

Section - 132, Income-tax Act, 1961 - FA, 2024

⁷⁹[Search and seizure.⁸⁰

⁸¹ 132. ⁸²(1) Where the ⁸³[⁸⁴Principal Director General or] Director General or ⁸⁴[Principal Director or] Director] or the ⁸⁵[⁸⁶Principal Chief Commissioner or] Chief Commissioner or ⁸⁶[Principal Commissioner or] Commissioner] ⁸⁷[or Additional Director or Additional Commissioner] ⁸⁸[or Joint Director or Joint Commissioner] in consequence of information⁸⁹ in his possession, has reason to believe⁸⁹ that—

- (a) any person to whom a summons under sub-section (1) of section 37 of the Indian Income-tax Act, 1922 (11 of 1922), or under sub-section (1) of section 131 of this Act, or a notice under sub-section (4) of section 22 of the Indian Income-tax Act, 1922, or under sub-section (1) of section 142 of this Act was issued to produce, or cause to be produced, any books of account or other documents has omitted or failed to produce, or cause to be produced, such books of account or other documents as required by such summons or notice, or
- (b) any person to whom a summons or notice as aforesaid has been or might be issued will not, or would not, produce or cause to be produced, any books of account or other documents which will be useful for, or relevant to, any proceeding under the Indian Income-tax Act, 1922 (11 of 1922), or under this Act, or
- (c) any person is in possession of any⁹⁰ money, bullion, jewellery or other valuable article or thing⁹⁰ and such money, bullion, jewellery or other valuable article or thing represents either wholly or partly income or property ⁹¹[which has not been, or would not be, disclosed⁹⁰] for the purposes of the Indian Income-tax Act, 1922 (11 of 1922), or this Act (hereinafter in this section referred to as the undisclosed income or property),

⁹²[then,—

- (A) the ⁹³[⁹⁴Principal Director General or] Director General or ⁹⁴[Principal Director or] Director] or the ⁹⁵[⁹⁶Principal Chief Commissioner or] Chief Commissioner or ⁹⁶[Principal Commissioner or] Commissioner], as the case may be, may authorise any ⁹⁷[Additional Director or Additional Commissioner or] ⁹⁸[Joint Director], ⁹⁹[Joint Commissioner], ¹[Assistant Director ²[or Deputy Director]], ³[Assistant Commissioner ²[or Deputy Commissioner] or Income-tax Officer], or
- (B) such ⁴[Additional Director or Additional Commissioner or] ⁹⁸[Joint Director], or ⁹⁹[Joint Commissioner], as the case may be, may authorise any ¹[Assistant Director ²[or Deputy Director]], ³[Assistant Commissioner ²[or Deputy Commissioner] or Income-tax Officer],

(the officer so authorised in all cases being hereinafter referred to as the authorised officer) to—]

- (i) enter and search⁵ any ⁶[building, place, vessel, vehicle or aircraft] where he has reason to suspect that such books of account, other documents, money, bullion, jewellery or other valuable article or thing are kept;
- (ii) break open the lock of any door, box, locker, safe, almirah or other receptacle for exercising the powers conferred by clause (i) where the keys thereof are not available;
- ⁷[(iia) search any person who has got out of, or is about to get into, or is in, the building, place, vessel, vehicle or aircraft, if the authorised officer has reason to suspect that such person has secreted about his person any such books of account, other documents, money, bullion, jewellery or other valuable article or thing;]
- ⁸[(iib) require any person who is found to be in possession or control of any books of account or other documents maintained in the form of electronic record as defined in clause (t) of sub-section (1) of

section 2 of the Information Technology Act, 2000 (21 of 2000)⁹, to afford the authorised officer the necessary facility to inspect such books of account or other documents;]

- (iii) seize¹⁰ any such¹⁰ books of account, other documents, money, bullion, jewellery or other valuable article or thing found as a result of such search:

