M/s Modi Shelters Private Limited v. Deputy Commissioner of Income Tax, Circle-16(1), Hyderabad

Income Tax Tribunal Appeal No. 19 of 2021

ITTA No. 19 of 2021 (Telangana HC, decided 2026-01-06) | 2026-01-06

Housing deduction: inclusion of open-to-sky terraces/balconies and unwalled portico/porch areas in built-up area; appeal allowed by applying the earlier identical ruling.

Income-tax Act, 1961: section 260A; housing deduction provision printed as section 8-IB in para 2

High Court for the State of Telangana | 2-judge bench (Division Bench, Hyderabad) | Justice P. Sam Koshy | Justice Suddala Chalapathi Rao

Assessment years: 2012-13

Earlier ruling applied to an identical question and factual matrix

The Court followed ITTA 167/2012 and batch, decided on 21 May 2025, including this assessee's ITTA 230/2016. It did not announce automatic eligibility for every later assessment year.

01 FACTS OF THE CASE

For AY 2012-13, Modi Shelters appealed the Hyderabad B Bench order dated 28 September 2020 in ITA 1292/Hyd/2016. The question was whether open-to-sky terrace/balcony space or portico/porch area without walls could be included in built-up area when determining housing-deduction eligibility.

Source: PDF pp. 1-3; caption and para 2

02 DISCUSSION BY THE HON'BLE COURT

The Court recorded that the same question had been decided in ITTA 167/2012 and batch on 21 May 2025, including the same assessee's ITTA 230/2016. That decision had endorsed CIT v. Amaltas Associates, 2016 SCC OnLine Guj 4685. Finding both the factual matrix and question identical, the Bench applied the earlier reasons to this appeal. The short order does not reproduce those reasons or record a Revenue concession.

Source: PDF p. 3, paras 3-4 and footnote

03 JUDICIAL DECISION

The appeal was allowed, with the question of law answered for the assessee and against Revenue. There was no order as to costs, and pending miscellaneous applications were closed.

Source: PDF p. 4, para 5

04 OUTCOME / IN WHOSE FAVOUR

Assessee succeeded on the stated built-up-area question through application of the earlier Division Bench judgment. The order contains no separate computation of deduction or independent examination of every eligibility condition.

Source: PDF pp. 3-4, paras 4-5

05 EXPERT COMMENTS

Identify the physical area before applying the precedent — The question concerns open-to-sky terraces or balconies and portico or porch areas without walls. Those physical characteristics, rather than the generic label housing project, define the issue carried forward from the earlier decision. A comparison should establish whether the disputed area has the same characteristics before treating this order as determinative.

Identity of facts and issue is the operative bridge — Paragraph 4 expressly finds the factual matrix and legal question identical. That finding supports application of the earlier reasons; common ownership or a later assessment year alone does not replace it. The earlier batch included ITTA 230/2016 of this assessee, an important locator for researching the reasoning adopted here.

Keep the short order within its evidential limits — The appeal succeeds, but this source does not set out the earlier reasoning, all statutory conditions or the deduction computation. It should not be converted into unconditional project approval for every year. The printed reference to section 8-IB is disclosed rather than silently presented as an exact quotation of subsection 80-IB(10).

Source: Editorial analysis; source references in the structured comments

SOURCE & VERIFICATION

High Court for the State of Telangana official judgment PDF - AKHB Repository (20260106_HBHC010072982021.pdf)

5-page official High Court for the State of Telangana judgment PDF (20260106_HBHC010072982021.pdf, 138,588 bytes).

All 5 original pages read and visually inspected; source hash verified. AI-assisted substantive correction.

Open cited source rendition

Source bytes and identity checked; see panel-specific references and disclosed source anomalies.

STATUTORY SCOPE

The source prints section 8-IB in paragraph 2. The housing-deduction context is apparent, but this short judgment does not print subsection 80-IB(10) or reproduce its conditions. Section 260A appears in the caption.

LATER TREATMENT

Source checked 2026-10-21. Subsequent treatment not independently verified.

AI DISCLOSURE

AI-assisted research checked against the identified source. Extraction, interpretation or omission errors remain possible. Source review does not mean independent approval by a practising professional. Verify every material statement against the complete original judgment.

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