

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

R/SPECIAL CIVIL APPLICATION NO. 13210 of 2026

With

R/SPECIAL CIVIL APPLICATION NO. 13602 of 2026

With

R/SPECIAL CIVIL APPLICATION NO. 13316 of 2026

FOR APPROVAL AND SIGNATURE:

HONOURABLE MR. JUSTICE A.S. SUPEHIA sd/-

and

HONOURABLE MS. JUSTICE VAIBHAVI D. NANAVATI sd/-

Approved for Reporting	Yes	No
	✓	

SANJAYKUMAR AMRUTLAL PATEL

Versus

INCOME TAX OFFICER WARD 1, PATAN

Appearance:

MR UDAYAN P VYAS(1302) for the Petitioner(s) No. 1

AADITYA D BHATT(8580) for the Respondent(s) No. 1

CORAM: HONOURABLE MR. JUSTICE A.S. SUPEHIA

and

HONOURABLE MS. JUSTICE VAIBHAVI D. NANAVATI

Date : 08/10/2026

COMMON ORAL JUDGMENT

(PER : HONOURABLE MR. JUSTICE A.S. SUPEHIA)

1. Heard learned Advocate Mr. Udayan P. Vyas for the petitioners and learned Senior Standing Counsel Mr. Aaditya D Bhatt, appearing for the respondents.

2. Having regard to the controversy involved, with the consent of the learned advocates for the respective parties, the matters are taken up for final hearing.

3. **RULE.** Learned Senior Standing Counsel Mr. Aaditya D. Bhatt waives service of notice of rule on behalf of the respondent.

4. The captioned petitions are filed under Article 226 of the Constitution of India, challenging the notice dated 18.03.2026 issued under Section 148 of the Income Tax Act, 1961 (for short “the Act”) seeking to re-open the income tax assessment of the petitioner for the Assessment Year (A.Y) 2022-23 by the Respondent- Income Tax Officer, Ward -1, Patan (for short “the respondent”).

5.1 All the assesseees of the captioned writ petitions had filed their Return of Income(RoI) for the assessment year 2022-23. All of them, along with twelve other joint purchasers, purchased non-agriculture land situated at Moje Bhadaj bearing Survey No. 509/A admeasuring 8182 square meters which is equal to 9786 square yards from (i) Gordhandbhai Ranchhodbhai HUF (ii) Chandubhai Jadavbhai Korat and (iii) Shaileshbhai Babubhai Shah vide registered sale deed dated 01.06.2021 at Index No. 10519 for a consideration of Rs.6,13,65,000/-.

5.2. The petitioner writ petition being Special Civil Application No.13210 of 2026 filed the ROI on 23.09.2022 declaring total taxable income at Rs. 34,93,910/-. Similarly, the deceased- assessee, of captioned writ petition being Special Civil Application No.13316 of 2026, who is represented through, the widow, the petitioner, filed ROI on 08.09.2022 showing taxable income of Rs.45,71,260/-. The assessee of writ petition being Special Civil Application No.13602 of 2026 filed ROI on 11.10.2022 declaring total income of Rs.40,60,300/-.

5.3. For the sake of brevity, Special Civil Application No. 13210 of 2026 is taken as a lead matter. The facts are borrowed from the said petition, since in the other captioned two petitions, the approval order bearing the facts were not supplied. The revenue has also not denied that the re-assessment is premised on common facts arising from the search and seizure action under Section 132 of the Act conducted on 28.09.2021 at the premises of B Safal Group and City Estate Management India, a real estate broker providing brokerage services to the B Safal Group.