¹¹[**Provided** that bullion, jewellery or other valuable article or thing, being stock-in-trade of the business, found as a result of such search shall not be seized but the authorised officer shall make a note or inventory of such stock-in-trade of the business;]

- (iv) place marks of identification on any books of account or other documents or make or cause to be made extracts or copies therefrom;

- (v) make a note or an inventory of any such money, bullion, jewellery or other valuable article or thing :

¹²[**Provided** that where any building, place, vessel, vehicle or aircraft referred to in clause (i) is within the area of jurisdiction of any ¹³[¹⁴[Principal Chief Commissioner or] Chief Commissioner or ¹⁴[Principal Commissioner or] Commissioner], but such ¹³[¹⁴[Principal Chief Commissioner or] Chief Commissioner or ¹⁴[Principal Commissioner or] Commissioner] has no jurisdiction over the person referred to in clause (a) or clause (b) or clause (c), then, notwithstanding anything contained in section ¹⁵[120], it shall be competent for him to exercise the powers under this sub-section in all cases where he has reason to believe that any delay in getting the authorisation from the ¹⁶[¹⁷[Principal Chief Commissioner or] Chief Commissioner or ¹⁷[Principal Commissioner or] Commissioner] having jurisdiction over such person may be prejudicial to the interests of the revenue :]

¹⁸[**Provided further** that where it is not possible or practicable to take physical possession of any valuable article or thing and remove it to a safe place due to its volume, weight or other physical characteristics or due to its being of a dangerous nature, the authorised officer may serve an order on the owner or the person who is in immediate possession or control thereof that he shall not remove, part with or otherwise deal with it, except with the previous permission of such authorised officer and such action of the authorised officer shall be deemed to be seizure of such valuable article or thing under clause (iii):]

¹⁹[**Provided also** that nothing contained in the second proviso shall apply in case of any valuable article or thing, being stock-in-trade of the business:]

²⁰[**Provided also** that no authorisation shall be issued by the Additional Director or Additional Commissioner or Joint Director or Joint Commissioner on or after the 1st day of October, 2009 unless he has been empowered by the Board to do so²¹.]

²²[*Explanation.*—For the removal of doubts, it is hereby declared that the reason to believe, as recorded by the income-tax authority under this sub-section, shall not be disclosed to any person or any authority or the Appellate Tribunal.]

²³[(1A) Where any ²⁴[²⁵[Principal Chief Commissioner or] Chief Commissioner or ²⁵[Principal Commissioner or] Commissioner], in consequence of information in his possession, has reason to suspect that any books of account, other documents, money, bullion, jewellery or other valuable article or thing in respect of which an officer has been authorised by the ²⁶[²⁷[Principal Director General or] Director General or ²⁷[Principal Director or] Director] or any other ²⁸[²⁹[Principal Chief Commissioner or] Chief Commissioner or ²⁹[Principal Commissioner or] Commissioner] or ³⁰[Additional Director or Additional Commissioner] ³¹[or Joint Director or Joint Commissioner] to take action under clauses (i) to (v) of sub-section (1) are or is kept in any building, place, vessel, vehicle or aircraft not mentioned in the authorisation under sub-section (1), such ³²[³³[Principal Chief Commissioner or] Chief Commissioner or ³³[Principal Commissioner or] Commissioner] may, notwithstanding anything contained in section ³⁴[120], authorise the said officer to take action under any of the clauses aforesaid in respect of such building, place, vessel, vehicle or aircraft.]

³⁵[*Explanation.*—For the removal of doubts, it is hereby declared that the reason to suspect, as recorded by the income-tax authority under this sub-section, shall not be disclosed to any person or any authority or the Appellate Tribunal.]

³⁶[(2) The authorised officer may requisition the services of,—

- (i) any police officer or of any officer of the Central Government, or of both; or

- (ii) any person or entity as may be approved by the Principal Chief Commissioner or the Chief Commissioner or the Principal Director General or the Director General, in accordance with the procedure, as may be prescribed^{36a}, in this regard,

to assist him for all or any of the purposes specified in sub-section (1) or sub-section (1A) and it shall be the duty of every such officer or person or entity to comply with such requisition.]

