

Chapter - 1

Historical and Legislative Background

Under common law, a house of a citizen was considered as his castle and nobody including the State could invade the privacy or his privacy in it. As a matter of fact, search and seizure is a serious invasion on the rights of the citizens. Under common law, earlier, search and seizure were not known. However, as there was great tax avoidance by unscrupulous citizens, it was felt necessary to give powers of search and seizure to the State. With that objective, search and seizure proceedings were included as part of the regular law.

Before the law was amended, tax authorities possessed only such powers as were ordinarily possessed by civil courts under the Code of Civil Procedure, such as, powers of discovery and inspection, enforcing attendance of witnesses, examining them on oath, compelling the production of books and documents, issuing commissions, etc. In order to curb the tendency of tax evasion by businessmen to secret and keep their profits outside the books and to invest them in shares and real estate, it was considered expedient in public interest to tax income or profits thus escaping taxation.

Originally the authorities under the Income Tax Act were not vested with the powers of search and seizure. Under the erstwhile Indian Income Tax Act, 1922, there was also no power to search and seize. They had only the ordinary powers of Civil Court under the Code of Civil Procedure as provided in section 131 of the Income Tax Act, 1961 (hereinafter referred as "the Act") or section 37 of the Indian Income Tax Act, 1922 viz. powers of discovery and inspection, enforcing attendance of witnesses, examination of witnesses on oath, compelling the production of books of accounts and documents, issuing of commissions, etc.

Indian Income Tax Act, 1922 :

The original Indian Income-tax Act, 1922, did not have specific powers for search and seizure. Authorities relied on "discovery and inspection" (similar to civil court powers).

Section 37 of the Indian Income Tax Act, 1922

As such, the Act lost all its teeth, but as tax evasion continued unabated, the Central Government appointed the Taxation Enquiry Commission 1956 to look into this matter and on the recommendations received from the Commission, section 37 in the 1922 Act was recast, so as to confer powers of search on the Income-tax Officers specially authorised by the Commissioners in that behalf. The powers were limited to search and seize books of account and other

documents which in Income-tax Officer's opinion would be useful or relevant for proper assessments under the Indian Income Tax Act, 1922.

Taxation on Income (Investigation Commission) Act, 1947

Strange but true, upto 1947, search and seizure action under the law of Income Tax was unknown in India. For this purpose, Taxation on Income (Investigation Commission) Act, 1947, was enacted with vast powers to deal with cases of substantial evaders of tax. For the first time, the income-tax authorities were invested with vast powers of search and seizure with the object of assisting the Investigation Commission to help to apprehend tax evaders.

On recommendations of Investigation Commission set up in 1948 to bring to book huge profits, earned during second world war and kept secret from Income Tax Department, powers of search and seizure were, for the first time, vested in Income Tax authorities under a new enactment called, "Income Tax Investigation Commission (Amendment) Act, 1948". However, the provisions contained in the said Act were declared *ultra vires* by the Hon'ble Supreme Court in *Suraj Mall Mohta & Co. v. A.V. Vishwanath Sastri (1954) 26 ITR 1* held that the provisions of the Act are discriminatory legislation and in violation of Article 14 of the Constitution of India.

1956 Amendment

For the first time, search powers were introduced via Section 37(2), but they were soon challenged and struck down by courts for being too broad and violating constitutional rights (Article 14).

1961 Act

When the new Act was drafted, Section 132 was included but remained limited in scope until a major overhaul in 1964.

Finance Act, 1964, vested of powers search and seizure for the first time in Income-tax Department

It was since 1956 that the provisions of search and seizure made its first entry into the Income Tax Act. Section 132 was totally substituted by the Finance Act, 1964. Section 132 of the Income Tax Act was amended and enlarged by the Finance Act, 1964, section 30 of the Finance Act, 1961 substituted the then existing provisions of section 132 by new provisions by which the Commissioner (Now Director General/Principal Director/Director or Chief Commissioner or Commissioner) may authorize any Inspecting Assistant Commissioner (Now Addl./Joint Director) or any Income Tax Officer (Assessing Officer) to make a search of premises and seize books of accounts, documents, etc., if he has reason to believe in consequence of information in his possession.

Income Tax (Amendment) Act, 1965 – Enabling seizure of cash, etc.

Provisions of section 132 were refined. The powers of seizure of unaccounted cash, bullion or jewellery of other valuables or articles or things were conferred on the tax authorities.

