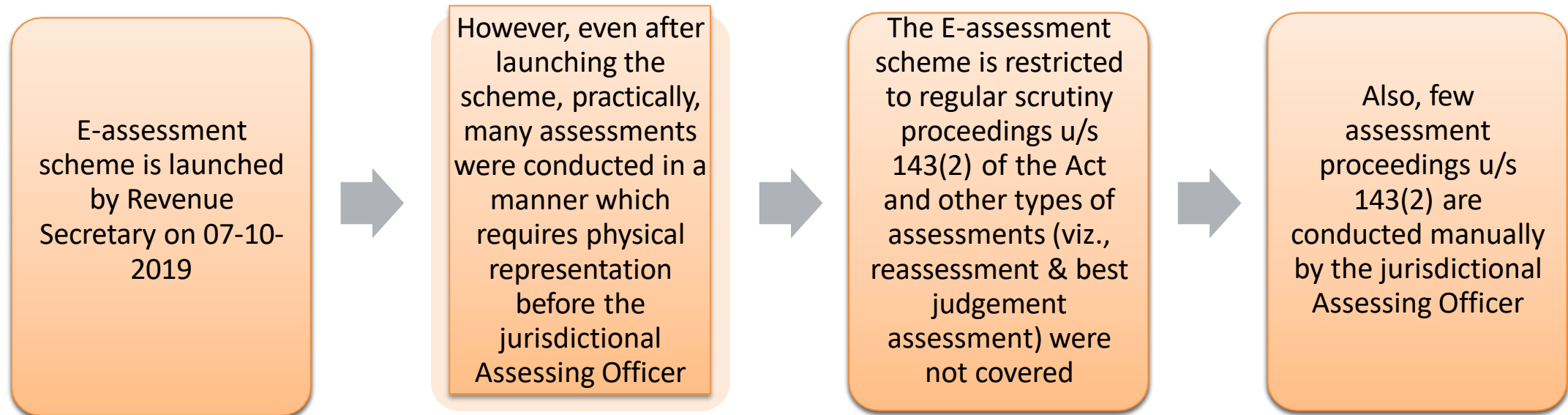


# E-ASSESSMENT IS NOW “FACELESS ASSESSMENT”

HOW INCOME-TAX FACELESS ASSESSMENT WORKS



# Background about E-assessment



# E-assessment v/s Faceless Assessment

## E-Assessment (up to 12<sup>th</sup> August 2020)

- Termed as E-assessment
- Covers only 143(2) proceedings
- Assessment approach is at the discretion of individual assessing officer
- Adjournment for filing responses not specifically covered in earlier scheme
- Exchange of information shall always be in electronic mode
- Authentication of submission by assessee shall be through digital signature only
- Assessee **shall be entitled** for personal hearing through video conferencing

