June/July/August 2022. These can be verified from the annual balance sheet under the head of current assets. These capital goods were received in April 2023.

2. Thus against an investment of INR.3.69 crores from from yourself, the company has acquired new asset of INR.2.06 crores in 2021-22 and INR.2.17 crores between 1.4.22 and 30.4.23. The total is thus INR.4.2539 crores against an investment of INR.3.69 crores. The balance has been funded from venture capital."

13. It is not the case of Revenue that the Revenue that the above Letter/Confirmation was not furnished to the Assessing Officer during the assessment proceedings in support of claim of deduction under Section 54GB of the Act. We note that the Assessing Officer had denied the deduction claimed under Section 54GB of the Act on the ground that the exact details of plant and machinery purchased by APL were not furnished. In this regard we find that ALP has filed reply on 23/12/2023 stating that the complete investment received from the Assessee has been converted into fully paid voting equity shares and the same have been utilised towards purchase of plant and machinery. In support APL had also furnished the financial statements for the Financial Year 2022-2023. We find that no follow up query or notice was issued by the Assessing Officer to APL asking for further details before making the disallowance.
14. Even in appeal preferred by the Assessee, the Learned CIT(A) failed to take cognizance of the aforesaid confirmation and supporting documents furnished by APL in response to notice issued under Section 133(6) of the Act and recorded his concurrence with the Assessing Officer on this issue in the following manner:

"2. Subscription Money Not Utilised for Purchase of New

***Plant and Machinery
Statutory Requirement:***

Section 54GB mandates that the amount received by the company must be utilised "for purchase of new plant and machinery before the due date of filing the return."

AO's Findings:

"No evidence has been furnished to show that any plant or machinery was acquired out of the funds received from the assessee. The bank statements of the company reveal withdrawals for administrative expenses, payments to related parties, and transfers to third-party accounts unrelated to capital asset acquisition."

"No bills, invoices, payment vouchers, fixed asset schedules or auditor certificates have been submitted to show utilisation of funds for new plant or machinery."

Non-utilisation of the funds for new plant or machinery is a fatal defect under Section-54GB. This condition has not been satisfied.

On perusal of the Assessment Order, we find that the "AO's Findings:" reproduced and relied upon by the Learned CIT(A) do not form part of the Assessment Order.

Similarly, the "AO's Findings:" reproduced and relied upon by the Learned CIT(A) under the heading (a) "1. Investee Company Not an "Eligible Company" Engaged in Manufacturing Statutory Requirement:", (b) "3. Post-Subscription Shareholding Threshold Not Satisfied" and (c) "4. Absence of Genuine Commercial or Manufacturing Activity" [reproduced in Paragraph 6 above] do not form part of the Assessment Order.

15. In view of the above, we hold that the findings returned by the Assessing Officer and the Learned CIT(A) are perverse being contrary to the material on record.
16. During the course of hearing, the Learned Authorized Representative for the Assessee had furnished tabular chart to

establish the satisfaction of conditions for claiming deduction under Section 54GB of the Act which has been set out herein under:

No.	Issue	Raised by Assessing Officer	Assessing Officer/NFAC	Remarks
1.	Net consideration = 4,40,00,000. Amount invested =3,69,00,000.	Yes	<u>06-SCN.14</u> -Total net consideration not invested.	Capital Gain = 1,76,67,062/-. Claim u/s.54-GB=1,48,16,241/-. Clauses (a) & (b) to section 54-GB(1) clearly provide for pro-rate claim <u>PB 04 & 05</u> – Pro-rata claim made in computation.
2.	Section 54GB not applicable for property transferred after 31/03/2017. Sale of property =02/09/2021.	Yes	<u>06-SCN.</u>	AO has missed proviso to sub-section (5) to section 54-GB, introduced by F.A.2016 w.e.f.01/04/2017, extending eligibility till 31/03/2022.
3.	133(6) dated 08/12/2023 issued to Autonymi. No response till SCN date (19/12/2023)	Yes	<u>06-SCN.14</u> -Autonymi filed reply dated 23.12.2023, confirming issuance of shares.	<u>PB 15</u> – Details filed 24/07/2023 itself. <u>PB 20</u> – 1.69 crores paid in Sept/Oct 2021. <u>PB 16-19</u> – 2.00 crores pad in July 2022. <u>PB 21</u> – Autonymi's Start-up India certificate. <u>PB 22</u> – Confirmation dated 24/07/2023 from Autonymi as to nature of business, investment in equity, eligibility for section 54GB under Startup India, shareholding threshold. <u>PB 23</u> – Confirmation from Autonymi as to purchase of machinery, referring balance sheet. "We have already issued compliance certificate.....".
4.	Maximum eligible investment u/s 54-GB is Rs.50 lakhs	Yes	06-SCN. 14- Maximum amount that can be invested in eligible SME is Rs.50 lakhs.	There is no such condition in section 54-GB
5.	No proof of purchase of machinery.	Yes	14-Letter from Autonymi	Sub-sections (2) & (3) to section 54-GB clearly provide

			<i>furnished stating that machinery purchased. Complete details not filed. 10-No evidence of utilization of investment in company for purchase of plant & machinery.</i>	<i>for purchase to be made in future periods.</i>
6.	<i>Investee company not eligible</i>	No	<i>10-(Refers AO's findings-THERE IS NO SUCH FINDING IN ASST ORDER) - No evidence of manufacturing activity.</i>	<u>PB 21</u> -Startup India certificate. <u>PB 22</u> -Confirmation - Engaged in manufacturing of aerial navigation systems for autonomous devices. <u>PB 23</u> - Company bound by non-disclosure / trade secrecy obligations qua components used in machinery.
7.	<i>Post subscription shareholding threshold.</i>	No.	<i>11-(Refers AO's findings -THERE IS NO SUCH FINDING IN ASST ORDER) - Since threshold of shareholding not met, exemption not available.</i>	<u>PB 25</u> - Confirmed by Automyini. <u>PB 33</u> - Autonymi balance sheet. 79.92%.
8.	<i>Absence of genuine commercial activity.</i>	No.	<i>11-(Refers AO's findings -THERE IS NO SUCH FINDING IN ASST ORDER) - No employees, no manufacturing activity, only a paper entity.</i>	<i>NFAC had not basis to return this finding. Its reference to findings in assessment order are factually incorrect.</i> <u>PB 32</u> -P&L account shows revenue from operations, employee costs, etc.

On perusal of material on record, we are of the view that the Assessee is entitled to claim deduction under Section 54GB of the Act

17. In view of the above, we hold that in the facts and circumstances of the present case the Assessee was entitled to claim deduction of INR.1,48,16,241/- under Section 54GB of the Act. Therefore, the order passed by the Learned CIT(A) is overturned and the Assessing Officer is directed to grant deduction of

INR.1,48,16,241/- as claimed by the Assessee in the return of income for the Assessment Year 2022-2023. Accordingly, Ground No. i and ii raised by the Assessee are allowed.

18. In terms of the paragraph 17 above, the appeal preferred by the Assessee is allowed.

Order pronounced on 26.03.2026.

Sd/-
(Bijayananda Pruseth)
Accountant Member

Sd/-
(Rahul Chaudhary)
Judicial Member

मुंबई Mumbai; दिनांक Dated : 26.03.2026
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