Taxation Laws (Amendment) Act, 1965

Enlarging the scope of search to cover vessel, vehicle and aircraft, incorporating section 132(1)(iia) so as to search any person present in the premises during search or going out or entering into the premises (with effect from 01.10.1975).

Taxation Laws (Amendment) Act, 1975 – Enlarging the scope of place(s) of search to cover vessel, vehicle and aircraft, making provision for application of the seized assets, etc. to effectively combat the growing menace of black money

Later on, on the recommendations of the Wanchoo Committee, Taxation Laws (Amendment) Act, 1975 was enacted to introduce several amendments to section 132. It inserted a new section 132A and the existing section 132A was renumbered as section 132B. The Amending Bill introducing these amendments was known popularly as Black Money Bill. The above amendments were made with a view to enlarge the powers of search and seizure vested in the Income-tax authorities. The powers earlier vesting in the Directors of Inspection or the Commissioners were extended to vest even in such Deputy Directors of Inspection and Deputy Commissioners as may be specially empowered by the Board for that purpose.

1970s - 1980s : Safeguards, Retention & Accountability

Key procedural refinements:

- Time limits for retention of seized books/documents.
- Requirement of Commissioner's approval beyond statutory retention period.
- Introduction of panchnama, inventory and recording of satisfaction as procedural safeguards (developed via departmental instructions and case law).

JUDICIAL VALIDATION:

The constitutional validity of Section 132 was upheld by the Supreme Court in *Pooran Mal v. Director of Inspection* (often cited for admissibility of illegally obtained evidence and legality of search provisions).

IMPACT: Courts recognised search as drastic but constitutionally permissible, subject to statutory discipline.

Direct Tax Laws (Amendment) Act, 1987

The Amending Act, 1987 had inserted an *Explanation* to section 132(3) to clarify that a prohibitory order under section 132(3) does not amount to seizure. Further, there was no time limit up to which such a prohibitory order can be in force. This causes inconvenience to the assessee, as the authorised officer can keep the books of account, documents, valuable articles, etc., under prohibitory order for an indefinite period and there was no recourse left to the person, if the prohibitory order continues for an unduly long period. Several Courts have held that the absence of mention of time limit in section 132(3) does not mean that the authorised officer can subject any asset to such prohibition for indefinite period of time. To remove this difficulty, the Amending Act, 1987 had introduced a new sub-section (8A) in the section 132 to provide that a prohibitory order will not be operative for a period exceeding 60 days from the date of the order unless the authorised officer records reasons in writing and obtains the approval of the Commissioner to such extension. It is further provided that the Commissioner shall not approve the extension of the period beyond the expiry of 30 days after the completion of all the proceedings under the Act in respect of the years for which the books of account, documents, money, bullion, jewellery or other valuable articles or things are relevant.

Finance Act, 1988

The concept of Deemed or Constructive Seizure was incorporated by the Finance Act, 1988 with effect from 01.04.1989 by insertion of second proviso to section 132(1).

1995 - 2003 : Search-Specific Assessment Regime

To rationalise post-search assessments:

Concept of block assessment was introduced by inserting Chapter-XIV-B under the Income Tax Act, 1961. Concept of passing order under section 132(5) making summary assessment to decide the retention of seized assets was dispensed with.

- Block Assessment Regime (Chapter XIV-B)
 - o Introduced in 1995 (Sections 158B to 158BH).
 - o Created a separate assessment machinery for “undisclosed income” found during search.
- Shift to Sections 153A to 153C (w.e.f. 01.06.2003)
 - o Block assessment abolished.
 - o Introduced six-year search assessment framework:
 - o Section 153A - searched person
 - o Section 153C - other person (belongings/documents found in search)

Impact : Search was procedurally integrated into regular assessment architecture, improving enforceability and reducing litigation complexity.

Finance Act, 2002 [with effect from 01.06.2002]

Clause (iib) had been introduced so as to empower the authorised Officer to inspect books and other documents kept in electronic form.

Finance Act, 2003 [with effect from 01.06.2003]

Providing not to seize stock-in-trade of the business so that normal business operations are not disturbed.

The whole procedure of assessment in the case of search was amended by introducing new assessment procedure under sections 153A, 153B and 153C.

2000s - 2010s: Digitalisation & Electronic Evidence

Legislative and administrative updates recognised:

- Electronic records as “books of account”.
- Power to access computer systems, digital storage, emails, servers during search.
- Search operations began to include forensic imaging, data cloning and digital inventory.

Impact: Search law adapted to technology-driven evasion (benami layering, offshore structures, encrypted data).

