

INCOME-TAX ACT, 2025

B: Powers

Section 246 - Power regarding discovery, production of evidence, etc.

(1) The Assessing Officer, Joint Commissioner, Joint Commissioner (Appeals), Commissioner (Appeals), Commissioner or Principal Commissioner, or Chief Commissioner or Principal Chief Commissioner and the Dispute Resolution Panel referred to in section 275(17)(a), shall, for the purposes of this Act, have the same powers as are vested in a court under the Code of Civil Procedure, 1908, when trying a suit in respect of the following matters:--

(a) discovery and inspection;

(b) enforcing the attendance of any person, including any officer of a banking company and examining him on oath;

(c) compelling the production of books of account and other documents; and

(d) issuing commissions.

(2) The powers conferred under sub-section (1) may also be exercised in respect of any person or class of persons by the following income-tax authorities (even when there are no proceedings pending with respect to such person or class of persons before them or any other income-tax authority):--

(a) any income-tax authority (not below the rank of Assistant Commissioner of Income-tax) notified by the Board in this behalf, for the purposes of making any inquiry or investigation in respect of an agreement referred to in section 159;

(b) the Principal Director General or Director General or Principal Director or Director or Joint Director or Assistant Director for the purposes of making any inquiry or investigation in relation to any concealment of income, if he has the reason to suspect that any income has been so concealed, or is likely to be so concealed by such person or class of persons within his jurisdiction; and

(c) the authorised officer referred to in section 247(1), before taking action under section 247(1)(i) to (vii), or during the course of such action, if he has reason to suspect that any income has been concealed, or is likely to be concealed by such person or class of persons within his jurisdiction.

(3) Any income-tax authority exercising the powers referred to in sub-sections (1) and (2) may, subject to the rules made in this behalf, impound and retain in its custody for such period as it thinks fit any books of account or other documents produced before it in any proceeding under this Act.

(4) The Assessing Officer or the Assistant Director shall record the reasons for impounding any books of account or other documents under sub-section (3) and may retain such impounded books of account or other documents up to fifteen days (exclusive of holidays), or for such further period, with the prior sanction of the approving authority.