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INCOME-TAX ACT, 2025

Chapter XXII: OFFENCES AND PROSECUTION

Section 491 - Prosecution to be at instance of Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner.

(1) A person shall not be proceeded against for an offence under section 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483 or 484 except with the previous sanction of the Principal Commissioner or Commissioner or Commissioner (Appeals) or Joint Commissioner (Appeals).

(2) The Principal Chief Commissioner or Chief Commissioner or Principal Director General or Director General may issue such instructions or directions to the income-tax authorities mentioned in sub-section (1) as he may deem fit for institution of proceedings under that sub-section.

(3) A person shall not be proceeded against for an offence under section 478 or 482 in relation to the assessment for a tax year in respect of which the penalty imposed or imposable on him under section 439 has been reduced or waived by an order under section 469.

(4) Any offence under this Chapter may be compounded, either before or after the institution of proceedings, by the Principal Chief Commissioner or Chief Commissioner or a Principal Director General or Director General.

(5) Where any proceeding has been taken against any person under sub-section (1), any statement made or account or other document produced by such person before any income-tax authority specified in section 236(a) to (k) shall not be inadmissible as evidence for the purpose of such proceedings merely on the ground that—

(a) such statement was made or such account or document was produced in the belief that the penalty imposable would be reduced or waived, under section 469; or

(b) the offence for which such proceeding was taken would be compounded.

(6) The power of the Board to issue orders, instructions or directions under this Act shall include the power to issue instructions or directions (including instructions or directions to obtain the previous approval of the Board) to other income-tax authorities for the proper composition of offences under this section.

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