Search, survey or requisition initiated or conducted on or after 01.04.2021, the entire search assessment framework was overhauled

If the search/survey/requisition is initiated on or after 01.04.2021, the old block assessment regime (153A/153C) is inapplicable and the new reassessment framework under sections 148 to 151 (post Finance Act, 2021) must be followed.

Reintroduction of Block Assessment (01.09.2024 onwards)

Assessment Mechanism: The Union Budget 2024-25 reintroduced block assessment for search cases initiated on or after 01.09.2024.

Block Period: This covers six assessment years preceding the search year, plus the year of the search.

Taxation: Undisclosed income found during the search is taxed at a flat 60% rate (plus applicable surcharges).

Structural Re-codification under the New Income Tax Act, 2025

Under the Income-tax Act, 2025 (effective from Tax year 2026-27):

- Search & seizure provisions are re-codified (renumbered) but substantively aligned with existing Section 132 framework.

EXPLICIT RECOGNITION OF:

- Digital assets, virtual data environments
- Modernised definitions of “books”, “documents”, “information”.

Impact: Legislative continuity with structural simplification and technology-ready drafting.

Constitutional validity affirmed

The constitutionality of the provisions contained in section 132 came to be considered by the Supreme Court in *Pooran Mal v. Director of Inspection* (1974) 93 ITR 505 (SC), wherein it was held that the provisions relating to search and seizure in section 132 of the 1961 Act and rule 112 of the 1962 Rules do not violate the fundamental rights under Article 19(1)(f) and (g) of the Constitution of India as these provisions impose reasonable restrictions. The exercise of power of search and seizure though very wide are not arbitrary, as they provide a reasonable guidance in the matter of their exercise. It was held that search and seizure provisions contained in section 132 and the rules framed thereunder are not violative of the provisions of the Constitution. Section 132 of the Income-tax Act, 1961, is neither arbitrary nor invalid as infringing any of the fundamental rights guaranteed under Articles 14, 19, 21 and 31 of the Constitution. - [*Bhupendra Ratilal Thakkur v. CIT* (1976) 102 ITR 531 (SC)]

Search and Seizure vis-a-vis Fundamental Rights of the Citizen

In *Balwant Singh & Others v. R. D. Shah, Director of Inspection*, the court referring to the fundamental rights said that: As a matter of fact search and seizure is a serious invasion on the rights of the subjects. The search and seizure was really not known at earlier stage of common law. When it was for the first time introduced, it was confined only to stolen foods but its usefulness soon forced its recognition and was from time to time extended to such like searches and seizures.

Thus through an amendatory process the ownership of concealed income was sought to be subjected to an identical treatment as fallen are subjects to for stolen foods concealed by them. The provisions *ex facie* impugned on the same time on court fundamental rights guaranteed under the Constitution. In fact this shield acted as a catalyst for fermenting the controversies. Recognizing the fact that in United States, the right of the people to be secured in their persons, Houses, papers and effect against unreasonable searches and seizures are inviolable and that warrants for search are not issued unless the prosecutor testifies on oath the probable cause and in particular describes the place to be searched and the persons or thing to be seized, litigants at home insisted on a stricter application of the chapter. They also marshaled the following observations of the great British Jurist Lord Denning in support of their contention that the chapter must receive a strict construction:

“None would wish that any of those who defraud the revenue should be free. They should be found out and brought to justice. But it is fundamental in our law that the means which are adopted to this end should be lawful means. The means must not be such as to offend against the personal freedom, the privacy and fundamental rights of property. Every man is presumed to be innocent until he is found guilty. If his house is to be searched and his property seized on suspicion of an offence, it must be done by due process of law and the process involves that there must be a valid warrant specifying the offence of which he is suspected and the seizure is limited to these things authorised by the warrant.”

Sections dealing with Income Tax Search

S. No.	Section	Corresponding section of the Income-Tax Act, 1961	Contents
1.	246	131(1)	Power regarding discovery, production of evidence, etc. (AO)
2.	246(2)((b) & (c)	131(1A)	Power regarding discovery, production of evidence, etc. (Inv. wing)
3.	247(1)	132(1)	Search - When Possible Situation under section 132(1)
4.	247(2)	First Proviso to Section 132(1)	Empowers any Principal Chief CIT, Chief CIT or Principal CIT or CIT, who has jurisdiction over the area in which the searched premises are situated but having no jurisdiction over the person to be searched
5.	247(3)	132(1A)	Extension of Authorisation
6.	247(4)	132(3)	Restraint Order under section 247(4) with explanation and section 132(8A)
7.	247(4)(b)	132(8A)	An order under section 132(3) shall not be in force for a period exceeding sixty days from the date of the order
8.	247(5)	132(2)	Power to requisition service of a police officer or officer of the Central Government
9.	247(6)	132(4)	Examination of any person on oath
10.	247(7)	132(4A)	Presumption of ownership and control of books of accounts and assets and its truthfulness
11.	247(8)(a)	132(9B)	Provisional attachment of Property