5.4 A search action under Section 132 of the Act was conducted on 28.09.2021 at the premises of B Safal Group and City Estate Management India, a real estate broker providing brokerage services to the B Safal Group. During the course of the search, inquiry registers were found and seized from the premises of City Estate Management India containing details of various lands and plots in and around Ahmedabad along with their details viz. address, name of person, survey number, area and “asking rate” for the property. In one of such inquiry registers, a noting dated 16.01.2020 was found in respect of land at Moje Bhadaj (Science Park). On the basis of the said information, the Respondent recorded a satisfaction note on 02.03.2026 which was approved by the Principal Commissioner of Income Tax-3, Ahmedabad on 18.03.2026. Thereafter, the Respondent issued the impugned notice dated 18.03.2026 under Section 148 of the Act, alleging that the petitioner had paid on-money of Rs.1,87,14,508/- (being 5.67% share of Rs.33,00,61,880/-) on account of purchase of land bearing Survey No. 509/A (area 8182 square meter equal to 9786 sq.

yds) situated at Bhadaj, being the difference between the consideration recorded in the Sale Deed and the price quoted in the inquiry register noting dated 16.01.2020. The petitioner filed detailed objections against the said notice on 30.06.2026 requesting the Respondent to drop the reassessment proceedings. The Respondent has not passed any order disposing of the said objections. Hence, the petitioner has approached this Court by way of the present writ petition.

SUBMISSIONS ON BEHALF OF THE PETITIONER:

6. Learned Advocate Shri Udayan P. Vyas for the petitioner submitted that the Assessing Officer has sought to reopen the assessment only on the basis of a noting found in the seized inquiry register and the statement of Shri Pravin Nagjibhai Bavadiya, the broker and proprietor of City Estate Management India. It is submitted that the relevant noting in the seized inquiry register is dated 16.01.2020, whereas the petitioner along with co-purchasers actually purchased the concerned land bearing Survey No. 509/A (area 8182 sq.mts equal to 9786 square yards) situated at Bhadaj by registered sale deed dated 01.06.2021 - i.e., approximately one and a half year after the date of the noting. The noting, therefore, predates the actual purchase transaction of the petitioner and, as per the statement of Shri Pravin Nagjibhai Bavadiya himself recorded under Section 131 of the Act on 27.12.2021 and 28.12.2021, the inquiry registers merely contain details of “land/plots *available for sale*” at different locations near Ahmedabad” and do not record any concluded transaction or parties thereto.

6.1 It is further submitted that the register entry pertains to various Survey Numbers with a total area of 71,000 sq.yds., whereas the petitioner along with twelve other co-purchasers purchased only Survey No. 509/A situated at Bhadaj. The entry in the register mentions rate at Rs 40,000/- thus less than the total area of land is actually purchased by the petitioner with other twelve co-purchasers rendering no nexus between the seized documents thereby making petitioner's transaction highly doubtful.

6.2 It is submitted that the name appearing in the seized inquiry register is “Bro Haresh Patel, Owner Sharadbhai” (surname being not legible but certainly not Patel) – a person entirely unconnected to and unknown by the petitioner. Furthermore, neither the seized inquiry register nor the statement of Shri Pravin Nagjibhai Bavadiya recorded under Section 131 of the Act makes any reference to the petitioner or the co-purchasers. The petitioner specifically referred to the answer to question no.14 and 28 of Shri Bavadiya wherein, he had not committed about his role in the purchase of this property for the petitioner. It is further submitted by the ld. Advocate of the petitioner that the petitioner had not availed services of either city management or Pravin Bavadiya nor retained them for and on his behalf for purchase of the said land nor any commission was paid or claimed by the said party towards the purchase of this land. Thus, the jurisdictional condition that the seized material must “pertain to” or “relate to” the petitioner is not satisfied in the present case.

6.3 In support of his submissions, learned Advocate Mr. Udayan Vyas has placed reliance on the judgment and order dated 24.11.2025 passed in the case of Sandhya Maulik Patel vs. Asstt. Commissioner of Income Tax [2025] 181 taxmann.com 123 (Gujarat), Naliniben Jagdishkumar Gandhi vs. Income Tax Officer [2025] 183 taxmann.com 126 (Gujarat) and Deepak Chinubhai Shah vs. Dy. Commissioner of Income Tax (Special Civil Application No. 13298 of 2025 and allied matters). He has also placed reliance in case of Trupti Aakash Desai vs Income Tax Officer (Special Civil Application No. 985 of 2026 dated 08.04.2026). Thus, it is urged that the impugned notice issued under Section 148 of the Act for the assessment year 2022-23 may be quashed and set aside.