(3) The authorised officer may, where it is not practicable³⁷ to seize any such books of account, other documents, money, bullion, jewellery or other valuable article or thing, ³⁸[for reasons other than those mentioned in the second proviso to sub-section (1),] serve an order on the owner or the person who is in immediate possession³⁷ or control thereof that he shall not remove, part with or otherwise deal with it except with the previous permission of such officer and such officer may take such steps as may be necessary for ensuring compliance with this sub-section.

³⁹[*Explanation.*—For the removal of doubts, it is hereby declared that serving of an order as aforesaid under this sub-section shall not be deemed to be seizure of such books of account, other documents, money, bullion, jewellery or other valuable article or thing under clause (iii) of sub-section (1).]

(4) The authorised officer may, during the course of the search or seizure, examine on oath any person who is found to be in possession or control of any books of account, documents, money, bullion, jewellery or other valuable article or thing and any statement made by such person during such examination may thereafter be used in evidence in any proceeding under the Indian Income-tax Act, 1922 (11 of 1922), or under this Act.

⁴⁰[*Explanation.*—For the removal of doubts, it is hereby declared that the examination of any person under this sub-section may be not merely in respect of any books of account, other documents or assets found as a result of the search, but also in respect of all matters relevant for the purposes of any investigation connected with any proceeding under the Indian Income-tax Act, 1922 (11 of 1922), or under this Act.]

⁴¹[(4A) Where any books of account, other documents, money, bullion, jewellery or other valuable article or thing are or is found in the possession or control of any person in the course of a search, it may be presumed—

- (i) that such books of account, other documents, money, bullion, jewellery or other valuable article or thing belong or belongs to such person;
- (ii) that the contents of such books of account and other documents are true; and
- (iii) that the signature and every other part of such books of account and other documents which purport to be in the handwriting of any particular person or which may reasonably be assumed to have been signed by, or to be in the handwriting of, any particular person, are in that person's handwriting, and in the case of a document stamped, executed or attested, that it was duly stamped and executed or attested by the person by whom it purports to have been so executed or attested.]

(5) ⁴²[***]

(6) ⁴³[***]

(7) ⁴⁴[***]

(8) The books of account or other documents seized under sub-section (1) ⁴⁵[or sub-section (1A)] shall not be retained by the authorised officer for a period exceeding ⁴⁶[thirty days from the date of the ⁴⁷[order of assessment or reassessment or recomputation under sub-section (3) of section 143 or section 144 or section 147 or] ⁴⁸[section 153A or] clause (c) of section 158BC] unless the reasons for retaining the same are recorded by him in writing and the approval of the ⁴⁹⁵⁰[Principal Chief Commissioner or] Chief Commissioner, ⁵⁰[Principal Commissioner or] Commissioner, ⁵⁰[Principal Director General or] Director General or ⁵⁰[Principal Director or] Director] for such retention is obtained :

Provided that the ⁴⁹⁵⁰[Principal Chief Commissioner or] Chief Commissioner, ⁵⁰[Principal Commissioner or] Commissioner, ⁵⁰[Principal Director General or] Director General or ⁵⁰[Principal Director or] Director] shall not authorise the retention of the books of account and other documents for a period exceeding thirty days after all the proceedings under the Indian Income-tax Act, 1922 (11 of 1922), or this Act in respect of the years for which the books of account or other documents are relevant are completed.

⁵¹[(8A) An order under sub-section (3) shall not be in force for a period exceeding sixty days from the date of the order.]

(9) The person from whose custody any books of account or other documents are seized under sub-section (1)⁵²[or sub-section (1A)] may make copies thereof, or take extracts therefrom, in the presence of the authorised officer or any other person empowered by him in this behalf, at such place and time as the authorised officer may appoint in this behalf.

