IN THE INCOME TAX APPELLATE TRIBUNAL
"H(SMC)" BENCH MUMBAI

BEFORE SHRI NARENDER KUMAR CHOUDHRY, JUDICIAL MEMBER &
SHRI MAKARAND VASANT MAHADEOKAR, ACCOUNTANT MEMBER

ITA No. 4848/Mum/2026
(Assessment Year: 2017-18)

DR. GIRISH SURESH WALAVALKAR B/68/659, M I G COLONY, BANDRA EAST, MUMBAI-400051, MAHARASHTRA	Vs.	**INCOME TAX OFFICER 42(2)(2)** KAUTILYA BHAVAN MUMBAI-400051, MAHARASHTRA
PAN/GIR No. **AADPW3424B**		
(Applicant)		(Respondent)

Assessee by	Shri Sambhav Shah
Revenue by	Shri Pravin Salunkhe, Sr. DR

Date of Hearing	16.07.2026
Date of Pronouncement	17.09.2026

आदेश / **ORDER**

PER: MAKARAND VASANT MAHADEOKAR, AM

This appeal by the assessee is directed against the order dated 25.02.2026 passed by the learned Commissioner of Income-tax (Appeals), National Faceless Appeal Centre, Delhi ["learned CIT(A)"], under section 250 of the Income-tax Act, 1961 ["the Act"], for the assessment year 2017-18. The impugned order arises from the assessment order dated 16.05.2023 passed under section 147 read with section 144B of the Act.

2. The assessee has raised the following grounds of appeal:

1. *Under facts and circumstances of the case the Learned Commissioner of Income Tax (Appeal) has erred in confirming the addition of Rs. 4,05,896/- on account of transit rent, failing to appreciate that such receipts constitute capital receipts not chargeable to tax.*

2. *Under facts and circumstances of the case the Learned Commissioner of Income Tax (Appeal) has erred in law and on facts by treating the Leave and License Agreement as "defective" and "unreliable". The officer failed to appreciate that the agreement is a duly registered document executed before the Office of the Joint Sub-Registrar, supported by biometric verification of both parties, which carries a statutory presumption of genuineness that cannot be dismissed on mere surmise or conjecture.*

3. *Under facts and circumstances of the case the Learned Commissioner of Income Tax (Appeal) has erred in not granting relief for actual rent outgo of Rs. 11,97,900/- established by the Appellant, despite independent third-party corroboration from landlords, rent agreements and bank statements.*

4. *Under the facts and circumstances of the case the Learned Commissioner of Income Tax (Appeal) has erred in confirming the addition of Rs. 8,87,904/- by mechanically adopting gross figures from Form 26AS and Form 16, while ignoring statutory exemptions under Section 10 (LTC, Gratuity, etc.) correctly computed by the employers and duly reflected in Form 16.*

5. *Under the facts and circumstances of the case the Learned Commissioner of Income Tax (Appeal) has erred in confirming the disallowance of Rs. 8,775/- under Sections 80G and 80TTA, despite these claims being genuine, bona fide, and supported by documentary evidence.*

6. *Each of the above ground be considered as separate from the other grounds.*

7. *The appellant craves leave to add, amend, alter or delete the above Grounds of Appeal.*

3. Facts of the Case

3.1 The assessee is an individual. He filed his original return of income for the year under consideration on 31.07.2017, declaring total income of Rs.12,87,060/-. Information was thereafter received by the Assessing Officer that the assessee had received an amount in connection with a redevelopment agreement concerning his residential premises. The record shows that a notice under section 148 of the Act was initially issued on 30.06.2021. Subsequently, information forming the basis of reopening was furnished to the assessee on 31.05.2022. An order under section 148A(d) of the Act was passed on 29.07.2022, holding that it was a fit case for issuance of notice under section 148 of the Act. A notice under section 148 was accordingly issued on the same date. In response thereto, the assessee filed a return of income on 05.04.2023, declaring total income of Rs.14,39,380/-.

