IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

R/SPECIAL CIVIL APPLICATION NO. 4005 of 2026

FOR APPROVAL AND SIGNATURE:

HONOURABLE MR. JUSTICE A.S. SUPEHIA Sd/-
and
HONOURABLE MR. JUSTICE PRANAV TRIVEDI Sd/-

==

Approved for Reporting	Yes	No
		✔

==

ADITYA H.PATEL
Versus
INCOME TAX OFFICER,WARD 3(3)(1), AHMEDABAD

==

Appearance:
MR TUSHAR HEMANI, SENIOR ADVOCATE WITH
MS VAIBHAVI K PARIKH(3238) 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 MR. JUSTICE PRANAV TRIVEDI

Date : 30/03/2026
ORAL JUDGMENT
(PER : HONOURABLE MR. JUSTICE A.S. SUPEHIA)

1. ***RULE***. Learned Senior Standing Counsel Mr.Aaditya D. Bhatt, waives service of notice of Rule on behalf of the respondent–Department.

2. Learned Senior Standing Counsel Mr. Bhatt, has tendered the affidavit-in-reply. The same is ordered to be taken on record.

3. At the outset, learned Senior Advocate Mr.Tushar Hemani, assisted by learned advocate Ms.Vaibhavi K .Parikh, appearing for the petitioner has submitted that the issue

raised in the present petition is squarely covered by the decision of this Court in the case of Deepak Chinubhai Shah Vs. Deputy Commissioner of Income Tax, (2026) 183 taxmann.com 90 (Gujarat) (Special Civil Application Nos. 13298 of 2025 and 15390 of 2025, dated 13.01.2026).

4. The petitioner was a salaried individual during Assessment Year 2019-20 (the year under consideration) and filed his return of income on 02.09.2019 declaring a total income of Rs.10,12,110/-.

5. On 15.03.2025, the respondent recorded a satisfaction note in the case of the petitioner for the year under consideration in terms of clause (iv) of Explanation 2 to Section 148 of the Act and clause (c) of the proviso to Section 148A of the Act, stating that certain material seized during the search conducted on 28.09.2021 in the case of B Safal Real Estate Group and City Estate Management India pertains to the petitioner and that the information contained therein relates to him.

6. The aforesaid satisfaction note dated 15.03.2025 was approved by the Principal Commissioner of Income Tax-3, Ahmedabad (PCIT) vide letter dated 24.03.2025.

7. Thereafter, on 28.03.2025, the Respondent issued the impugned notice under Section 148 of the Act seeking to reopen the assessment of the petitioner for the year under consideration after obtaining prior approval from the Chief Commissioner of Income Tax, Ahmedabad-1 (CCIT) under Section 151 of the Act.

8. In response to the impugned notice, the petitioner filed a return of income on 29.03.2025 declaring total income of Rs.10,12,110/-.

9. Subsequently, the respondent issued a Notice under Section 143(2) of the Act dated 21.06.2025.

10. In response thereto, the petitioner, vide letter dated 23.06.2025, requested the respondent to provide the reasons for reopening and the material relied upon for reopening the assessment. Without furnishing the details sought by the petitioner, the respondent issued a notice dated 13.11.2025 under Section 142(1) of the Act calling for various details and documents. Thereafter, the petitioner, vide letter dated 19.11.2025, furnished the required details, including the return of income and computation of income, and once again requested the respondent to provide the material and reasons relied upon for reopening the assessment.

11. Thereafter, the respondent, vide letter dated 16.12.2025, provided a copy of the satisfaction note dated 15.03.2025 along with the approval granted by the PCIT dated 24.03.2025. Upon receipt of the same, the Petitioner, vide letter dated 18.12.2025, raised objections against the reopening of the assessment under Section 147 of the Act and requested the respondent to drop the reassessment proceedings. However, the respondent, vide order dated 26.12.2025, disposed of the objections and, *inter alia, h*eld that the reopening was justified. Along with the said order, the respondent also issued a notice under Section 142(1) of the Act on the same date.

12. Thereafter, the petitioner, vide letter dated 13.01.2026, raised further objections to the reopening of the assessment. However, the respondent has not yet disposed of the said objections.

13. Accordingly, the petitioner apprehends that the respondent may finalize the assessment without dealing with the objections raised vide letter dated 13.01.2026. Being aggrieved and having no efficacious alternative remedy, the petitioner has approached this Court by way of the present petition.

14. Learned Senior Advocate appearing for the petitioner submits that the impugned notice issued under Section 148 of the Act is wholly without jurisdiction, illegal, and contrary to the settled principles of law. It is contended that the reopening is based on vague and uncorroborated material allegedly seized from a third party, which does not pertain to the petitioner, and that the mandatory requirement of forming a valid satisfaction is not fulfilled. It is further submitted that, despite repeated requests, the respondent failed to furnish the relevant material in a timely manner, thereby vitiating the proceedings. The learned Senior Advocate has also submitted that the objections raised by the petitioner have not been properly dealt with, and further objections remain pending consideration, yet the respondent is proceeding with the reassessment. In such circumstances, it is urged that, since the issue is squarely covered by the decision of this Court in the case of ***Deepak Chinubhai Shah (supra)***, the action of reopening deserves to be quashed and set aside.

