

## **IT raids: Assessee's rights limited**

Before launching an income tax search and seizure, it is not necessary for the authorities to allow the assessee to inspect documents to verify whether there is sufficient ground for the order, the Supreme Court stated while disapproving the contrary view taken by the Delhi High Court in the case, Director General vs Spacewood Furnishers Ltd. It is necessary to record the reasons for ordering the search because the court may have to verify whether it was legal and not arbitrary. But that principle “ would not confer on the assessee a right of inspection of the documents or to a communication of the reasons at the stage of issuing the authorisation,” the court underlined. It clarified that it was only at the stage of commencement of the assessment proceedings after completion of the search and seizure that the requisite information may be disclosed to the assessee. The high court view would make the exercise counter- productive. Moreover, the high court committed a “ serious error” in reproducing in great details the contents of the satisfaction note of the authorities. The exercise undertaken by the high court was “ highly premature, having the potential of conferring an undue advantage to the assessee, thereby frustrating the endeavour of the revenue department.

*(Business Standard)*