SUBMISSIONS ON BEHALF OF THE RESPONDENT:

7. Opposing the aforesaid submissions, learned Senior Standing Counsel Mr. Aaditya D Bhatt, appearing for respondent-department had contended that the impugned notice under Section 148 of the Act is valid. It is further contended that from the search conducted on B Safal Group and City Estate Management India on 28.09.2021, inquiry registers were seized from broker Shri Pravin Nagjibhai Bavadiya. These registers are not mere dumb documents but are structured business records of a professional real estate broker, systematically maintained with precise survey numbers, village locations, area measurements and rates. In his statement recorded on oath under Section 131 of the Act on 27.12.2021 and 28.12.2021, the broker admitted ownership of these registers and confirmed that they belong to his business, thereby activating the statutory

presumption of truthfulness under Sections 132(4A) and 292C of the Act. It is further submitted that perusal of the Noting dated 16/01/2020 indicates the name of “Owner : Sharadbhai” but on comparing the names of the Owners of Sale Deed, the Learned Senior Counsel Mr. Aaditya D. Bhatt fairly submitted that “Sharadbhai” is not the owner of the land in question when sold to Petitioner with other twelve co-purchasers. On the contrary, one Mr. Sharadkumar Govindlal Patel is one of the co-purchasers and not the Owner of the land in question when Sale Deed was executed.

7.1 It is further submitted that on verification of revenue records through the ANYROR portal, it was found that the land bearing Survey No. 509/A (area 8182 square meters equal to 9786 square yards) situated at Bhadaj, as recorded in the seized inquiry register, was purchased by the petitioner along with twelve other co-purchasers on 01.06.2021. The asset-based nexus between the seized document and the petitioner’s transaction is thus established. While referring to Explanation 2(iv) to Section 148 of the Act, it is contended that when documents seized from any other person “pertain to” or information contained therein “relates to” the assessee, the Assessing Officer shall be deemed to have information suggesting escapement of income. The exact match between the survey number in the seized register and the registered sale deed of the petitioner constitutes sufficient material for invoking jurisdiction under Section 148 of the Act.

7.2 It is further submitted that the discrepancies in dates, area, and names are all matters relating to the merits of the proposed addition and are to be adjudicated during the course of the assessment proceedings. The Assessing Officer is not required to conclusively prove escapement of income at the stage of issuing the notice; the threshold is merely “information suggesting escapement” and the same has been met in the present case. The deletion of an addition in the hands of the broker by the Tribunal does not obliterate the information against the actual buyer. It is, therefore, urged that the present writ petition may be dismissed.

7.3 It is further submitted that the action of reopening is well supported by the pronouncements of Hon’ble the Supreme Court. Reliance is placed on Raymond Woollen Mills Ltd. vs. Income Tax Officer [1999] 236 ITR 34 (SC), wherein it was held that at the stage of issuance of notice under Section 148 of the Act, the Court is not required to go into the merits of the matter, and whether income had or had not escaped assessment is not the relevant consideration at that stage. Reliance is also placed on CIT vs. Rajesh Jhaveri Stock Brokers (P.) Ltd. [2007] 291 ITR 500 (SC) and Anshul Jain vs. PCIT [2022] 143 taxmann.com 38 (SC). It is further submitted that the expression ‘pertains to’ or ‘relates to’ as employed in Explanation 2(iv) to Section 148 of the Act is wider in amplitude than the expression ‘belongs to’ as used in Section 153C of the Act; therefore, the seized document need not directly belong to the assessee — a mere relation to or pertaining to the assessee’s income is sufficient to invoke the reopening jurisdiction.

7.4 Thus, it is urged that the action of the respondent in issuing the impugned notice for the A.Y. 2022-23 under Section 148 of the Act may be upheld and the present petition may be dismissed.

