Pr. Commissioner of Income Tax-1 & Pr. CIT-7 v. Ashutosh Developers P. Ltd., M/s Shivgori Builders Pvt. Ltd. & M/s MDLR Resorts Pvt. Ltd.

ITA 522/2025, ITA 523/2025 & ITA 530/2025

ITA 522/2025, ITA 523/2025 & ITA 530/2025 (Del HC, decided 15.10.2025) | 2025-10-15

Search-assessment approvals: Revenue appeals dismissed following MDLR Hotels on lack of discernible application of mind.

Income-tax Act,1961: sections 153D

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

Assessment years: Not specified in order text

01 FACTS OF THE CASE

Revenue challenged the common ITAT order of 8 February 2023 in three appeals: ITA 522/2025 (Ashutosh Developers), ITA 523/2025 (Shivgori Builders) and ITA 530/2025 (MDLR Resorts). Re-filing delays of 807,806 and 807 days respectively were condoned. Revenue acknowledged that the questions were covered by ITA 593/2023 and connected matters and ITA 574/2024.

Source: PDF pp.1–2, paras 1–4

02 DISCUSSION BY THE HON'BLE COURT

The Court reproduced its MDLR Hotels decision concerning section 153D approvals for 246 proposed assessments. The quoted findings identified stock approval language and no reference to seized material or assessment records showing application of mind. Authorities concerning section 151 were considered by analogy to the need for meaningful supervisory approval.

Source: PDF pp.2–8, quoted decision

03 JUDICIAL DECISION

Following PCIT v. MDLR Hotels Pvt. Ltd., ITA 593/2023 and connected matters, the Court dismissed all three appeals because no substantial question of law arose.

Source: PDF pp.8–9, para 5

04 OUTCOME / IN WHOSE FAVOUR

Assessees succeeded in resisting Revenue's appeals. The re-filing delays were condoned; dismissal was not for delay.

Source: PDF pp.2,8–9

05 EXPERT COMMENTS

AKHB Expert Comments — editorial analysis, distinct from the Court's findings.

Approval quality, not a numerical prohibition: The quoted record concerned 246 assessments and formulaic approval, but the defect was the absence of discernible consideration of the relevant material. The decision does not prescribe a maximum number of approvals an authority may issue. A challenge should examine the proposal, records supplied and approval together, rather than rely on volume alone. (PDF pp.3–5)

Keep the statutory stages distinct: Section 153D concerns prior approval of search assessments. The section 151 authorities quoted in the earlier decision explain meaningful satisfaction by analogy; they do not turn these appeals into challenges to reopening notices. The operative result follows the common ITAT order and the already-decided MDLR Hotels litigation. (PDF pp.2–8)

The limits of the adopted reasoning matter: The reproduced precedent leaves the effect of section 144A and the Search and Seizure Manual 2007 open. It also describes several dated approval batches while summarising them as a single approval covering 246 assessments. That wording should not be converted into a freshly proved one-day chronology. The present order does not specify the individual assessment years or decide the underlying additions. (PDF pp.4,8–9)

Source: PDF pp.3–5

SOURCE & VERIFICATION

Original High Court judgment PDF — AKHB source repository

Complete 9-page original reviewed; source bytes verified.

Full original and all five panels re-reviewed on 21 October 2026.

Open cited source rendition

Complete original source and all five note panels checked; original docket identities preserved.

STATUTORY SCOPE

Current law and subsequent treatment not independently verified.

LATER TREATMENT

Source checked 2026-10-21. Subsequent proceedings and current judicial treatment have 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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