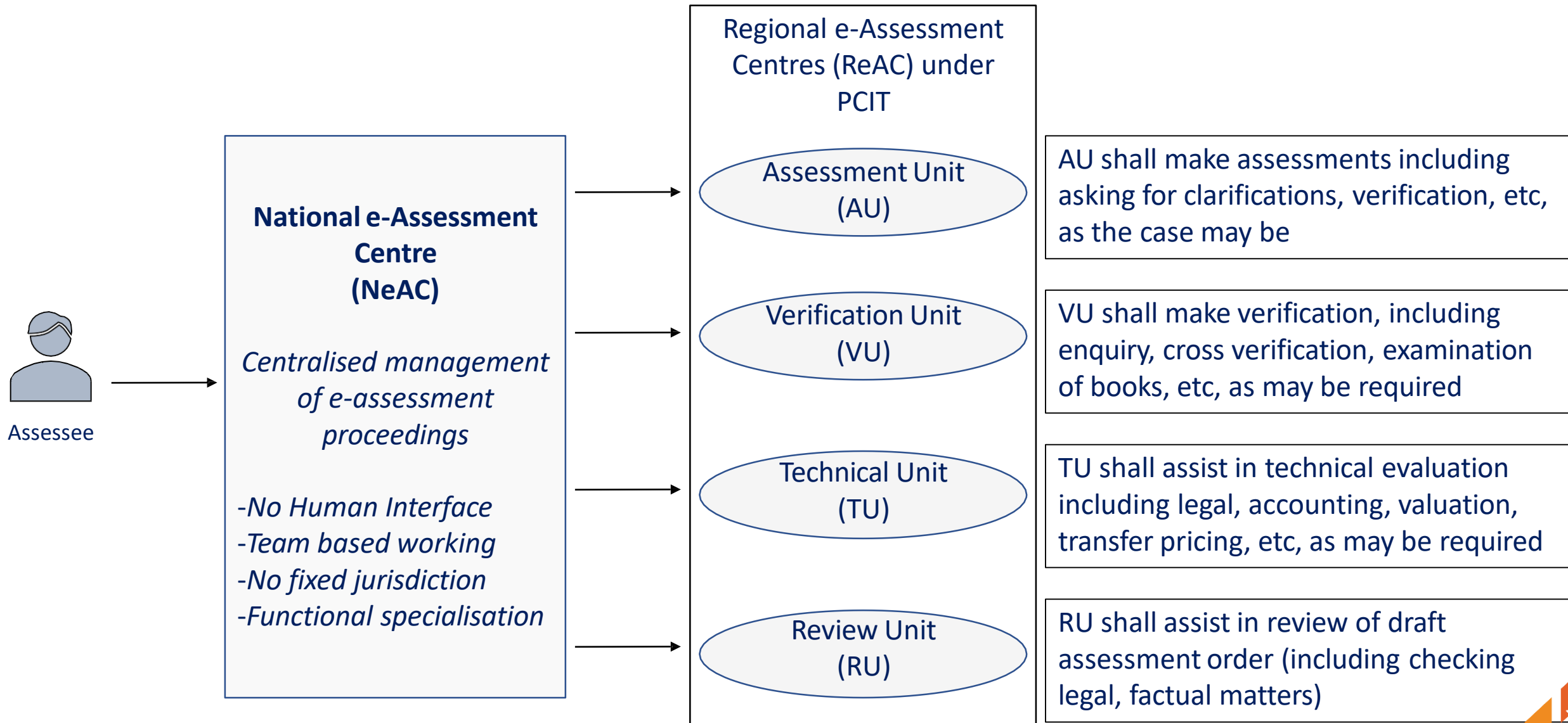
## Faceless Assessment (From 13<sup>th</sup> August 2020)

- Termed as **'Faceless Assessment'**
- Covers almost all assessment proceedings viz., regular scrutiny, best judgement, re-assessment (other than search & seizure cases, international tax matters)
- No discretion with any individual officer, Team based assessment
- Even where Return not filed under above, it will be covered under 'Faceless assessment'
- Seeking adjournment / extension of time limit for filing response by assessee is specifically provided
- Assessee shall request for **personal hearing, which may be approved by concerned CCIT / DGIT**