ANALYSIS AND OPINION:

8. We have heard the learned advocates for the respective parties at length. We have also perused the case laws cited, considered the provisions threadbare and have also perused the material on record.

9. The action of reopening of assessment against the petitioner is premised on a search conducted at the office premises of City Estate Management India on 28.09.2021. During the search, inquiry registers of the broker Shri Pravin Nagjibhai Bavadiya were seized. The relevant extract of the seized inquiry register which forms the sole basis for the impugned notice reads as under:

“16.01.2020 | *Moje:- Bhadaj(Science Park)*
Nr. Canal Road,
TP 301, FP 147/1, 152, 133/1, 130/2, 135/2+ 48,
Survey No. 544/B, 544/A/2, 509/A, 506, 538, 514
71,000-s.y. with N.A.
Rate : 40,000/- (S. No.)
Bro Harshad Patel, Owner Sharadbhai ...”.

10. On the basis of the aforesaid entry in the seized inquiry register, the Assessing Officer formed the opinion that the petitioner had paid on-money on the purchase of land bearing Survey No. 509/A (area 8182 square meter equal to 9786 square yards) situated at Bhadaj and accordingly sought to re-open the

assessment for the assessment year 2022-2023 alleging escaped income of Rs. 1,87,14,508/- (being 5.67% share of Rs.33,00,61,880/-) in the hands of the petitioner.

11. The quintessential fact, which gives rise to re-assessment is the date of the noting in the inquiry register. The date of the noting is 16.01.2020, whereas the petitioner along with twelve other co-purchasers purchased the concerned land bearing Survey No.509/A (area 8182 square meter equal to 9786 square yards) situated at Bhadaj from the joint sellers by registered sale deed dated 01.06.2021 – i.e., approximately one and half year after the date of the noting. The entry in the register, therefore, predates the actual purchase transaction of the petitioner by a considerable period. In this background, the entry dated 16.01.2020 can, at best, be viewed as a market survey reflecting the asking rate for land available for sale in the area of Moje Bhadaj as on that date. Notably, the statement of Shri Pravin Nagjibhai Bavadiya recorded under Section 131 of the Act himself confirms that the inquiry registers contain details of “land/plots available for sale at different locations near Ahmedabad”. Since the purchase transaction by the petitioner was executed approximately one and half year after the date of the register entry, and since the register is admittedly only a record of land “available for sale”, the noting cannot be treated as a record of any transaction executed by the petitioner.

12. We find that, even on the question of the evidentiary weight to be attached to the seized inquiry register, the revenue’s case is materially weakened by the admissions made by Shri

Bavadiya himself during his statement recorded in the course of the search. At Question No. 14, Shri Bavadiya candidly admitted that sometimes clients come with land documents or title deeds and these belonged to the clients and not to him. This admission directly and significantly undermines the blanket presumption under Section 292C of the Act that all entries in the inquiry register necessarily record actual financial transactions carried out by or through Shri Bavadiya. Further, at Question No. 26, it emerges that the owner of the land is typically the person whose name is entered in the register—confirming that the name reflected therein is that of the owner or broker who listed the property, and not necessarily a party who paid or received any undisclosed consideration. These specific admissions by the searched person himself effectively negate the foundation upon which the revenue has sought to invoke a generalised presumption under Section 292C of the Act to treat the inquiry register entries as conclusive evidence of on-money transactions involving the petitioner.

13. We further note that the register entry pertains to six survey numbers situated at Bhadaj. However, the petitioner along with twelve other co-purchasers purchased only Survey No. 509/A situated at Bhadaj having area of 8182 square meters equivalent to 9786 square yards of non-agriculture land only. The register entry, therefore, refers to larger area than the area of land actually purchased by the petitioner. This significant discrepancy in both the number of survey numbers and the total area further militates against any connection between the seized register entry and the transaction of the petitioner.

