

F. No. 286/2/2003-IT (Inv)

GOVERNMENT OF INDIA
MINISTRY OF FINANCE & COMPANY AFFAIRS
DEPARTMENT OF REVENUE
CENTRAL BOARD OF DIRECT TAXES

Room No. 254/North Block,

New Delhi, the 10th March, 2003

To
All Chief Commissioners of Income Tax, (Cadre Contra)
&
All Directors General of Income Tax Inv.

Sir

Subject : Confession of additional Income during the course of search & seizure and survey operation -regarding

Instances have come to the notice of the Board where assesseees have claimed that they have been forced to confess the undisclosed income during the course of the search & seizure and survey operations. Such confessions, if not based upon credible evidence, are later retracted by the concerned assesseees while filing returns of income. In these circumstances, on confessions during the course of search & seizure and survey operations do not serve any useful purpose. It is, therefore, advised that there should be focus and concentration on collection of evidence of income which leads to information on what has not been disclosed or is not likely to be disclosed before the Income Tax Departments. Similarly, while recording statement during the course of search it seizures and survey operations no attempt should be made to obtain confession as to the undisclosed income. Any action on the contrary shall be viewed adversely.

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Further, in respect of pending assessment proceedings also, assessing officers should rely upon the evidences/materials gathered during the course of search/survey operations or thereafter while framing the relevant assessment orders

Yours faithfully,

Sd/-
(S. R. Mahapatra]
Under Secretary (Inv. II)

F.No. 286/98/2013-IT (Inv.II)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

Room No. 265A, North Block
New Delhi, the 18th December, 2014

To

1. All Principal Chief Commissioners of Income Tax
2. All Chief Commissioners of Income Tax
3. All Directors General of Income Tax (Inv.)
4. Director General of Income Tax (I & CI), New Delhi

Subject: Admissions of Undisclosed Income under coercion/pressure during Search/Survey - reg.

- Ref:**
- 1) CBDT letter F.No. 286/57/2002-IT(Inv.II) dt. 03-07-2002
 - 2) CBDT letter F.No. 286/2/2003-IT(Inv.II) dt. 10-03-2003
 - 3) CBDT letter F.No. 286/98/2013-IT(Inv.II) dt. 09-01-2014


Sir/Madam,

Instances/complaints of undue influence/coercion have come to notice of the CBDT that some assesseees were coerced to admit undisclosed income during Searches/Surveys conducted by the Department. It is also seen that many such admissions are retracted in the subsequent proceedings since the same are not backed by credible evidence. Such actions defeat the very purpose of Search/Survey operations as they fail to bring the undisclosed income to tax in a sustainable manner leave alone levy of penalty or launching of prosecution. Further, such actions show the Department as a whole and officers concerned in poor light.

2. I am further directed to invite your attention to the Instructions/Guidelines issued by CBDT from time to time, as referred above, through which the Board has emphasized upon the need to focus on gathering evidences during Search/Survey and to strictly avoid obtaining admission of undisclosed income under coercion/undue influence.


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3. In view of the above, while reiterating the aforesaid guidelines of the Board, I am directed to convey that any instance of undue influence/coercion in the recording of the statement during Search/Survey/Other proceeding under the I.T.Act,1961 and/or recording a disclosure of undisclosed income under undue pressure/ coercion shall be viewed by the Board adversely.
4. These guidelines may be brought to the notice of all concerned in your Region for strict compliance.
5. I have been further directed to request you to closely observe/oversee the actions of the officers functioning under you in this regard.
6. This issues with approval of the Chairperson, CBDT


(K. Ravi Ramachandran)
Director (Inv.)-II, CBDT

Copy to :

1. DIT (Systems)-IV with a request to upload in the official website of Income Tax Department i.e.incometaxindia.gov.in.
2. The Addl. DIT(DBC) with a request to upload in the *irsofficersonline* website.


(K. Ravi Ramachandran)
Director (Inv.)-II, CBDT