12.	247(8)(b)	132(9C)	Time limit of Provisional attachment of Property
13.	247(9)	132(9D)	Reference to a Valuation Officer in section 142A
14.	247(10)	132(13)	Provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023 (46 of 2023) [Corresponding to Code of Criminal Procedure, 1973] relating to searches and seizure shall apply, so far as may be, to search and seizure
15.	247(11)	132(14)	Power of Board to make rules
16.	248	132A	Powers to requisition books of account, etc.
17.	249	<i>Explanation</i> to Section 132(1A)	Reasons not to be disclosed
18.	250	132B	Application of seized or requisitioned assets (Release of Asset)
19.	251(1)	132(9A)	Handing over of seized books and assets to Assessing Officer - Where the Authorised Officer is not the Assessing Officer of the person searched
20.	251(2)	132(9)	Right to make copies or take extract of books of account and documents
21.	251(3)	132(8)	Retention of books of account and other documents
22.	251(1)	132(9A)	Handing over of seized books and assets to Assessing Officer - Where the Authorised Officer is not the Assessing Officer of the person searched
23.	251(5)	132(10)	Power of the Board to pass an order
24.	292	158BA	Special Procedure for Assessment of Search Cases Assessment of income pertaining to the block period
25.	293	158BB	Computation of total income of block period
26.	294	158BC	Procedure for block assessment
27.	295	158BD	Undisclosed income of any other person.
28.	296	158BE	Time-limit for completion of block assessment

29.	297	158BF	Certain interests and penalties not to be levied or imposed
30.	298	158BFA	Levy of interest and penalty in certain cases
31.	299	158BG	Authority competent to make assessment of block period
32.	300	158BH	Application of other provisions of Act
33.	301	158B	Interpretation

Income Tax Rules, 2026 dealing with Income Tax Search

S. No.	Income Tax Rules, 2026	Contents
1.	148	Procedural aspects relating to search and seizure action under section 247
2.	149	Procedure to requisition services under section 247(5) and to make a reference under section 247(9) of the Act.
3.	150	Valuation under section 247(9) of the Act.
4.	151	Requisition of books of account, etc. under section 248 of the Act.
5.	152	Release of remaining assets under section 250 of the Act.

Periods of Limitation

Section	Nature of compliance	Limitation of time
247(4)(b)(ii)	Period for which order passed under section 247(4)(b) to remain in force	60 days from date of order
247(8)	Passing order of provisional attachment	During course of search or seizure or within 60 days from the date on which last search authorisation was executed
247(8)(b)	Time by when provisional attachment made under section 247(8) shall cease to have effect	6 months from the end of the month in which the order of provisional attachment is made referred to in section 247(8)
247(9)	The authorised officer may, during the course of the search or seizure, or within sixty days from the date on which the last of the authorisations for search was executed, make a reference to a Valuation Officer,	Report to be submitted within 60 days from the date of receipt of such reference

251(1)	Where the authorised officer referred to in section 247(1) has no jurisdiction over the person referred to in section 247(1)(a) or (b), assets and material seized or requisitioned under section 247(1) to 247(4) shall be handed over to the Assessing Officer having jurisdiction over such person	within a period of one hundred and eighty days from the date on which a search is initiated under section 247 or requisition is made under section 248 and such Assessing Officer thereupon shall exercise the powers under sub-sections (2) and (3).
251(3)	The authorised officer may - Retain the assets and material seized or requisitioned, under section 247 or 248 without approval of Principal Chief Commissioner or Chief Commissioner, Principal Commissioner or Commissioner, Principal Director General or Director General or Principal Director or Director	up to one month from the end of the quarter in which the order of assessment or reassessment or recomputation is made under section 270(10) or section 271 or section 279 or section 294(1)(c); (b) retain such assets and material seized or requisitioned, beyond the period specified in clause (a), after recording reasons in writing and obtaining approval from the approving authority.

