

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

R/SPECIAL CIVIL APPLICATION NO. 4444 of 2026

FOR APPROVAL AND SIGNATURE:

HONOURABLE MR. JUSTICE A.S. SUPEHIA

and
HONOURABLE MR. JUSTICE PRANAV TRIVEDI

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Approved for Reporting	Yes	No
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INNOVATIVE INFRASTRUCTURE
Versus
INCOME TAX OFFICER ,WARD 4(2)(1), AHMEDABAD

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Appearance:
MR. TUSHAR HEMANI, SR. ADVOCATE WITH MS VAIBHAVI K
PARIKH(3238) for the Petitioner(s) No. 1
AADITYA D BHATT(8580) for the Respondent(s) No. 1

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CORAM: **HONOURABLE MR. JUSTICE A.S. SUPEHIA**
and
HONOURABLE MR. JUSTICE PRANAV TRIVEDI

Date : 15/04/2026

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

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

1. Since a short issue is involved, with consent of learned advocates for the respective parties, the matter is taken up for final hearing.

2. By way of present writ petition, the petitioner is assailing the impugned notice dated 27.03.2025 issued under Section 148 of the Income Tax Act, 1961 (for short "the IT Act") for the assessment year 2021-22.

BRIEF FACTS:

3. The petitioner, a partnership firm, filed its return of income for assessment year 2021-22 on 23.12.2021 declaring total income/(loss) at (Rs. 64,05,030/-). The petitioner purchased land bearing Survey No. 756/1+2 situated at Village Nidhrad from Shri Shaileshbhai Shambhubhai, Shri Sunilbhai Mansukhbhai, Shri Ashwinibhai Harshadbhai Desai and Smt. Sudhaben Sureshbhai Desai vide registered sale deed dated 26.02.2021 for a consideration of Rs. 38,22,068/-. A search action under Section 132 of the IT 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 survey numbers, area and asking rates. In one of such inquiry registers, a noting dated 10.03.2019 was found in respect of land at Village Nidhrad bearing Survey Nos. 753/1+2+3 and 756/1+2. On the basis of the said information, the Respondent recorded a satisfaction note on 15.03.2025 which was approved by the Principal Commissioner of Income Tax-3, Ahmedabad on 21.03.2025.

Thereafter, approval under Section 151 of the Act was granted by the Principal Commissioner of Income Tax-3, Ahmedabad on 27.03.2025. The Respondent thereafter issued the impugned notice dated 27.03.2025 under Section 148 of the IT Act, alleging that the petitioner had paid on-money of Rs. 5,18,59,510/- on purchase of land bearing Survey No. 756/1+2 at Village Nidhrad, being the difference between the consideration recorded in the Sale Deed and the price quoted in the inquiry register noting dated 10.03.2019 and that income of Rs. 5,86,03,510/- has escaped assessment. The petitioner filed a return in response to the said notice on 18.04.2025. The Respondent thereafter issued notice under Section 143(2) of the IT Act on 02.05.2025 and notices under Section 142(1) on 01.07.2025 and 10.02.2026. The petitioner has approached this Court by way of the present writ petition challenging the validity of the impugned notice under Section 148.

SUBMISSIONS ON BEHALF OF THE PETITIONER:

4. Learned Senior Advocate Mr. Tushar Hemani has 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 10.03.2019, whereas the petitioner actually purchased the concerned land bearing Survey No. 756/1+2 at Village Nidhrad by registered sale

deed dated 26.02.2021 - i.e., approximately twenty-three months after the date of the noting. The noting, therefore, predates the actual purchase transaction of the petitioner by a period of nearly two years and, as per the statement of Shri Pravin Nagjibhai Bavadiya himself recorded under Section 131 of the IT 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. The entry cannot, therefore, be treated as a record of any transaction executed by the petitioner.

4.1 It is further submitted that the register entry pertains to a cluster of Survey Nos. 753/1+2+3 and 756/1+2 with a total area of 28,000 square yards. However, the petitioner purchased only Survey No. 756/1+2 which has an actual area of 5,860 square yards. The register entry thus covers an additional group of survey numbers (753/1+2+3) and refers to an area approximately five times larger than the area of the land actually purchased by the petitioner. This substantial discrepancy in both the survey numbers covered and the total area further militates against any nexus between the seized document and the petitioner's transaction.

4.2 It is submitted that the name appearing in the seized inquiry register is "Bro. Manish Bopal" - a person entirely unconnected to and unknown by the petitioner. The petitioner's name is nowhere to be found in the seized register. No inquiry whatsoever has been conducted by the

Department from Manish Bopal, whose name actually appears in the register. 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 joint sellers. The jurisdictional condition that the seized material must "pertain to" or "relate to" the assessee is not satisfied in the present case.

5. In support of the aforesaid submissions, learned Senior Advocate has placed reliance on the judgment and order dated 24.11.2025 passed in *Sandhya Maulik Patel v. Asstt. CIT [2025] 181 taxmann.com 123 (Gujarat)*, *Naliniben Jagdishkumar Gandhi v. ITO [2026] 183 taxmann.com 126 (Gujarat)* and *Deepak Chinubhai Shah v. Dy. CIT* (Special Civil Application No. 13298 of 2025) and allied matters.

SUBMISSIONS ON BEHALF OF THE RESPONDENT:

6. While opposing the aforesaid submissions, learned Senior Standing Counsel Mr. Aaditya D. Bhatt, appearing for respondent-revenue, has 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 IT 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.