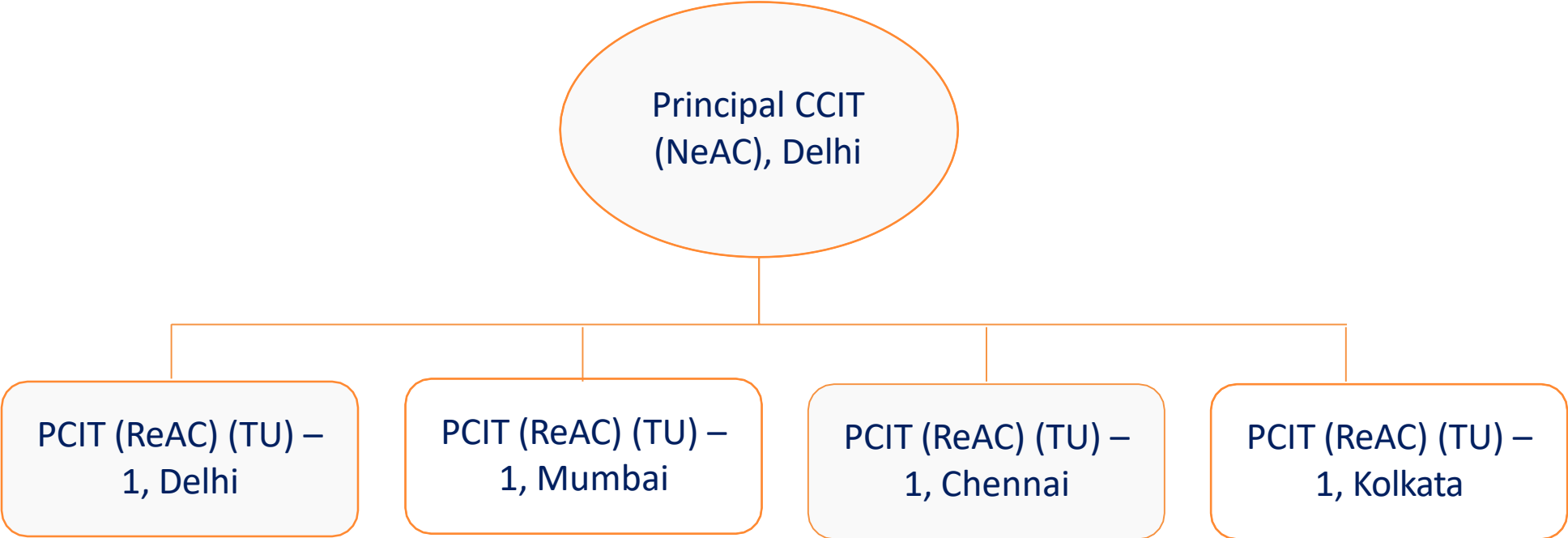
# FACELESS ASSESSMENT ECOSYSTEM



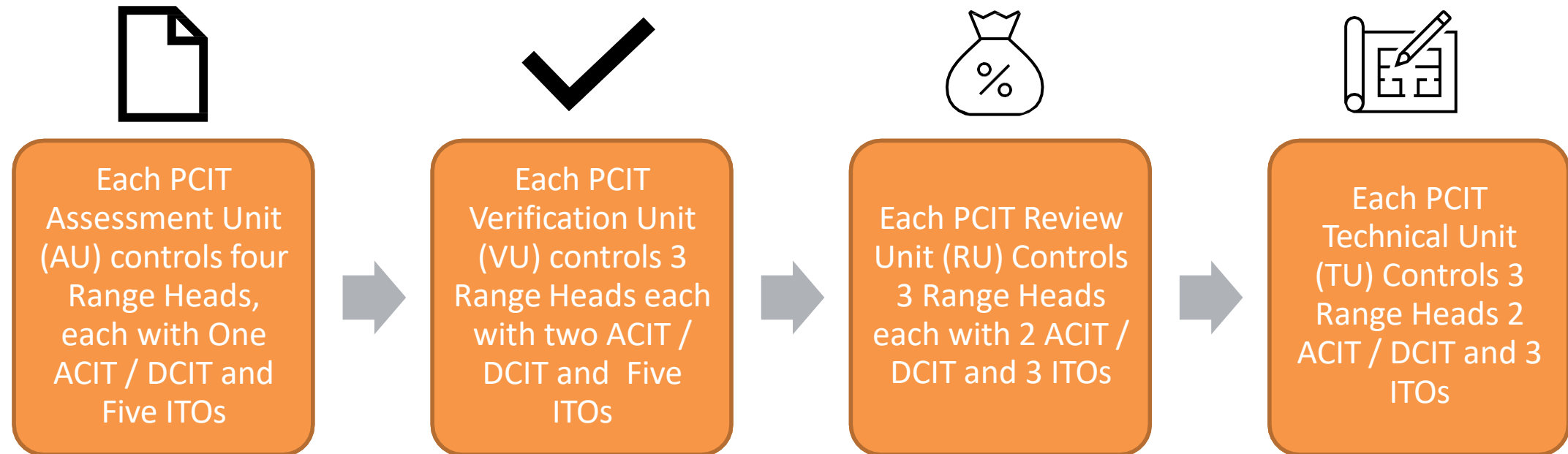
# Communication under Faceless Assessment