Data pertaining to searches

Financial Year	No. of searches & seizure conducted	Amount of assets seized (Rs. in crore)
1964-65	397	1.47
1965-66	306	1.30
1966-67	189	0.58
1967-68	109	0.90
1968-69	81	0.59
1969-70	170	0.95
1970-71	195	1.20
Financial Year	No. of warrants	Value of assets seized (Rs. in crore)
2000-01	5321	512.36
2001-02	4358	344.33
2002-03	4902	515.87
2003-04	2492	231.37

2004-05	2377	202.28
2005-06	3364	351.70
2006-07	3534	364.64
2007-08	3281	427.82
2008-09	3379	550.23
2009-10	3454	963.50
2010-11	4852	774.98
2011-12	5260	905.61
2012-13	3889	575.08
2013-14	4503	807.84
2014-15	3524	761.70
2015-16	3569	712.32
2016-17	5102	1469.45

Source : Investigation Division, CBDT

Search and seizure under section 132 is lawful, cites valid “Reasons to Believe”; Dismisses writ

Delhi High Court rejects Assessee’s writ petition holding that the seizure was lawful given Revenue had “reasons to believe” that income chargeable to tax had escaped assessment; Expounding on the extensive powers vested in the Revenue by virtue of Section 132, High Court emphasizes that a procedural defect may be overlooked only when the exercise of powers have been done in good faith, also that there must be application of mind to the material and formation of the opinion must be honest and *bona fide*; High Court remarks that it is a settled position of law that while deciding an issue of this nature, it is necessary for the Court to call for the official records, and to see the relevant facts, on which “reasons to believe” were formed by the competent officer; Negating Assessee’s submissions, High Court outlines that the Revenue had issued summons to the Assessee and recorded their statement on oath wherein they failed to produce any bill or any other supporting documents in respect of jewellery and bullion found; On Assessee’s contentions that satisfaction of 3 conditions is a mandatory requirement, High Court opines “that 3 clauses of Section 132(1) are mutually exclusive and every clause is followed by the word ‘or’ and therefore, a search can be conducted on fulfilment of any of the three clauses”; High Court observes that it is a settled position that formation of opinion and “reasons to believe” recorded are not judicial or quasi-judicial function but an administrative function, and the Court cannot examine sufficiency of the information for forming reasons to believe in a writ petition as the scope of judicial review in such matters is restricted to whether there exists reasons to believe and whether such reasons are *bona fide* or based on vague facts; Rejecting Assessee’s reliance on Supreme Court decision in *ITO v. Seth Brothers*

and Ors. (1969) 74 ITR 836 (SC), High Court states that the Supreme Court had categorically laid down the test that when the action of the authorizing officer or the designated officer stands challenged then it is imperative to satisfy the Court regarding the irregularity of the action taken and where such action is held to be maliciously taken or for collateral purposes then the same is liable to be struck down. [In favour of revenue] - [*Raj Krishan Gupta And Ors v. Principal Director of Income Tax [TS-1189-HC-2025(DEL)*] – Date of Judgement : 09.09.2025 (Del.)]

Chapter - 2

Organization and Process of Search and Seizure Operations

Search and seizure operations are conducted by the Investigation Wing of the Income Tax department. This wing is entrusted with the responsibility of planning executing search operations throughout the country. For this purpose, there are Twenty-four (24) regional Directorates of Investigation, whose work is monitored by Fourteen (14) Directors General of Income Tax (Investigation). The 14 Directorates General of Income Tax (Investigation) who report to the Member (Investigation), Central Board of Direct Taxes (CBDT).

Earlier, the assessment work was, however, assigned to the Investigation Circles under the administrative control of the respective Commissioners of Income Tax. In April, 1988, the work of assessment of all search and seizure cases was transferred to Investigation Circles headed by Assistant Commissioners, except those cases which are assigned to Central Circles or to Deputy Commissioners of Income Tax (Assessment). After the reorganization of the Income Tax Department, the work of assessment of all search and seizure cases was transferred to Central Circles headed by Assistant Commissioner/Deputy Commissioner.