4. During the reassessment proceedings, statutory notices were issued to the assessee and responses were furnished from time to time. Upon considering the material placed on record, the Assessing Officer completed the reassessment under section 147 read with section 144B of the Act on 16.05.2023, determining the total income of the assessee at Rs.27,41,955/-.

5. The first addition arose from the receipt of Rs.13,50,216/- by the assessee from M/s Keystone Realtors Pvt. Ltd. in connection with the redevelopment of the housing society in which the assessee owned a residential flat. The assessee claimed to have incurred rent expenditure of Rs.11,97,900/- towards alternative accommodation and offered the differential amount of Rs.1,52,316/- to tax. The Assessing Officer accepted the rent payment only to the extent of Rs.7,92,000/- and, after adjusting the amount of Rs.1,52,316/- already offered by the assessee, made a further addition of Rs.4,05,896/-.

6. The second addition of Rs.8,87,904/- was made on account of the difference between the salary income offered by the assessee and the amounts reflected in Form No. 26AS and Form No. 16 issued by the concerned employers. The third addition of Rs.8,775/- represented disallowance of deductions claimed by the assessee for want of supporting evidence.

7. Aggrieved by the assessment order, the assessee preferred an appeal before the learned CIT(A) on 10.06.2023. The learned CIT(A), by the impugned order dated 25.02.2026, sustained all the three additions and dismissed the appeal of the assessee. The assessee is, therefore, in further appeal before us.

8. Before us, the learned Authorised Representative (AR) submitted that all the three additions sustained by the learned CIT(A) are liable to be deleted on the basis of the documentary evidence placed in the paper books.

9. Adverting first to Grounds Nos. 1 to 3, the learned AR submitted that the assessee received an aggregate amount of Rs.13,50,216/- from M/s Keystone Realtors Pvt. Ltd. pursuant to a registered tripartite redevelopment agreement entered into in relation to MIG Co-operative Housing Society, Bandra (East), Group IV Ltd. He referred to the redevelopment agreement placed at pages 101 to 132 of Paper Book No.1. He further submitted that the details of the hardship allowance payable to the members of the society appear at page 111, whereas the name of the assessee as a member of the society is reflected at page 132 of Paper Book No. 2. The learned AR contended that the payment was intrinsically connected with the redevelopment of the residential premises and was intended to compensate the assessee for the hardship and displacement occasioned by such redevelopment. According to him, the character of the receipt was, therefore, that of a capital receipt and the same could not be brought to tax merely by examining the actual application or expenditure of the amount received.

10. The learned AR submitted that the Assessing Officer accepted the rent payment of Rs.7,92,000/- made to the first landlord, Shri Jay Soman, but rejected the rent payment of Rs.2,76,885/- made to the second landlord, Shri Rane Mahabaleshwar Soiru. The rejection was based on the premise that the leave and licence agreement relating to the second premises was unauthenticated and that the bank statements furnished by the assessee were selective. In rebuttal, the learned AR submitted that the leave and

licence agreement entered into with Shri Rane Mahabaleshwar Soiru was a registered instrument executed before the office of the Joint Sub-Registrar, Andheri-2. He drew our attention to the copy of the agreement placed at pages 47 to 52 of Paper Book No. 1 and submitted that the document contains the official thumb impression and registration particulars of the landlord. It was, accordingly, contended that the lower authorities were not justified in treating the registered document as an unauthenticated agreement signed by only one party.

11. The learned AR further submitted that the entire flow of funds was verifiable from the assessee's bank accounts. He referred to the summary of the relevant bank transactions placed at pages 133 and 134 and the corresponding bank statements placed at pages 135 to 158 of Paper Book No. 2. According to him, these documents established the payments made by the assessee towards alternative accommodation and answered the objection of the lower authorities regarding the absence of a complete banking trail.