⁵³[(9A) Where the authorised officer has no jurisdiction over the person referred to in clause (a) or clause (b) or clause (c) of sub-section (1), the books of account or other documents, or any money, bullion, jewellery or other valuable article or thing (hereafter in this section and in sections 132A and 132B referred to as the assets) seized under that sub-section shall be handed over by the authorised officer to the Assessing Officer having jurisdiction over such person within a period of sixty days from the date on which the last of the authorisations for search was executed and thereupon the powers exercisable by the authorised officer under sub-section (8) or sub-section (9) shall be exercisable by such Assessing Officer.]

⁵⁴[(9B) Where, during the course of the search or seizure or within a period of sixty days from the date on which the last of the authorisations for search was executed, the authorised officer, for reasons to be recorded in writing, is satisfied that for the purpose of protecting the interest of revenue, it is necessary so to do, he may with the previous approval of the Principal Director General or Director General or the Principal Director or Director, by order in writing, attach provisionally any property belonging to the assessee, and for the said purposes, the provisions of the Second Schedule shall, *mutatis mutandis*, apply.

(9C) Every provisional attachment made under sub-section (9B) shall cease to have effect after the expiry of a period of six months from the date of the order referred to in sub-section (9B).

⁵⁵[(9D) The authorised officer may, during the course of the search or seizure or within a period of sixty days from the date on which the last of the authorisations for search was executed, make a reference to,—

- (i) a Valuation Officer referred to in section 142A; or
- (ii) any other person or entity or any valuer registered by or under any law for the time being in force, as may be approved by the Principal Chief Commissioner or the Chief Commissioner or the Principal Director General or the Director General, in accordance with the procedure, as may be prescribed^{55a}, in this regard,

who shall estimate the fair market value of the property in the manner as may be prescribed, and submit a report of the estimate to the authorised officer or the Assessing Officer, as the case may be, within a period of sixty days from the date of receipt of such reference.]]

(10) If a person legally entitled to the books of account or other documents seized under sub-section (1)⁵⁶[or sub-section (1A)] objects for any reason to the approval given by the ⁵⁷[⁵⁸[Principal Chief Commissioner or] Chief Commissioner, ⁵⁸[Principal Commissioner or] Commissioner, ⁵⁸[Principal Director General or] Director General or ⁵⁸[Principal Director or] Director] under sub-section (8), he may make an application to the Board stating therein the reasons for such objection and requesting for the return of the books of account or other documents ⁵⁹[and the Board may, after giving the applicant an opportunity of being heard, pass such orders as it thinks fit].

(11) ⁶⁰[***]

(11A) ⁶¹[***]

(12) ⁶²[***]

⁶³[(13) The provisions of the Code of Criminal Procedure, 1973 (2 of 1974), relating to searches and seizure shall apply, so far as may be, to searches and seizure under sub-section (1) or sub-section (1A).]

⁶⁴(14) The Board may make rules in relation to any search or seizure under this section ; in particular, and without prejudice to the generality of the foregoing power, such rules may provide for the procedure to be followed by the authorised officer—

- (i) for obtaining ingress into ⁶⁵[any building, place, vessel, vehicle or aircraft] to be searched where free ingress thereto is not available ;
- (ii) for ensuring safe custody of any books of account or other documents or assets seized.

⁶⁶[Explanation 1.--For the purposes of sub-sections (9A), (9B) and (9D), the last of authorisation for search shall be deemed to have been executed,—

- (a) in the case of search, on the conclusion of search as recorded in the last *panchnama* drawn in relation to any person in whose case the warrant of authorisation has been issued; or
- (b) in the case of requisition under section 132A, on the actual receipt of the books of account or other documents or assets by the authorised officer.]

Explanation 2.—In this section, the word "proceeding" means any proceeding in respect of any year, whether under the Indian Income-tax Act, 1922 (11 of 1922), or this Act, which may be pending on the date on which a search is authorised under this section or which may have been completed on or before such date and includes also all proceedings under this Act which may be commenced after such date in respect of any year.]