6.1 It is further submitted that on verification of revenue records through the AnyROR portal, it was found that the land bearing Survey No. 756/1+2 at Village Nidhrad, as recorded in the seized inquiry register, was purchased by the petitioner on 26.02.2021. The asset-based nexus between the seized document and the petitioner's transaction is thus established. Under Explanation 2(iv) to Section 148 of the IT Act, 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 tangible material for invoking jurisdiction under Section 148 of the IT Act.

6.2 It is 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.

6.3 It is further submitted on behalf of the respondent that the action of reopening is well-supported by the pronouncements of the Hon'ble Supreme Court. Reliance is placed on Raymond Woollen Mills Ltd. v. ITO [1999] 236 ITR 34 (SC), wherein it was held that at the stage of issuance of notice under Section 148, 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 v. Rajesh Jhaveri Stock Brokers (P.) Ltd. [2007] 291 ITR 500 (SC) and Anshul Jain v. 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 is wider in amplitude than the expression 'belongs to' as used in Section 153C; 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.

ANALYSIS AND OPINION:

7. We have heard the learned advocates appearing for the respective parties at length and have also perused the documents placed on record. 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

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:

10.03.19 | Moje:- Nidhrad | S. No. 753/1+2+3, 756/1+2 | 28000 s.y. | Rate - 10,000/- | NA | Bro. Manish Bopal

8. 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 of Rs. 5,18,59,510/- on the purchase of land bearing Survey No. 756/1+2 at Village Nidhrad and accordingly sought to reopen the assessment year 2021-22 alleging that income of Rs. 5,86,03,510/- has escaped assessment in the hands of the petitioner.

9. The first and foremost aspect which strikes us on a perusal of the seized material is the date of the noting in the inquiry register. The date of the noting is 10.03.2019, whereas the petitioner purchased the concerned land bearing Survey No. 756/1+2 at Village Nidhrad from the joint sellers by registered sale deed dated 26.02.2021 - i.e., approximately twenty-three months after the date of the noting. The entry in the register, therefore, predates the actual purchase transaction of the petitioner by a period of nearly two years. In this background, the entry dated 10.03.2019 can, at best, be viewed as a market survey reflecting the asking rate for land available for sale in the area of Village Nidhrad as on that date. Notably, the statement of Shri Pravin Nagjibhai Bavadiya recorded under Section 131 of the IT 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 twenty-three months 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.

9.1 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 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 to treat the inquiry register entries as

conclusive evidence of on-money transactions involving the petitioner.

10. We further note that the register entry pertains to a cluster of Survey Nos. 753/1+2+3 and 756/1+2 with a total area of 28,000 square yards. However, the petitioner purchased only Survey No. 756/1+2 having an actual area of 5,860 square yards. The register entry, therefore, covers an additional group of survey numbers (753/1+2+3) not purchased by the petitioner and refers to an area approximately five times larger than the land actually purchased by the petitioner. The Assessing Officer has thus sought to attribute to the petitioner, the entirety of the asking rate reflected in the register entry which pertains to a substantially larger land parcel comprising multiple survey numbers, of which the petitioner purchased only a part. This significant discrepancy in both the survey numbers and the total area further weakens any possible nexus between the seized register entry and the transaction of the petitioner.

11. The name "Bro. Manish Bopal" appearing in the seized inquiry register is of a person who is entirely unconnected to the petitioner. The petitioner's name is nowhere to be found in the seized register. The Department has not conducted any inquiry whatsoever from Manish Bopal, whose name actually appears 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 making any inquiry from said

person. Furthermore, the statement of Shri Pravin Nagjibhai Bavadiya recorded under the provisions of Section 131 of the IT Act does not in any manner mention the name of the petitioner or the joint sellers from whom the petitioner purchased the land. 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 2021-22 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.

12. Even otherwise, this issue is no more res integra as the same is covered in favour of the assessee by the judgements of this Court in the cases of *Sandhya Maulik Patel v. Asstt. CIT [2025] 181 taxmann.com 123 (Gujarat)* and *Naliniben Jagdishkumar Gandhi v. ITO [2026] 183 taxmann.com 126 (Gujarat)*. In the case of *Naliniben Jagdishkumar Gandhi*, this Court has, after considering a similar entry in the same inquiry register seized in the same search, held as follows:

"Except the seized documents as mentioned herein-above, 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)."

In the present case, similarly, the sole link attempted by the revenue is the survey number of the petitioner. The register entry, however, covers multiple survey numbers and a vastly larger area than what the petitioner transacted, and the date of the register entry is nearly two years prior to the purchase transaction of the petitioner. The principle enunciated in *Naliniben Jagdishkumar Gandhi* applies with full force to the facts of the present case.

We find further support in two recent decisions of this Court arising from the very same search. In *Trupti Aakash Desai v. ITO, Ward 3(3)(5), Ahmedabad* [Special Civil Application No. 985 of 2026, decided on 08.04.2026], 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 *Kantilal Parsotamdas Patel v. 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. The present case, on its facts and in law, is indistinguishable from both these decisions and deserves to succeed on this additional ground as well.

FINAL ORDER

13. Hence, 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 IT Act is ill-conceived and unsustainable. Accordingly, the captioned writ petition stands allowed. The impugned Notice dated 27.03.2025 issued under Section 148 of the IT Act is hereby quashed and set aside.

(A. S. SUPEHIA, J)

(PRANAV TRIVEDI,J)

SAJ GEORGE/SUPPL-1/33