12. Without prejudice to the evidence regarding actual rent expenditure, the learned AR contended that the taxability of the amount received from the developer did not depend upon whether the assessee had incurred an equivalent amount towards alternative accommodation. He submitted that once the receipt was found to be compensation for hardship and displacement arising from redevelopment of a capital asset, the receipt retained its character as a capital receipt irrespective of its subsequent

application. In support of this proposition, the learned AR relied upon the decision of the coordinate bench in ***Ajay Parasmal Kothari v. ITO-30(1)(1)*****, ITA No. 2823/Mum/2022**, order dated 03.04.2023, for assessment year 2013-14. He particularly relied upon paragraph 12 of the said order, the relevant portion of which reads as under:

> *"compensation received by the assessee towards displacement in terms of Development Agreement is not a revenue receipt and constitute capital receipt"*

13. The learned AR submitted that the aforesaid decision squarely covered the controversy because the receipt in the present case also arose from displacement of the assessee pursuant to redevelopment of his residential premises. He, therefore, prayed that the receipt be treated as a non-taxable capital receipt and that the addition of Rs.4,05,896/- sustained by the learned CIT(A) be deleted.

14. In relation to Ground No. 4, the learned AR submitted that the addition of Rs.8,87,904/- was made by disregarding Form No. 16 issued by the assessee's employer, M/s Fermenta Biotech Ltd. According to him, the principal reason assigned by the Assessing Officer for rejecting the computation contained in Form No. 16 was that the exemption in respect of gratuity could not exceed Rs.3,50,000/-.

15. The learned AR submitted that the aforesaid conclusion proceeded on an obsolete statutory limit. He pointed out that section 4(3) of the Payment of Gratuity Act, 1972 was amended by

the Payment of Gratuity (Amendment) Act, 2010, whereby the ceiling of Rs.3,50,000/- was enhanced to Rs.10,00,000/-. The relevant statutory material was placed at page 159 of Paper Book No. 2. It was, therefore, contended that the ceiling of Rs.10,00,000/- was applicable during the previous year relevant to the assessment year under consideration.

16. The learned AR further submitted that the exemption of Rs.5,19,738/- allowed by the employer in respect of gratuity was within the applicable statutory ceiling of Rs.10,00,000/-. According to him, the Assessing Officer was not justified in rejecting Form No. 16 merely on the incorrect assumption that the maximum permissible amount of gratuity was restricted to Rs.3,50,000/-. The learned AR also referred to Form No. 16 issued by the employer, placed at pages 73 to 80 of Paper Book No. 1, and the full and final settlement statement placed at page 160 of Paper Book No. 2. He submitted that these documents contained the break-up of the amounts paid to the assessee and the exemptions allowed in respect of leave travel allowance, medical reimbursement, gratuity, leave encashment and other eligible components. It was contended that the exemptions were computed by the employer after considering the applicable statutory provisions and were duly reflected in Form No. 16.

17. The learned AR, therefore, submitted that the addition of Rs.8,87,904/- arose principally from the application of an outdated gratuity ceiling and the consequential rejection of the employer's computation. He prayed that Form No. 16 and the full

and final settlement statement be accepted and that the addition of Rs.8,87,904/- be deleted.

18. As regards Ground No. 5, the learned AR submitted that the assessee had claimed an aggregate deduction of Rs.1,58,775/- under Chapter VI-A of the Act. The Assessing Officer accepted the investment of Rs.1,50,000/- in the Public Provident Fund under section 80C of the Act but disallowed the balance amount of Rs.8,775/- claimed under sections 80G and 80TTA for want of supporting evidence. The learned AR submitted that the assessee had offered the savings-bank interest under the head "Income from Other Sources" and was, consequently, entitled to the corresponding deduction under section 80TTA of the Act, subject to the statutory limit. He further submitted that the donation qualifying for deduction under section 80G was supported by the donation receipt and the corresponding debit entry in the assessee's bank account. He referred to the supporting documents placed at pages 161 and 162 of Paper Book No. 2. It was accordingly contended that the claim of Rs.8,775/- was supported by the relevant documentary evidence and that the disallowance sustained by the learned CIT(A) was liable to be deleted.