The Directorate is headed by the Director General of Income Tax (Investigation) with a Principal Director of Income Tax (Investigation) below him for conducting the searches, which is the Investigation Wing, and a Principal Commissioner of Income Tax (Central) for carrying out the search assessment, which is the Assessment Wing. The Principal Director and the Principal Commissioner are assisted by other levels of officers and officials. The major steps in the process are:

- (a) The pre-search planning as well as collation of the information gathered in a Satisfaction Note and submitted to the DGIT (Investigation) for approval.
- (b) The material including seizures, documents, information, etc. gathered during the search is put together in an Appraisal Report and sent to the Assessment Wing for assessment of undisclosed income.
- (c) The assessee is then required to file a return on receipt of a notice from the Assessing Officer under section 294. The concept of block assessment is for searches conducted with effect from 01.04.2026. The single block assessment is now replaced by the assessment or reassessment of each assessment year falling within six assessment years.
- (d) The block assessment under section 294 is completed by the Central.

- (e) Assessments can be appealed against in law and in fact at the level of Appellate Commissioners, Tribunal Members, the High Court and the Supreme Court.

Set up of Investigation Wing of the Income Tax Department Member (Investigation)

The CBDT Chairman has supervisory authority over investigation matters. In September 2024, the independent Member (Investigation) post was discontinued. Investigation matter was shifted directly to the CBDT Chairman, who now also exercises “coordination and overall supervision” over investigation functions.

Directorates of Investigation

S. No.	DGIT(Inv.)/CCIT (Central)	PDIT (Inv.)	PCIT (Inv.)
1.	DGIT (Inv.), Ahmedabad	PDIT (Inv.), Ahmedabad	PCIT (Central), Ahmedabad
		PDIT (Inv.), Surat	PCIT (Central), Surat
2.	DGIT (Inv.), Bengaluru	PDIT (Inv.), Bengaluru	PCIT (Central), Bengaluru
		PDIT (Inv.), Panaji	PCIT (Central), Panaji
3.	DGIT (Inv.), Bhopal	PDIT (Inv.), Bhopal	PCIT (Central), Bhopal
		PDIT (Inv.), Raipur	
4.	DGIT (Inv.), Chandigarh	PDIT (Inv.), Chandigarh	PCIT (Central), Gurugram
		PDIT (Inv.), Ludhiana	PCIT (Central), Ludhiana
5.	DGIT (Inv.), Chennai	PDIT (Inv.), Chennai	PCIT (Central), Chennai
6.	DGIT (Inv.), Hyderabad	PDIT (Inv.), Hyderabad	PCIT (Central), Hyderabad
		PDIT (Inv.), Bhubneshwar	PCIT (Central), Visakhapatnam
7.	DGIT (Inv.), Jaipur	PDIT (Inv.), Jaipur	PCIT (Central), Jaipur
8.	DGIT (Inv.), Kochi	PDIT (Inv.), Kochi	
9.	DGIT (Inv.), WB, Sikkim & NER, Kolkata	PDIT (Inv.), Kolkata	PCIT (Central)-1, Kolkata
		PDIT (Inv.), NER, Guwahati	PCIT (Central)-2, Kolkata

10.	DGIT (Inv.), Lucknow	PDIT (Inv.), Lucknow	PCIT (Central), Lucknow
		PDIT (Inv.), Kanpur	PCIT (Central), Kanpur
11.	DGIT (Inv.), Mumbai	PDIT (Inv.)-1, Mumbai	PCIT (Central)-1, Mumbai
	CCIT (Central)-1, Mumbai	PDIT (Inv.)-2, Mumbai	PCIT (Central)-2, Mumbai
	CCIT (Central)-2, Mumbai		PCIT (Central)-3, Mumbai
12.	DGIT (Inv.), New Delhi	PDIT (Inv.)-1, New Delhi	PCIT (Central)-1, New Delhi
	CCIT (Central), New Delhi	PDIT (Inv.)-2, New Delhi	PCIT (Central)-2, New Delhi
			PCIT (Central)-3, New Delhi
13.	DGIT (Inv.), Patna	PDIT (Inv.), Patna	PCIT (Central), Patna
14.	DGIT (Inv.), Pune	PDIT (Inv.), Pune	PCIT (Central), Pune
		PDIT (Inv.), Nagpur	PCIT (Central), Nagpur

A Search and seizure operation is a specialised and complex operation which may involve all India ramifications as such it is handled by the Member, Investigation, CBDT. Therefore, it is the prerogative of the investigation wings. On the other hand, the PCCIT, CCIT, PCIT, etc. are authorities having a regional or charge wise jurisdiction contrary to the all India jurisdiction. Therefore, they are not working under the Member, Investigation.

Now the question arises then why these authorities are mentioned to operate a search warrant, etc.

India is a vast country and penetration of investigation wings to the length and breadth of the country is not cost effective. Again time is a key factor in investigation. In a situation where obtaining a warrant may take unreasonably long time which may frustrate the very purpose of investigation as a whole. To handle such exegesis these field formations are authorised at per with the officers of the directorate of investigation.