79. Substituted by the Income-tax (Amendment) Act, 1965, w.e.f. 12-3-1965. Earlier, section 132 was substituted by the Finance Act, 1964, w.e.f. 1-4-1964. Section 6 of the Amendment Act, 1965 has made the following independent provision :

"Validation of certain searches made.—Any search of a building or place by an Inspecting Assistant Commissioner or Income-tax Officer purported to have been made in pursuance of sub-section (1) of section 132 of the principal Act before the commencement of this Act shall be deemed to have been made in accordance with the provisions of that sub-section as amended by this Act as if those provisions were in force on the day the search was made and shall not be called in question before any court of law or any other authority merely on the ground—

- (i) that the Inspecting Assistant Commissioner or the Income-tax Officer made such search with the assistance of any other person; or
- (ii) that no proceeding under the Indian Income-tax Act, 1922 (11 of 1922), or the principal Act was pending against the person concerned when the search was authorised under the said sub-section."

80. For the meaning of the term "search and seizure", see Taxmann's Direct Taxes Manual, Vol. 3.

81. See rule 112. For relevant case laws, see Taxmann's Master Guide to Income-tax Act. For Guidelines relating to Jewellery and charter of rights and duties of persons searched as well as Departmental Instructions, see Taxmann's Master Guide to Income-tax Act.

82. See rule 112(2)(a) and Form No. 45 for form of authorisation for search and seizure.

83. Substituted for "Director of Inspection" by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.

84. Inserted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013.

85. Substituted for "Commissioner" by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.

86. Inserted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013.

87. Substituted for "or any such Joint Director or Joint Commissioner as may be empowered in this behalf by the Board," by the Finance (No. 2) Act, 2009, w.r.e.f. 1-6-1994. Earlier, it was amended by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975, Finance (No. 2) Act, 1998, w.e.f. 1-10-1998 and Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.

88. Inserted by the Finance (No. 2) Act, 2009, w.r.e.f. 1-10-1998.

89. For the meaning of the terms/expressions "information" and "reason to believe", see Taxmann's Direct Taxes Manual, Vol. 3.

90. For the meaning of the terms/expressions "any", "other valuable article or thing" and "income which has not been, or would not be, disclosed", see Taxmann's Direct Taxes Manual, Vol. 3.

91. Substituted for "which has not been disclosed" by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975.

92. Substituted for "he may authorise any Deputy Director of Inspection, Inspecting Assistant Commissioner, Assistant Director of Inspection or Income-tax Officer (hereinafter referred to as the authorised officer) to—" by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975.