19. Per contra, the learned DR relied upon the assessment order as well as the impugned order passed by the learned CIT(A) and supported the additions sustained therein. n relation to Grounds Nos. 1 to 3, the learned DR submitted that the assessee's claim regarding the actual payment of rent, particularly the payment stated to have been made to the second landlord, required factual

verification with reference to the leave and licence agreement, the bank statements and the other supporting evidence. He, therefore, submitted that the issue may be restored to the file of the Assessing Officer for such verification. The learned DR opposed the assessee's prayer for outright deletion of the addition without verification of the relevant documents.

20. We have considered the rival submissions and perused the material placed on record. Since the grounds involve three distinct additions, we proceed to adjudicate them separately.

21. Grounds Nos. 1 to 3: Redevelopment compensation/transit rent:

The material facts relating to these grounds are not in dispute. The assessee received an aggregate amount of Rs.13,50,216/- from M/s Keystone Realtors Pvt. Ltd. pursuant to the redevelopment of the housing society in which the assessee owned a residential flat. The receipt arose under the registered tripartite redevelopment agreement and was described as an allowance or compensation payable to the members during the period of displacement occasioned by redevelopment.

22. The assessee claimed that he had incurred rent expenditure of Rs.11,97,900/- towards alternative accommodation and offered the differential amount of Rs.1,52,316/- to tax. The Assessing Officer accepted the rent payment of Rs.7,92,000/- made to Shri Jay Soman but did not accept the payment stated to have been made to Shri Rane Mahabaleshwar Soiru. The Assessing Officer consequently treated the difference of Rs.5,58,216/- between the

redevelopment receipt of Rs.13,50,216/- and the accepted rent payment of Rs.7,92,000/- as income. After reducing the amount of Rs.1,52,316/- already offered by the assessee, the Assessing Officer made the impugned addition of Rs.4,05,896/-.

23. The learned CIT(A) sustained the addition principally on the ground that the actual payment of rent to the second landlord had not been satisfactorily established. The learned CIT(A) was also influenced by the alleged inconsistency in the explanation furnished by the assessee concerning the identity of the landlords and the amount of rent paid to each of them.

24. In our considered view, the approach adopted by the lower authorities proceeds on an erroneous premise. Before examining the application of the receipt or the quantum of actual rent expenditure, it was necessary to first determine the intrinsic character of the amount received from the developer. If the receipt represents compensation for hardship and displacement arising from the redevelopment of the assessee's residential premises, its character cannot be determined by the amount actually expended by the assessee on alternative accommodation.

25. The coordinate bench considered an identical controversy in *Ajay Parasmal Kothari v. ITO-30(1)(1)*, ITA No. 2823/Mum/2022, order dated 03.04.2023, for assessment year 2013-14. In that case also, the assessee had received monthly rental compensation from the developer but had not utilised the amount for taking separate

premises on rent. The coordinate bench held in paragraph 12 as under:

> ***12.*** *Considered the rival submissions and material placed on record, it is fact on record that assessee has received ₹.3,73,191/- from the builder for alternate accommodation. However, assessee has not utilized these funds for any accommodation. However, he adjusted and lived with his parents. It clearly indicates that even though assessee has not utilized the rent received for his accommodation, however, he has faced hardship by vacating the flat for redevelopment and also adjusted himself during the period. We observe that Coordinate Bench has considered the similar issue and adjudicated the same in the case of Smt Delilah Raj Mansukhani v. ITO (ITA.No. 3526/Mum/2017 dated 29.01.2021) as under: -*
>
> > *"5. After hearing the rival submissions and perusing the material on record, we find that compensation received by the assessee towards displacement in terms of Development Agreement is not a revenue receipt and constitute capital receipt as the property has gone into redevelopment. In such scenario, the compensation is normally paid by the builder on account of hardship faced by owner of the flat due to displacement of the occupants of the flat. The said payment is in the nature of hardship allowance / rehabilitation allowance and is not liable to tax. The case of the assessee is squarely supported by the decision of the Co-ordinate Bench in the case of Shri Devshi Lakhamshi Dedhia vs. ACIT in ITA No.5350/Mum/2012 wherein similar issue has been decided in favour of the assessee, the relevant operative portion is reproduced hereunder:-*
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> > > *15. We have considered the rivals submissions and perused the materials on records. We note that the assessee received compensation of Rs. 19,50,873/- from the developer when the building in which the assessee owned flat went for re-*