14. It is true that the land dealings are done by suppressing the actual value of land and also involves black money, however, the re-opening of the assessment has to be premised on a valid link establishing the involvement of the assessee in such transaction. In the present case, the name “Owner : Sharadkumar ...” or “Bro Haresh Patel” appearing in the seized inquiry register is of a person who is according to petitioner is, unconnected to and unknown by the petitioner. The name “Sharadkumar” does not correspond with the name of sellers. Further, no material is produced on the record by the respondent to show that any inquiry has been conducted by the department on Sharadkumar or Bro Haresh Patel, whose names actually appear in the register. The Assessing Officer has drawn satisfaction in the case of the petitioner based on the same register entry while completely ignoring the person whose name appears therein, without any inquiry from said person being brought on record. Furthermore, the statement of Shri Pravin Nagjibhai Bavadiya recorded under the provisions of Section 131 of the Act does not in any manner mention the name of the petitioner or the co-purchasers. Thus, we do not find any direct or indirect link between the petitioner and the seized document. The revenue has attempted to reopen the assessment year 2022-23 only on the basis of some vague information allegedly connected from the seized document, which does not in any manner relate to the present petitioner.

15. Even otherwise, this issue is no more *res integra* as the same is covered in favour of the petitioner by the judgment of this Court in the case of **Naliniben Jagdishkumar Gandhi**

(supra). This Court has, after considering similar entry in the same customer inquiry register seized in the same search, thus held:

“10. Except the seized documents as mentioned hereinabove, and the statements of the searched person Shri Bavadiya, there is no material recorded by the Assessing Officer which would reveal the name of the petitioner. It is true that cash transactions operate in very clandestine manner, and the re-assessment cannot be quashed, but the revenue has to prove a live link connecting the assessee. The only link is the survey number of the petitioner. It is pertinent to note that the date of the seized document referred is of 11.08.2017 and it is the case of the Assessing Officer that the entire plot of land was sought to be sold at the rate of Rs.17,000/- per square yard in the year 2017 as per the entry made in the register (seized document).”

16. The aforesaid principle applies with equal, if not greater, force to the present case, where not only is there no live link between the seized register entry and the petitioner's transaction, but the entry itself suffers from the multiple infirmities and internal contradictions noticed hereinabove.

17. We find further support in two recent decisions of this Court arising from the very same search. In the case of **Trupti Aakash Desai (supra)**, this Court, dealing with the search at B Safal Group conducted on 28.09.2021 and the very same seized inquiry register, held that the entries therein 'cannot be used in vacuum' and that a live and direct nexus between the seized material and the assessee sought to be reopened is a sine qua non. In the case of Kantilal Parsotamdas Patel vs. ITO [Special Civil Application No. 3676 of 2026, decided on 08.04.2026], this Court, following the aforesaid line of reasoning and dealing with

a similar set of facts arising from the same search, quashed the reassessment proceedings. Besides above precedents, this Court in case of Chakravarti Mahesh Patel v/s. Income Tax Officer [Special Civil Application No. 4554 of 2026 decided on 22/04/2026] for the Assessment Year 2019-20 has quashed and set aside the Notice under Section 148 of the Act on similar facts arising from the same search. It is pertinent to note that the Petitioner in the above case [Chakravarti Mahesh Patel] also is one of the co-purchasers in the present transaction of purchase of Survey No.509/A along with Petitioner. The present case, on its facts and in law, is indistinguishable from these decisions and deserves to succeed on this additional ground as well.

18. For the foregoing reasons, we are of the opinion that the assessment has been sought to be reopened on the basis of conjectures and surmises. The seized inquiry register entry does not establish any live nexus with the petitioner. There is no direct or indirect link between the seized document and the present petitioner. The invocation of the proceedings under Section 148 of the Act is ill-conceived and unsustainable. We, therefore, quash and set aside the impugned Notices issued under Section 148 of the Act for the Assessment Year 2022-23. Accordingly, the present writ petition is allowed. **RULE** is made absolute.

sd/-

(A. S. SUPEHIA, J)

sd/-

(VAIBHAVI D. NANAVATI, J)

Radhika/108-110