93. Substituted for "Director of Inspection" by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.

94. Inserted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013.

95. Substituted for "Commissioner" by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.

96. Inserted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013.

97. Inserted by the Finance (No. 2) Act, 2009, w.r.e.f. 1-6-1994.
98. Substituted for "Deputy Director" by the Finance (No. 2) Act, 1998, w.e.f. 1-10-1998. Earlier, "Deputy Director" was substituted for "Deputy Director of Inspection" by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.
99. Substituted for "Deputy Commissioner" by the Finance (No. 2) Act, 1998, w.e.f. 1-10-1998. Earlier, "Deputy Commissioner" was substituted for "Inspecting Assistant Commissioner" by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.
1. Substituted for "Assistant Director of Inspection" by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.
2. Inserted by the Finance (No. 2) Act, 1998, w.e.f. 1-10-1998.
3. Substituted for "or Income-tax Officer" by the Direct Tax Laws (Amendment) Act, 1987 (as amended by the Finance Act, 1988), w.e.f. 1-4-1988.
4. Inserted by the Finance (No. 2) Act, 2009, w.r.e.f. 1-6-1994.
5. For the meaning of the term "search", see Taxmann's Direct Taxes Manual, Vol. 3.
6. Substituted for "building or place" by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975.
7. Inserted by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975.
8. Inserted by the Finance Act, 2002, w.e.f. 1-6-2002.
9. For definition of "electronic record" as defined in section 2(1)(t) of the Information Technology Act, 2000, see **Appendix**.
10. For the meaning of the terms "seize" and "such", see Taxmann's Direct Taxes Manual, Vol. 3.
11. Inserted by the Finance Act, 2003, w.e.f. 1-6-2003.
12. Inserted by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975. See rule 112(2)(b) and Form No. 45A for form of authorisation for search and seizure.
13. Substituted for "Commissioner" by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.
14. Inserted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013.
15. Substituted for "121" by the Direct Tax Laws (Amendment) Act, 1987 (as amended by the Finance Act, 1988), w.e.f. 1-4-1988.
16. Substituted for "Commissioner" by the Direct Tax Laws (Amendment) Act, 1987 (as amended by the Finance Act, 1988), w.e.f. 1-4-1988.
17. Inserted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013.
18. Inserted by the Finance Act, 1988, w.e.f. 1-4-1989.
19. Inserted by the Finance Act, 2003, w.e.f. 1-6-2003.
20. Inserted by the Finance (No. 2) Act, 2009, w.r.e.f. 1-4-2009.
21. For relevant Notifications, see Taxmann's Master Guide to Income-tax Act.
22. Inserted by the Finance Act, 2017, w.r.e.f. 1-4-1962.
23. Inserted by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975. See rule 112(2)(c) and Form No. 45B.
24. Substituted for "Commissioner" by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.
25. Inserted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013.
26. Substituted for "Director of Inspection" by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.
27. Inserted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013.
28. Substituted for "Commissioner" by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.
29. Inserted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013.
30. Substituted for "any such Joint Director or Joint Commissioner as may be empowered in this behalf by the Board" by the Finance (No. 2) Act, 2009, w.r.e.f. 1-6-1994. Earlier, it was amended by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988 and Finance (No. 2) Act, 1998, w.e.f. 1-10-1998.
31. Inserted by the Finance (No. 2) Act, 2009, w.r.e.f. 1-10-1998.
32. Substituted for "Commissioner" by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.
33. Inserted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013.
34. Substituted for "121" by the Direct Tax Laws (Amendment) Act, 1987 (as amended by the Finance Act, 1988), w.e.f. 1-4-1988.
35. Inserted by the Finance Act, 2017, w.r.e.f. 1-10-1975.
36. Substituted by the Finance Act, 2023, w.e.f. 1-4-2023. Prior to its substitution, sub-section (2), as amended by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975, read as under:

"(2) The authorised officer may requisition the services of any police officer or of any officer of the Central Government, or of both, to assist him for all or any of the purposes specified in sub-section (1)

or sub-section (1A) and it shall be the duty of every such officer to comply with such requisition."

36a. See rule 13 and Form No. 6C.

37. For the meaning of the terms "practicable" and "possession", see Taxmann's Direct Taxes Manual, Vol. 3.

38. Inserted by the Finance Act, 1988, w.e.f. 1-4-1989.

39. Inserted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1989.

40. Inserted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1989.

41. Inserted by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975.

42. Omitted by the Finance Act, 2002, w.e.f. 1-6-2002. Prior to its omission, sub-section (5), as amended by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975, Taxation Laws (Amendment) Act, 1984, w.e.f. 1-10-1984, Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988, Finance Act, 1995, w.e.f. 1-7-1995 and Finance (No. 2) Act, 1998, w.e.f. 1-10-1998, read as under :

"(5) Where any money, bullion, jewellery or other valuable article or thing (hereafter in this section and in sections 132A and 132B referred to as the assets) is seized under sub-section (1) or sub-section (1A), as a result of a search initiated or requisition made before the 1st day of July, 1995, the Income-tax Officer, after affording a reasonable opportunity to the person concerned of being heard and making such enquiry as may be prescribed†, shall, within one hundred and twenty days of the seizure, make an order, with the previous approval of the Joint Commissioner,—