development as per the agreement between the developers and flat owners dated 28.03.2008. The said compensation was paid towards hardship Rs, 13,45,278/-; rehabilitation Rs, 5,90,625/- and for shifting Rs. 15,000/-.We also note that the assessee paid Rs. 18,63,000/- to Joys Developers for acquiring additional area of 138 Sq Ft. It was also noted that the assessee shifted to his own house when the building went for re-development. Now the question before is whether the compensation upon re-development of property towards hardship, rehabilitation and shifting received by the assessee is taxable if the potential TDR/FSI is available to the land owner or society which owns the (and depending upon the terms of the de-development agreement without transferring the land . In the present case the assessee who was flat owner in the building was member of the society, As per the agreement each member of the society including the assessee was to be given a flat in lieu of the old one and the each member including the assessee was given compensation. We also note that In the decisions in 1TA No 72/Mum/2012 assessment year 2008-09 Bench E and ITA No 5271/Mum/2012 assessment year 2008-09 Bench "D" the Tribunal held that the amounts received as compensation for hardship , rehabilitation and for shifting are not liable to tax We, therefore , respectfully , the above decisions are of the considered view that the amounts received by the assessee as hardship compensation, rehabilitation compensation and for shifting are not liable to tax and the order passed by the first appellate authority cannot be sustained. Thus the order of CIT(A) is reversed and ground is allowed in favour of the assessee.

16. In the result, appeal of the assessee is partly allowed, as above.

6. Respectfully following the co-ordinate Bench decision, we set aside the findings of the ld. CIT(A) on this issue and direct the AO to delete the addition made of Rs.2,60,000/-. Accordingly, the ground No.6 is allowed."

26. The ratio of the aforesaid decision is that compensation received on account of hardship and displacement occasioned by redevelopment is intrinsically connected with the capital asset and constitutes a capital receipt. The taxability of such receipt does not depend upon whether the recipient actually takes another premises on rent or upon the precise amount spent towards alternative accommodation.

27. In the present case, the receipt of Rs.13,50,216/- originated from the redevelopment agreement and was paid because the assessee was required to vacate his residential premises during redevelopment. The nexus between the receipt and the displacement arising from redevelopment is thus established. The Revenue has not brought any material on record to show that the payment was made for any independent service rendered by the assessee or represented consideration of a revenue nature.

28. The fact that the assessee, while filing the return in response to the notice under section 148 of the Act, offered the differential amount of Rs.1,52,316/- under the head "Income from Other Sources" cannot alter the legal character of the receipt. Taxability must be determined in accordance with the applicable law and the

true nature of the receipt. An amount which is otherwise not chargeable to tax cannot be brought within the ambit of taxation merely because the assessee had offered a part thereof under an erroneous understanding of its legal character.

29. Once the receipt is held to be a capital receipt, the dispute regarding the genuineness or quantum of rent paid to the second landlord ceases to be determinative of its taxability. The request of the learned DR to restore the matter to the Assessing Officer for verification of the actual rent payment would, therefore, serve no useful purpose. The taxability of the redevelopment compensation cannot be made dependent upon such verification.

30. We accordingly hold that the amount of Rs.13,50,216/- received by the assessee from the developer towards hardship and displacement pursuant to redevelopment is a capital receipt not chargeable to tax. The Assessing Officer is directed to delete the addition of Rs.4,05,896/-. Grounds Nos. 1 to 3 are accordingly allowed.

