Pr. Commissioner of Income-tax (Central)-2, Delhi v. M/s. Believe Constructions Pvt. Ltd.

ITA 555/2025

2025:DHC:9439-DB | 2025-10-29

Believe Constructions AY 2007–08: Revenue appeal dismissed on covered section 153D mechanical-approval issue.

Income-tax Act, 1961: sections 260A, 153D

High Court of Delhi | 2-judge bench (Division Bench) | Justice V. Kameswar Rao | Justice Vinod Kumar

Assessment years: 2007-08

Scope of this order

Assessee retained the Tribunal's relief on the defective-approval issue.

01 FACTS OF THE CASE

Revenue challenged the common ITAT order dated 8 February 2023 in ITA 3084/Del/2016 and CO 261/Del/2016 for AY 2007–08. An 812-day re-filing delay was condoned. Counsel accepted that MDLR Hotels and King Buildcon covered the proposed questions concerning section 153D approval.

Source: PDF p. 2

02 DISCUSSION BY THE HON'BLE COURT

The reproduced MDLR reasoning sustained findings of mechanical approval, with no reference to seized material or assessment records demonstrating application of mind. It relied on approval-safeguard authorities, including Pioneer Town Planners. The present case arose from the same common ITAT order.

Source: PDF p. 12

03 JUDICIAL DECISION

Revenue's appeal was dismissed following MDLR Hotels and King Buildcon; no substantial question of law arose.

Source: PDF p. 12

04 OUTCOME / IN WHOSE FAVOUR

Assessee retained the Tribunal's relief on the defective-approval issue.

Source: PDF p. 12

05 EXPERT COMMENTS

Review the approval record, not merely its length — The defect concerned absence of meaningful application of mind to material and proposals. The reproduced reasoning permits brief recorded satisfaction; it should not be turned into a universal requirement for an elaborate judgment by the approving officer.

Keep the statutory contexts separate — Section 153D governs the present approval challenge. Section 151 reassessment-sanction decisions are reproduced as reasoning on mechanical approval, rather than proof that the two statutory processes are interchangeable.

Preserve what the source leaves unresolved — The reproduced discussion leaves section 144A and the Search and Seizure Manual question open. It also calls approval for 246 assessments a single letter while listing five dated groups totalling 246; that internal description should not be silently harmonised.

Source: PDF p. 12

SOURCE & VERIFICATION

High Court of Delhi official judgment PDF — AKHB Repository (20251029_DLHC011036002023.pdf)

12-page official High Court of Delhi order/judgment PDF (20251029_DLHC011036002023.pdf, 148,379 bytes).

Complete source text and every original page visually reviewed; identity and SHA-256 checked. AI-assisted source analysis.

Open cited source rendition

All 12 physical source pages read and visually inspected. SHA-256: 5a6d86b8b611ab20aabf7b6daccbce8b2b621aa0d4e7a8c035f691e56ab86b71.

STATUTORY SCOPE

Section 153D approval is decisive. Section 151 authorities are reproduced by analogy; the impact of section 144A and the Search and Seizure Manual, 2007 was expressly left open in the reproduced decision.

LATER TREATMENT

Source checked 2026-10-21. Subsequent judicial treatment has not been 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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