- (i) estimating the undisclosed income (including the income from the undisclosed property) in a summary manner to the best of his judgment on the basis of such materials as are available with him ;
- (ii) calculating the amount of tax on the income so estimated in accordance with the provisions of the Indian Income-tax Act, 1922 (11 of 1922), or this Act ;
- (iia) determining the amount of interest payable and the amount of penalty imposable in accordance with the provisions of the Indian Income-tax Act, 1922 (11 of 1922), or this Act, as if the order had been the order of regular assessment ;
- (iii) specifying the amount that will be required to satisfy any existing liability under this Act and any one or more of the Acts specified in clause (a) of sub-section (1) of section 230A in respect of which such person is in default or is deemed to be in default,

and retain in his custody such assets/or part thereof as are in his opinion sufficient to satisfy the aggregate of the amounts referred to in clauses (ii), (iia) and (iii) and forthwith release the remaining portion, if any, of the assets to the person from whose custody they were seized :

Provided that if, after taking into account the materials available with him, the Income-tax Officer is of the view that it is not possible to ascertain to which particular previous year or years such income or any part thereof relates, he may calculate the tax on such income or part, as the case may be, as if such income or part were the total income chargeable to tax at the rates in force in the financial year in which the assets were seized and may also determine the interest or penalty, if any, payable or imposable accordingly :

Provided further that where a person has paid or made satisfactory arrangements for payment of all the amounts referred to in clauses (ii), (iia) and (iii) or any part thereof, the Income-tax Officer may, with the previous approval of the Chief Commissioner or Commissioner, release the assets or such part thereof as he may deem fit in the circumstances of the case."

†See rules 112A and 112B.

43. Omitted by the Finance Act, 2002, w.e.f. 1-6-2002. Prior to its omission, sub-section (6), as amended by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975, read as under :

"(6) The assets retained under sub-section (5) may be dealt with in accordance with the provisions of section 132B."

44. Omitted by the Finance Act, 2002, w.e.f. 1-6-2002. Prior to its omission, sub-section (7) read as under :

"(7) If the Income-tax Officer is satisfied that the seized assets or any part thereof were held by such person, for or on behalf of any other person, the Income-tax Officer may proceed under sub-section (5)

against such other person and all the provisions of this section shall apply accordingly."

- 45. Inserted by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975.
- 46. Substituted for "one hundred and eighty days from the date of the seizure" by the Finance Act, 2002, w.e.f. 1-6-2002.
- 47. Substituted for "order of assessment under" by the Finance Act, 2022, w.e.f. 1-4-2022.
- 48. Inserted by the Finance Act, 2003, w.e.f. 1-6-2003.
- 49. Substituted for "Chief Commissioner or Commissioner" by the Finance Act, 1997, w.r.e.f. 1-10-1996. Earlier, "Chief Commissioner or Commissioner" was substituted for "Commissioner" by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.
- 50. Inserted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013.
- 51. Substituted by the Finance Act, 2002, w.e.f. 1-6-2002. Prior to its substitution, sub-section (8A), as inserted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1989 and amended by the Finance (No. 2) Act, 1991, w.e.f. 1-10-1991, read as under :

"(8A) An order under sub-section (3) shall not be in force for a period exceeding sixty days from the date of the order, except where the authorised officer, for reasons to be recorded by him in writing, extends the period of operation of the order beyond sixty days, after obtaining the approval of the Director or, as the case may be, Commissioner for such extension :

Provided that the Director or, as the case may be, Commissioner shall not approve the extension of the period for any period beyond the expiry of thirty days after the completion of all the proceedings under this Act in respect of the years for which the books of account, other documents, money, bullion, jewellery or other valuable articles or things are relevant."