31. Ground No. 4: Addition under the head "Salaries"

The Assessing Officer made an addition of Rs.8,87,904/- representing the difference between the salary reflected in Form No. 26AS and the taxable salary offered by the assessee. The assessee's case is that the difference consists of exempt components, including leave travel allowance, medical reimbursement, gratuity, leave encashment and conveyance allowance, as computed by the respective employers and reflected in Form No. 16.

32. The assessment order reveals that one of the principal reasons for rejecting the claim was the conclusion of the Assessing Officer that the maximum permissible amount of gratuity under section 4(3) of the Payment of Gratuity Act, 1972 was Rs.3,50,000/-. On that basis, the Assessing Officer held that the exemption of Rs.5,19,738/- reflected in Form No. 16 could not be accepted.

33. The aforesaid conclusion of the Assessing Officer is contrary to the statutory provision applicable to the year under consideration. Section 4(3) of the Payment of Gratuity Act, 1972 was amended by the Payment of Gratuity (Amendment) Act, 2010, Act No. 15 of 2010, whereby the ceiling of Rs.3,50,000/- was substituted by Rs.10,00,000/-. The amended ceiling was operative during the previous year relevant to assessment year 2017-18. The finding of the Assessing Officer that gratuity exceeding Rs.3,50,000/- was impermissible in law is, therefore, factually and legally unsustainable.

34. Form No. 26AS is principally a tax-credit statement reflecting the amount reported by the deductor and the tax deducted therefrom. The gross amount appearing therein cannot, by itself, be treated as the taxable salary of the recipient. The chargeability of salary has to be determined under sections 15 to 17 of the Act after giving effect to the exemptions and deductions otherwise admissible under the Act. Therefore, the mere difference between the gross receipts reported in Form No. 26AS and the taxable

salary disclosed in the return cannot constitute a valid basis for making an addition.

35. It is true that the computation made by an employer for the purpose of deduction of tax at source is not invariably conclusive of the employee's ultimate tax liability. At the same time, Form No. 16 is a contemporaneous statutory certificate issued by the employer under section 203 of the Act. In the present case, the computation contained therein is further supported by the full and final settlement statement issued by the employer. These documents separately identify the gross salary, exempt components and taxable salary. They could not be rejected summarily without identifying any particular entry as false, fictitious or contrary to the applicable statutory provision.

36. The assessment order shows that the principal reason for treating Form No. 16 as unreliable was that it reflected gratuity exemption of Rs.5,19,738/-, whereas, according to the Assessing Officer, the maximum permissible gratuity was Rs.3,50,000/-. As already noted, this conclusion was founded upon an obsolete statutory limit. The ceiling under section 4(3) of the Payment of Gratuity Act, 1972 had been enhanced to Rs.10,00,000/- by the Payment of Gratuity (Amendment) Act, 2010 and was applicable during the year under consideration. The gratuity exemption of Rs.5,19,738/- reflected in Form No. 16 was thus within the prevailing statutory ceiling. Once this erroneous premise is removed, the very foundation upon which the Assessing Officer discarded Form No. 16 ceases to survive.

37. The remaining exempt components, including leave travel allowance, medical reimbursement, leave encashment and conveyance allowance, were separately disclosed in Form No. 16 and the full and final settlement statement. The Assessing Officer did not undertake any component-wise examination or record any specific finding that a particular receipt was taxable, that the applicable statutory conditions were not satisfied, or that any amount exceeded the prescribed limit. No enquiry was made from either employer and no material was brought on record to demonstrate that the certificates issued by them contained incorrect particulars. Instead, after noticing the gratuity figure, the Assessing Officer rejected the entire computation on a general observation that the figures appearing in Form No. 16 were unreliable. Such an omnibus rejection cannot be sustained.