Powers assigned to the Investigation Directorates

In the exercise of its power under Section 120 of the Act, CBDT has issued various notifications assigning powers to be exercised by various Income-tax authorities. For the Investigation Directorates, CBDT's Notification

No. 69/2014, dated 13.11.2014 assigns the following powers/functions to DGIT(Inv.)/Pr.DIT(Inv.):

A. Part - C (Powers) of Chapter-XIII and corresponding provisions of Chapter-XXI (Penalties imposable), Chapter-XXII (Offences and Prosecutions) and other provisions incidental thereto	Territorial areas of the whole of India
B. Other than the provisions mentioned above (in A)	Only within the defined jurisdiction

Consequently, DGIT (Inv.)/ Pr.DIT(Inv.) have issued further orders regarding the territorial jurisdictions of the authorities subordinate to them.

CBDT Notification No. 69/2014, dated 13.11.2014

S.O. 2914(E). - In exercise of the powers conferred by sub-sections (1) and (2) of section 120 of the Income-tax Act, 1961 (43 of 1961) and in supersession of the notifications of the Government of India, Central Board of Direct Taxes number S.O. 1189(E), dated the 3rd December, 2001 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), dated the 3rd December, 2001 and S.O.734 (E), dated the 31st July, 2001 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) dated the 31st July, 2001, except as respects things done or omitted to be done before such supersessions, the Central Board of Direct Taxes hereby, –

- (i) directs that the Directors General of Income-tax specified in column (2) of the Schedule annexed to this notification (hereinafter referred to as the “said schedule”) or the Principal Director / Director of Income-tax specified in column (4) of the said Schedule shall exercise powers under Part - C (Powers) of Chapter-XIII and corresponding provisions of Chapter-XXI (Penalties imposable), Chapter-XXII (Offences and Prosecutions) and other provisions incidental thereto of the said Act and perform the functions relating thereto in respect of the territorial areas of whole of India;
- (ii) directs that the Directors General of Income-tax specified in column (2) of the said Schedule or the Principal Director / Director of Income-tax specified in column (4) of the said Schedule shall exercise powers under all other provisions of the said Act, [other than the provisions mentioned in (i) above], and perform the functions relating thereto in respect of the territorial areas specified in the corresponding entries in column (6) of the said Schedule;
- (iii) authorises the Director General of Income-tax specified in column (2) or the Principal Director/Director of Income-tax specified in column (4) of the said Schedule to issue orders in writing for exercise of powers and performance of functions mentioned in (i) above by all or any of the Income-tax authorities who are subordinate to such Director General of Income-tax or Principal Director/ Director of Income-tax, in respect of the territorial areas of whole of India;

(iv) authorises the Director General of Income-tax specified in column (2) of the said Schedule or the Principal Director / Director of Income-tax specified in column (4) of the said Schedule to issue orders in writing for exercise of powers and performance of functions under all other provisions of the said Act, [other than the provisions mentioned in (i) above], by all or any of the Income-tax authorities who are subordinate to such Director General of Income-tax or Principal Director / Director of Income-tax, in respect of the territorial areas specified in the corresponding entries in column (6) of the said Schedule;

2. This notification shall come into force with effect from the 15th day of November, 2014.

SCHEDULE

Sr. No.	Director General of Income-tax (Investigation)	Head Quarters	Principal Director / Director of Income-tax (Investigation)	Head Quarters	Territorial areas
(1)	(2)	(3)	(4)	(5)	(6)
1	Director General of Income-tax (Investigation), Gujarat	Ahmedabad	Principal Director / Director of Income-tax (Investigation), Ahmedabad	Ahmedabad	Areas within the limits of the: (a) Union territory of Diu; and (b) following revenue districts in the State of Gujarat (including any district carved out from these subsequently): (i) Kachchh (ii) Dwarka (iii) Porbandar (iv) Jamnagar (v) Morvi (vi) Surendranagar (vii) Botad (viii) Bhavnagar (ix) Amreli (x) Junagadh (xi) Gir Somnath (xii) Rajkot (xiii) Ahmedabad