- 52. Inserted by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975.
- 53. Substituted by the Finance Act, 2002, w.e.f. 1-6-2002. Prior to its substitution, sub-section (9A), as inserted by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975, read as under :

"(9A) Where the authorised officer has no jurisdiction over the person referred to in clause (a) or clause (b) or clause (c) of sub-section (1), the books of account or other documents or assets seized under that sub-section shall be handed over by the authorised officer to the Income-tax Officer having jurisdiction over such person within a period of fifteen days of such seizure and thereupon the powers exercisable by the authorised officer under sub-section (8) or sub-section (9) shall be exercisable by such Income-tax Officer."

- 54. Sub-sections (9B) to (9D) inserted by the Finance Act, 2017, w.e.f. 1-4-2017.
- 55. Substituted by the Finance Act, 2023, w.e.f. 1-4-2023. Prior to its substitution, sub-section (9D) read as under :

"(9D) The authorised officer may, during the course of the search or seizure or within a period of sixty days from the date on which the last of the authorisations for search was executed, make a reference to a Valuation Officer referred to in section 142A, who shall estimate the fair market value of the property in the manner provided under that section and submit a report of the estimate to the said officer within a period of sixty days from the date of receipt of such reference."

- 55a. See rules 13, 13A and Form Nos. 6C and 6CA.
- 56. Inserted by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975.
- 57. Substituted for "Chief Commissioner or Commissioner" by the Finance Act, 1997, w.r.e.f. 1-10-1996. Earlier, "Chief Commissioner or Commissioner" was substituted for "Commissioner" by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988.
- 58. Inserted by the Finance (No. 2) Act, 2014, w.r.e.f. 1-6-2013.
- 59. Inserted by the Finance Act, 2002, w.e.f. 1-6-2002.
- 60. Omitted by the Finance Act, 2002, w.e.f. 1-6-2002. Prior to its omission, sub-section (11) was amended by the Taxation Laws (Amendment) Act, 1984, w.e.f. 1-10-1984 and Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988, read as under :

"(11) If any person objects for any reason to an order made under sub-section (5), he may, within thirty days of the date of such order, make an application to the Chief Commissioner or Commissioner, stating therein the reasons for such objection and requesting for appropriate relief in the matter."

61. Omitted by the Finance Act, 2002, w.e.f. 1-6-2002. Prior to its omission, sub-section (11A) was inserted by the Taxation Laws (Amendment) Act, 1984, w.e.f. 1-10-1984 and amended by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988, read as under :

"(11A) Every application referred to in sub-section (11) which is pending immediately before the 1st day of October, 1984, before an authority notified under that sub-section as it stood immediately before that day shall stand transferred on that day to the Chief Commissioner or Commissioner, and the Chief Commissioner or Commissioner may proceed with such application from the stage at which it was on that day :

Provided that the applicant may demand that before proceeding further with the application, he be reheard."

62. Omitted by the Finance Act, 2002, w.e.f. 1-6-2002. Prior to its omission, sub-section (12), as amended by the Taxation Laws (Amendment) Act, 1984, w.e.f. 1-10-1984 and Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1988, read as under :

"(12) On receipt of the application under sub-section (10) the Board, or on receipt of the application under sub-section (11) the Chief Commissioner or Commissioner, may, after giving the applicant an opportunity of being heard, pass such orders as it or he thinks fit."

63. Substituted by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975.

64. See rule 112.

65. Substituted for "such building or place" by the Taxation Laws (Amendment) Act, 1975, w.e.f. 1-10-1975.

66. Substituted by the Finance Act, 2023, w.r.e.f. 1-4-2022. Prior to its substitution, *Explanation 1*, as amended by the Taxation Laws (Amendment) Act, 1984, w.e.f. 1-10-1984, Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1989 and substituted by the Finance Act, 2002, w.e.f. 1-6-2002 and Finance Act, 2017, w.e.f. 1-4-2017, read as under :

'Explanation 1.—For the purposes of sub-sections (9A), (9B) and (9D), with respect to "execution of an authorisation for search", the provisions of sub-section (2) of section 153B shall apply.'