38. The learned CIT(A) also proceeded on the same erroneous premise and affirmed the addition without examining the effect of the amended gratuity ceiling or the evidentiary value of the employer-issued documents. The contemporaneous documentary evidence placed on record sufficiently reconciles the gross salary with the taxable salary offered by the assessee. In the absence of any contrary material, there is no justification for taxing the entire difference merely because the gross receipts were reported in Form No. 26AS.

39. In these circumstances, remitting the matter for another round of examination would merely afford an opportunity to the Revenue to reconsider an addition which was made without a

component-wise finding and on a demonstrably incorrect understanding of the governing statutory provision. The material necessary for deciding the controversy is already available on record. We, therefore, hold that the addition of Rs.8,87,904/- under the head "Salaries" is unsustainable. The Assessing Officer is directed to delete the same. Ground No. 4 is accordingly allowed.

40. Ground No. 5: Deductions under sections 80G and 80TTA

The Assessing Officer accepted the assessee's investment of Rs.1,50,000/- in the Public Provident Fund and allowed the deduction claimed under section 80C of the Act. The residual deduction of Rs.8,775/- claimed under sections 80G and 80TTA was, however, disallowed solely on the ground that the assessee had not furnished the supporting evidence during the assessment proceedings. The learned CIT(A) sustained the disallowance for the same reason.

41. Before us, the assessee has placed on record the donation receipt and the corresponding entry in the bank statement evidencing the payment of donation. The relevant documents are placed at pages 161 and 162 of Paper Book No. 2. These are contemporaneous documents directly bearing upon the claim and go to the root of the controversy. The learned DR has not disputed their authenticity or pointed out any specific defect therein, but has merely relied upon the orders of the lower authorities.

42. The disallowance made by the Assessing Officer was not founded upon any finding that the donation was made to an ineligible institution or that the payment was otherwise outside the

scope of section 80G of the Act. The claim was rejected only because documentary evidence was not then available before him. The donation receipt, read with the corresponding bank debit, establishes both the factum of the donation and its payment through the banking channel. In the absence of any contrary material, the claim cannot continue to be disallowed merely because the supporting documents were not produced at an earlier stage.

43. As regards the deduction under section 80TTA of the Act, the assessee has included the savings-bank interest under the head "Income from Other Sources". Once the interest income has been offered to tax and the claim is within the statutory limit, the corresponding deduction under section 80TTA follows as a matter of computation. The lower authorities have not recorded any finding that the interest was not earned from an eligible savings account, that it was not included in the gross total income, or that the deduction exceeded the prescribed limit.

44. The evidence placed before us is documentary and self-explanatory. It does not require investigation into any further or collateral fact. Restoring the issue to the Assessing Officer merely for re-verification of these documents would prolong the proceedings without serving any useful purpose. The total disallowance involved is Rs.8,775/-, and the material presently available is sufficient to adjudicate the claim.

45. We accordingly hold that the assessee is entitled to the deductions claimed under sections 80G and 80TTA of the Act. The Assessing Officer is directed to delete the disallowance of Rs.8,775/-. Ground No. 5 is allowed.

46. Grounds Nos. 6 and 7 are general in nature and do not call for separate adjudication.

47. In the result, the appeal of the assessee is allowed.

Order pronounced in the open court on 17.09.2026.

Sd/-	**Sd/-**
(NARENDER KUMAR CHOUDHRY)	**(MAKARAND VASANT MAHADEOKAR)**
JUDICIAL MEMBER	**ACCOUNTANT MEMBER**

Mumbai, Dated 17/09/2026
SAUMYA SRIVASTAVA, Sr. PS

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. संबंधित आयकर आयुक्त / The CIT(A)
4. आयकर आयुक्त (अपील) / Concerned CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुम्बई/ DR, ITAT, Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/BY ORDER,

सत्यापित प्रति //True Copy//

उप/सहायक पंजीकार (Asst. Registrar)
आयकर अपीलीय अधिकरण, मुम्बई / ITAT, Mumbai