					(xiv) Gandhinagar (xv) Patan (xvi) Mahesana (xvii) Banaskantha (xviii) Sabarkantha (xix) Aravali
			Principal Director/ Director of Income-tax (Investigation), Surat	Surat	Areas within the limits of the: (a) Union territory of Dadra and Nagar Haveli (b) Daman; and (c) following revenue districts in the State of Gujarat (including any district carved out from these subsequently): (i) Kheda (ii) Nadiad (iii) Anand (iv) Mahisagar (v) Panchmahal (vi) Dahod (vii) Vadodara (viii) Chhota Udaipur (ix) Narmada (x) Surat (xi) Tapi (xii) Dang (xiii) Navsari (xiv) Valsad (xv) Bharuch
2.	Director General of Income-tax (Investigation), Karnataka and Goa	Bengaluru	Principal Director/ Director of Income-tax (Investigation), Bengaluru		Areas within the limits of revenue districts in the State of Karnataka (including any district carved out from these subsequently):

				Bengaluru	(i) Bengaluru Urban (ii) Bengaluru Rural (iii) Kolar (iv) Chickballapur (v) Ramanagaram (vi) Tumkur (v) Dakshin Kannada (vi) Udupi (vii) Uttara Kannada (viii) Shimoga (ix) Mysore (x) Mandya (xi) Chamarajana- gara (xii) Hassan (xiii) Chikmagalur (xiv) Kodagu
			Principal Director/ Director of Income-tax (Investigation), Panaji	Panaji	Areas within the limits of the State of Goa; and Following revenue districts of the State of Karnataka (including any district carved out from these subsequently): (i) Belgaum (ii) Bagalkot (iii) Bijapur (iv) Dharwad (v) Haveri (vi) Davangere (vii) Gadag (viii) Gulbarga (ix) Bidar (x) Raichur (xi) Yadgir (xii) Bellary (xiii) Chitradurga (xiv) Koppal

3	Director General of Income-tax (Investigation), Madhya Pradesh and Chhattisgarh	Bhopal	Principal Director/ Director of Income-tax (Investigation), Bhopal	Bhopal	Areas within the limits of the State of Madhya Pradesh
			Principal Director/ Director of Income-tax (Investigation), Raipur	Raipur	Areas within the limits of the State of Chhattisgarh
4	Director General of Income-tax (Investigation), North West Region	Chandigarh	Principal Director/ Director of Income-tax (Investigation), Chandigarh	Chandigarh	Areas within the limits of the States of Haryana and Himachal Pradesh and Union territory of Chandigarh
			Principal Director/ Director of Income-tax (Investigation), Ludhiana	Ludhiana	Areas within the limits of the States of Punjab and Jammu and Kashmir
5	Director General of Income-tax (Investigation), Chennai	Chennai	Principal Director/ Director of Income-tax (Investigation), Chennai	Chennai	Areas within the limits of the State of Tamilnadu and Union territory of Puducherry (including Karaikal but excluding Mahe and Yanam)
6	Director General of Income-tax (Investigation), Delhi	Delhi	Principal Director/ Director of Income-tax (Investigation), Delhi - 1	Delhi	Areas within the limits of the National Capital Territory of Delhi
			Principal Director / Director of Income-tax (Investigation), Delhi - 2	Delhi	Areas within the limits of the National Capital Territory of Delhi

7	Director General of Income-tax (Investigation), Andhra Pradesh, Odisha and Telangana	Hyderabad	Principal Director/ Director of Income-tax (Investigation), Hyderabad	Hyderabad	Areas within the limits of the States of Andhra Pradesh and Telangana; Yanam of Union territory of Puducherry
			Principal Director/ Director of Income-tax (Investigation), Bhubaneswar	Bhubaneswar	Areas within the limits of the State of Odisha
8	Director General of Income-tax (Investigation), Jaipur	Jaipur	Principal Director/ Director of Income-tax (Investigation), Jaipur	Jaipur	Areas within the limits of the State of Rajasthan
9	Director General of Income-tax (Investigation), Kerala	Kochi	Principal Director/ Director of Income-tax (Investigation), Kochi	Kochi	Areas within the limits of the State of Kerala, Union territory of Lakshadweep, Mahe of Union territory of Puducherry
10	Director General of Income-tax (Investigation), West Bengal, Sikkim and North Eastern Region	Kolkata	Principal Director/ Director of Income-tax (Investigation), Kolkata	Kolkata	Areas within the limits of the States of West Bengal and Sikkim, Union territory of Andaman & Nicobar Islands
			Principal Director/ Director of Income-tax (Investigation), Guwahati	Guwahati	Areas within the limits of the States of Assam, Meghalay, Tripura, Mizoram, Manipur, Nagaland and Arunachal Pradesh