

Paras Chandreshbhai Koticha v. Income Tax Officer Ward-1(2)(2) (and 22 connected Special Civil Applications)

R/Special Civil Application Nos. 17933, 17935, 17938 & 17939 of 2018; 18983, 18985, 18986 & 18987 of 2019; 216, 3563, 3564, 4890, 5350, 5422, 5855, 5858, 5861, 5864, 5901, 17675 & 26206 of 2022; and 16341 & 16723 of 2025

R/Special Civil Application No. 17933 of 2018 & 22 connected SCAs (Guj HC, decided 07.01.2026) | 2026-01-07

Comprehensive 44-page reportable ruling delineating the interplay between sections 153A/153C and sections 147/148 in pre-Finance Act 2021 search cases: (1) where the AO of the searched person transmits incriminating material with a satisfaction note, the AO of the 'other person' must proceed under section 153C and cannot invoke section 147/148; (2) for searched persons governed by section 153A, the AO cannot switch over to section 147/148 on search material; (3) however, where no satisfaction note was recorded by the searched person's AO and information was merely shared by the Investigation Wing, reopening under section 147/148 is valid.

Income-tax Act, 1961 (pre-Finance Act, 2021 regime): sections 132, 132A, 147, 148, 153A, 153B, 153C and 153D | CBDT Circular No. 24/2015

High Court of Gujarat | 2-judge bench (Division Bench) | A.S. Supedia, J. | Pranav Trivedi, J.

Assessment years: 2011-12, 2012-13, 2013-14, 2014-15 (and connected pre-2021 search years)

Split outcome: 11 Group-A petitions dismissed; 12 Groups B, C & D petitions allowed (26 identical PDF copies in repository)

Note two critical points: (1) While lead petitioner Paras Chandreshbhai Koticha (SCA No. 17933/2018, Group D) succeeded, the 11 petitioners in Group A had their petitions dismissed in para 77(1); and (2) the cloud repository stores 23 docket-named copies of this identical 44-page judgment (all dated 07.01.2026), which are consolidated here to prevent duplication.

01 FACTS OF THE CASE

Twenty-three connected writ petitions (divided into Groups A, B, C, and D) challenged pre-Finance Act, 2021 reassessment notices issued under section 148 based on material unearthed during searches under section 132 conducted on various groups: Group A (11 petitions: SCA Nos. 4890, 5350, 5855, 5858, 5861, 5864, 5901, 26206, 216, 17675 & 5422 of 2022) arose from a search on the Navratna Group where the Investigation Wing forwarded information without any satisfaction note by the searched person's AO; Groups B and C (8 petitions: SCA Nos. 3563 & 3564 of 2022; 18983, 18985, 18986 & 18987 of 2019 on K. Star Group; and 16341 & 16723 of 2025 on Flamingo Group) involved third parties where the searched person's AO transmitted material; and Group D (4 petitions: SCA Nos. 17933, 17935, 17938 & 17939 of 2018) involved commodity traders searched directly on 18.12.2014 alongside Affluence Commodities Pvt. Ltd. where the AO sought to reopen AYs 2011-12 to 2014-15 under section 148 instead of section 153A.

Source: [Pages 1-6 and 41-44 of 44 \(Paragraphs 1-6 and 75-77\) \(20260107_GJHC240167092022.pdf\)](#)

02 DISCUSSION BY THE HON'BLE COURT

In an exhaustive 44-page reportable judgment analyzing PCIT v. Abhisar Buildwell (P.) Ltd., (2023) 454 ITR 212 (SC), Shyam Sundar Khandelwal v. ACIT, (2024) 161 taxmann.com 255 (Raj), and Amar Jewellers, the Division Bench laid down four cardinal propositions in paragraph 76: (A) It is mandatory for the AO of a 'searched person' (section 153A) to record satisfaction on incriminating material found during a section 132/132A search and communicate it to the jurisdictional AO of the 'other person'; (B) Without a satisfaction note recorded by the searched person's AO, the jurisdictional AO of the other person cannot assume jurisdiction under section 153C; (C) Once a satisfaction note is recorded on incriminating material and transmitted to the jurisdictional AO of the other person, the only recourse is to proceed under section 153C and not under sections 147/148 (which can be invoked only on material from other sources); and (D) For assesseees subjected to search under section 153A (Group D), the AO is prohibited from switching over to sections 147/148 on the basis of search material, though the Revenue is not barred from invoking section 147/148 on post-search material from an independent source.

Source: [Pages 7-43 of 44 \(Paragraphs 8-76\) \(20260107 GJHC240167092022.pdf\)](#)

03 JUDICIAL DECISION

In paragraph 77, the Gujarat High Court: (1) dismissed the 11 writ petitions in Group A (SCA Nos. 4890, 5350, 5855, 5858, 5861, 5864, 5901, 26206, 216, 17675 & 5422 of 2022); and (2) allowed the 12 writ petitions in Groups B, C, and D (SCA Nos. 3563 & 3564 of 2022; 18983, 18985, 18986 & 18987 of 2019; 16341 & 16723 of 2025; and 17933, 17935, 17938 & 17939 of 2018), quashing the impugned section 148 reassessment notices while reserving liberty to the Revenue to resort to section 147/148 if conditions in paragraph 76 are met.

Source: [Pages 43-44 of 44 \(Paragraph 77\) \(20260107 GJHC240167092022.pdf\)](#)

04 OUTCOME / IN WHOSE FAVOUR

Split outcome across 23 petitions: 11 Group-A petitions dismissed; 12 Groups B, C & D petitions allowed (including lead petition SCA No. 17933 of 2018 of Paras Chandreshbhai Koticha) and section 148 notices quashed.

Source: [Pages 43-44 of 44 \(Paragraph 77\) \(20260107 GJHC240167092022.pdf\)](#)

05 AKHB REVIEW POINT

AKHB analysis: This 44-page reportable decision is the definitive Gujarat High Court authority on the section 153A/153C vs. section 147/148 boundary: always verify which of the four categories (Groups A, B, C, or D in para 76) applies, because Group A petitions (Investigation Wing information without a section 153C satisfaction transfer) were dismissed whereas Groups B, C, and D were allowed.

Source: [Full judgment PDF \(44 pp.\)](#)

SOURCE & VERIFICATION

[Original judgment PDF \(20260107_GJHC240167092022.pdf\)](#)

Reviewed from the complete 44-page official High Court judgment PDF (20260107_GJHC240167092022.pdf, SHA-256: fo271e2779975f8603ad43a0d071d5c7fdc342ed2d66851ee1698e3e69967ofd).

Supplied source-reviewed note retained; original bytes and identity validation checked in this release. Substantive re-review is not claimed for this record.

Open cited source rendition

Primary source verified page-by-page (44 physical pages, 269,737 bytes, SHA-256: fo271e2779975f8603ad43a0d071d5c7fdc342ed2d66851ee1698e3e69967ofd). Cloud Google Drive File ID: 11NzmNIfv2ReqSvKeMT1QXj8_kiiiIn_P
(https://drive.google.com/file/d/11NzmNIfv2ReqSvKeMT1QXj8_kiiiIn_P/view).

STATUTORY SCOPE

Refers to the Income-tax Act, 1961 and allied statutory rules/circulars as applicable to the relevant assessment years.

LATER TREATMENT

Source checked 2026-10-18. No subsequent Supreme Court reversal or stay is recorded in the source judgment text.

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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