15. Learned Senior Standing Counsel Mr. Bhatt, appearing for the respondent–Revenue submits that the impugned notice has been issued in accordance with the provisions of the Act after due application of mind and upon receipt of credible information emanating from material seized during search proceedings, which *prima facie* indicates escapement of income. It is contended that all necessary approvals as required under Sections 148 and 151 of the Act have been duly obtained and the satisfaction has been validly recorded. It is further submitted that the petitioner has an adequate and efficacious alternative remedy by participating in the reassessment proceedings and raising all contentions before the Assessing Officer. At this stage, only a *prima facie* view is required to be formed and, therefore, the present petition is premature and not maintainable. Accordingly, it is urged that the petition be dismissed.

16. From the pleadings and the documentary evidence on record, it emerges that the petitioner had sold the agricultural land vide sale deed dated 10.10.2018. The entire reopening is premised on a loose paper indicating the date 23.03.2019 and referring to Survey No.614 situated at Village – Godhavi. The said land was sold by the Petitioner as agricultural land to Shri Kartavya Kalpeshbhai Shah vide sale deed dated 10.10.2018, i.e., almost six months prior to the noting in the seized register. From the documentary evidence and the pleadings, it is noticed that the following chronology of events is evident from the relevant land records:

Date	Events
10.10.2018	Sale of agricultural land by Petitioner to Shri Kartavya Kalpeshbhai Shah
16.03.2019	Application by Shri Kartavya Kalpeshbhai Shah for converting the land into NA (non-agricultural) use
23.03.2019	Noting made in the seized material regarding alleged sale of land at the rates mentioned therein
08.04.2019	Order passed by Collector converting the land from agricultural to NA
03.06.2019	Sale of non-agricultural land by Shri Kartavya Kalpeshbhai Shah to three builders viz. M/s. Green Impact Reality, M/s. Aalok Enterprises and M/s. Shivam Developers

17. However, the fact remains that the petitioner sold the land when it had agricultural status, whereas the subsequent purchaser, on 16.03.2019, converted the said land from agricultural to non-agricultural use.

18. Thus, the loose paper found during the search proceedings dated 23.03.2019 appears to refer to the non-agricultural rates proposed by the purchaser and does not represent the market value of the agricultural land at the time of the agricultural sale.

19. At this stage, we may refer to the observations of this Court in the case of ***Deepak Chinubhai Shah (supra)*** on an

identical issue, wherein in a search conducted against the very same entities, the Court has held as under:

> *"12. The assessment in the case of the petitioner for the year 2021-22 is sought to the be reopened on the basis of the aforementioned information contained in the extract of the inquiry register. It is not in dispute that the petitioner had sold the land vide sale deed dated 07.10.2020, the registration of the same was done in the month of January 2021. It is also noticed from the sale deed that the land in said question of survey number being Block No. 1445 – Old Survey No. 1568 was an agricultural land at the time of sale in the month of October 2020. The information relating to the date in the seized document is 22.04.2021, is after the sale deed dated 07.10.2020, this is the first flaw which is noticed by us. Secondly, with regard to the status of the land mentioned in the seized document. The status of the land in question refers to "NA" i.e. a non-agricultural land and unquestionably the land which was sold by the petitioner vide sale deed dated 07.10.2020 is an agricultural land. The name of the seller appears to be Sanjay Thakkar. Thus, there are three components which do not reconcile with the petitioner (i) the date mentioned as 22.04.2021, (ii) the status of the land being shown as "NA" i.e. non-agricultural and (iii) the name of the seller – Sanjay Thakkar.*
>
> *13. The questions and answers forming part of the statements recorded under the provisions of 131 of the IT Act, in the case of one Shri Nagjibhai Bhavadiya, the searched person, does not in any manner mention the name of the petitioners. Thus, we do not find any direct or indirect link with the seized document and the same does not even remotely connect the rate mentioned of the concerned question of land with the petitioner. Thus, the revenue has attempted to reopen the assessment year 2021-22 only on the basis of some vague information allegedly connected from the seized document and the same does not in any manner relates to the present petitioner. Thus, the invocation of the proceedings under Section 148 of the IT Act, itself is ill conceived and unsustainable in light of the information contained in the seized document.*
>
> *FINAL ORDER*
>
> *14. Hence, we are of the opinion that the assessment has been reopened on the basis of conjunctures and surmises, the same action is required to be quashed and set aside.*

Accordingly, the captioned writ petitions stand allowed. The impugned Notices dated 31.03.2025 issued under Section 148 of the IT Act are hereby quashed and set aside. No order as to costs. Rule is made absolute."

20. On an identical issue this Court has quashed and set aside reopening of assessment on identical facts and similarly worded loose papers, pointing out the status of the land as 'NA", whereas the petitioners have sold agricultural lands. The price assumed by the revenue alleging escapement of income, can be said to be only on hypothesis, and hence, the present writ petition succeeds. The impugned notice(s) is / are hereby quashed and set aside.

Sd/-
(A. S. SUPEHIA, J)

Sd/-
(PRANAV TRIVEDI,J)

MAHESH/77