

What is an I-T survey?

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In news– Recently, the Income Tax (I-T) Department has conducted surveys at the premises of the British Broadcasting Corporation (BBC) in Delhi and Mumbai.

Legal provisions for conducting such surveys-

- **The surveys at the BBC's offices were carried out under various provisions of the I-T Act, 1961, such as Section 133A, which gives the I-T Department the power to carry out "surveys" to collect hidden information.**
- The provision for surveys was incorporated into the Act through an amendment carried out in 1964.
- **Section 133A allows an authorised officer to enter any place of business or profession or charitable activity within their jurisdiction to verify the books of account or other documents, cash, stock, or other valuable article or thing, which may be useful for or relevant to any proceeding under the Act.**
- **An I-T authority may, during the survey, make an inventory of any cash, stock, or other valuables; it may record the statements of anyone, or place marks of identification on the books and documents, or take their extracts or copies.**
- **The I-T authority may also "impound and retain any books of account or other documents after recording reasons for doing so".**
- **However, to retain such books for more than 15 days (excluding holidays), prior approval of a senior officer, including the Principal Chief Commissioner or Chief Commissioner or Principal Director General or Director General or Principal Commissioner or Commissioner, must be obtained.**
- **The provisions for impounding or seizing the goods were**

introduced only by the Finance Act, 2002.

What is an I-T “search”?

- **A “search” typically refers to what is called a “raid”, although the word ‘raid’ has not been defined anywhere in the Income-Tax Act. However, “search” has been defined under Section 132 of the Act.**
- Under this Section, the **I-T Department can carry out a process of inspection by entering and searching any building** where it has reasons to believe someone is in possession of undisclosed income or property like money, bullion, gold.
- An I-T search can even be carried out when “any person to whom a summons or notice...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 Act.
- **The Act says that during a search, any authorized officer including the Deputy Director of Inspection, Inspecting Assistant Commissioner, Assistant Director of Inspection, or Income-tax Officer can:**
 - **Enter and search any building** or place where he has reason to suspect that such books of account, other documents, money, bullion, jewelry, or other valuable article or thing are kept.
 - **Break open the lock of any door, box, locker, safe, almirah,** or other receptacles for exercising the powers conferred by clause (i) where the keys thereof are not available.
 - **Seize any such books of account,** other documents, money, bullion, jewelry, or other valuable article or thing found as a result of such search.
 - **Place marks of identification on any books of account** or other documents or make or cause to be made extracts or copies therefrom.

- **Make a note or an inventory of any such money, bullion, jewelry, or other valuable article or thing.**

The difference between a “search” and a “survey” then-

- While in common parlance, people often use these two words (and also “raid”) interchangeably, they are defined differently, and they denote different things.
- Broadly speaking, a **search is a more serious proceeding than a survey**, with larger consequences.
- **Search, as defined under Section 132, can take place anywhere within the jurisdiction of the authorized officer.**
- A **survey under Section 133A(1) can only be conducted within the limits of the area assigned to the officer** – or at any place occupied by any person in respect of whom he exercises jurisdiction – at which a business or profession, or an activity for a charitable purpose, is carried on.
- Also, **surveys can be carried out only during working hours** on business days, whereas a **search can happen on any day after sunrise** and continue until the procedures are completed.
- Finally, while the **scope of a survey is limited** to the inspection of books and verification of cash and inventory, in a search, the entire premises can be inspected to unravel undisclosed assets, with the help of police.