

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:608

ANSWERED ON:07.05.2010

DISCLOSURE OF UNACCOUNTED INCOME

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Gaikwad Shri Eknath Mahadeo

**Will the Minister of FINANCE be pleased to state:**

(a) whether the government has maintained records of the disclosure of unaccounted income made by the companies during income tax search and seizure actions made in the last three years;

(b) if so, the details thereof and the action taken in such cases; and

(c) if not, the reasons therefor?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (c): A statement is laid on the table of the House.

STATEMENT OF LQK SABHA STARRED QUESTION NO.608 FOR ANSWER ON 07-05-2010

(a) to (c): Search & Seizure operations are conducted by the Income Tax Department under section 132 of the Income Tax Act in case of various persons and entities of a Group. During search, the group may voluntarily admit the undisclosed income, if any. Such admissions are made in a consolidated manner covering various persons/entities of the Group. This includes individuals, HUFs (Hindu Undivided families), AOPs (Association of Persons), BOI (Body of Individuals), Local Authorities, Firms, Companies and any artificial juridical persons. Subsequently, such persons/entities file returns u/s 153A/153C/139 of Income Tax Act, 1961 disclosing their respective amount of undisclosed income and pay taxes thereon.

In view of the above facts, it is not possible to furnish company-wise break-up of the disclosure made during Search & Seizure operations conducted in the last three financial years, The amount of undisclosed income admitted during search becomes final only when the assessee file Return of Income disclosing the same and pay tax thereon.

However, the total seizure made from various groups during the last three years is as under:

S.No. Financial Year Total seizure (Rs. in crores)

1	2007-08	427.82
2	2008-09	550.23
3	2009-10	786.27

The assessment after search is made under section 153A and 153C of the Income tax Act in all cases where Search and Seizure action is conducted. This involves detailed examination of seized material, post search enquiries and assessment of the income after giving proper opportunity to such individuals and entities in accordance with the principles of natural justice and equity. The assessments become final only after decision in appeals before Commissioner of Income tax (Appeals), Income Tax Appellate Tribunal-, High Courts and Supreme Court. In suitable cases, penalty proceedings are initiated while completing the assessment proceedings u/s 153A and 153C. Prosecution proceedings are initiated in appropriate cases.