# Technical units at Delhi, Mumbai, Kolkata & Chennai



# Constitution of regional e-assessment centres



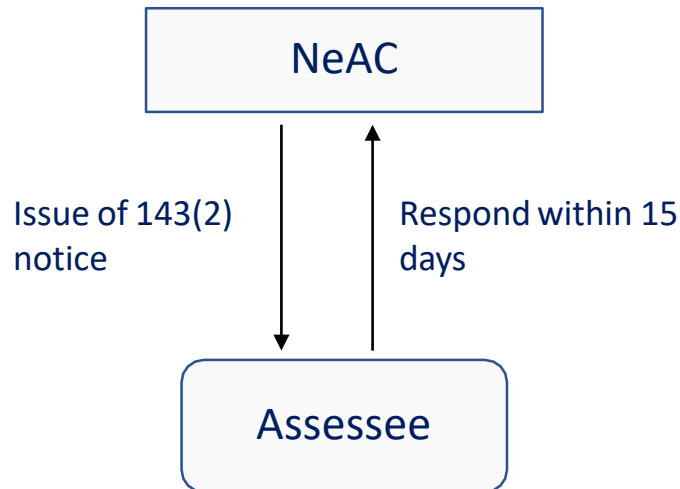
**ASSESSMENT  
PROCESS  
UNDER  
FACELESS  
ASSESSMENT**





# Issue of Notice & Assigning case by NeAC

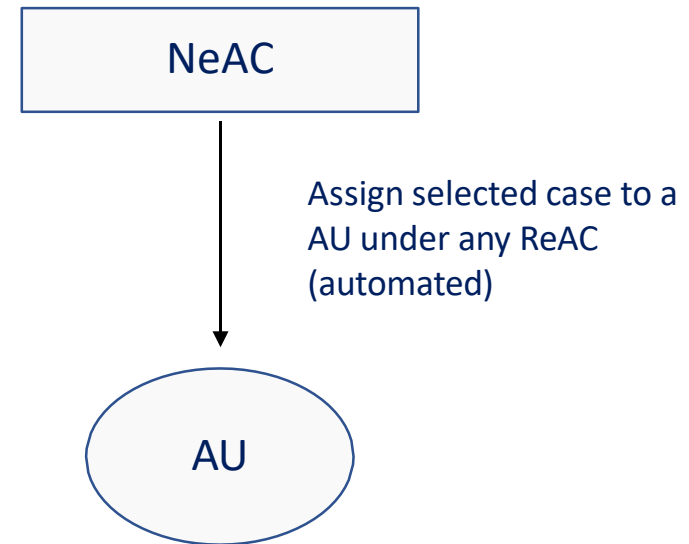
**A** – Issuance of initial 143(2) notice specifying issues for selection of case for assessment



**B** – Faceless assessment shall be completed in following cases where assessee has:

- Filed ROI u/s 139(1) / in response to 142(1) notice / 148(1) notice **and** 143(2) notice is issued; **OR**
- Not filed ROI in response to 142(1) notice; **OR**
- Not filed ROI u/s 148(1) **AND** Notice u/s 142(1) has been issued

**C** – NeAC shall assign the case selected for e-assessment to a specific Assessment Unit (AU) under any on ReAC through automated allocation system



# Information collation, scrutiny, verification

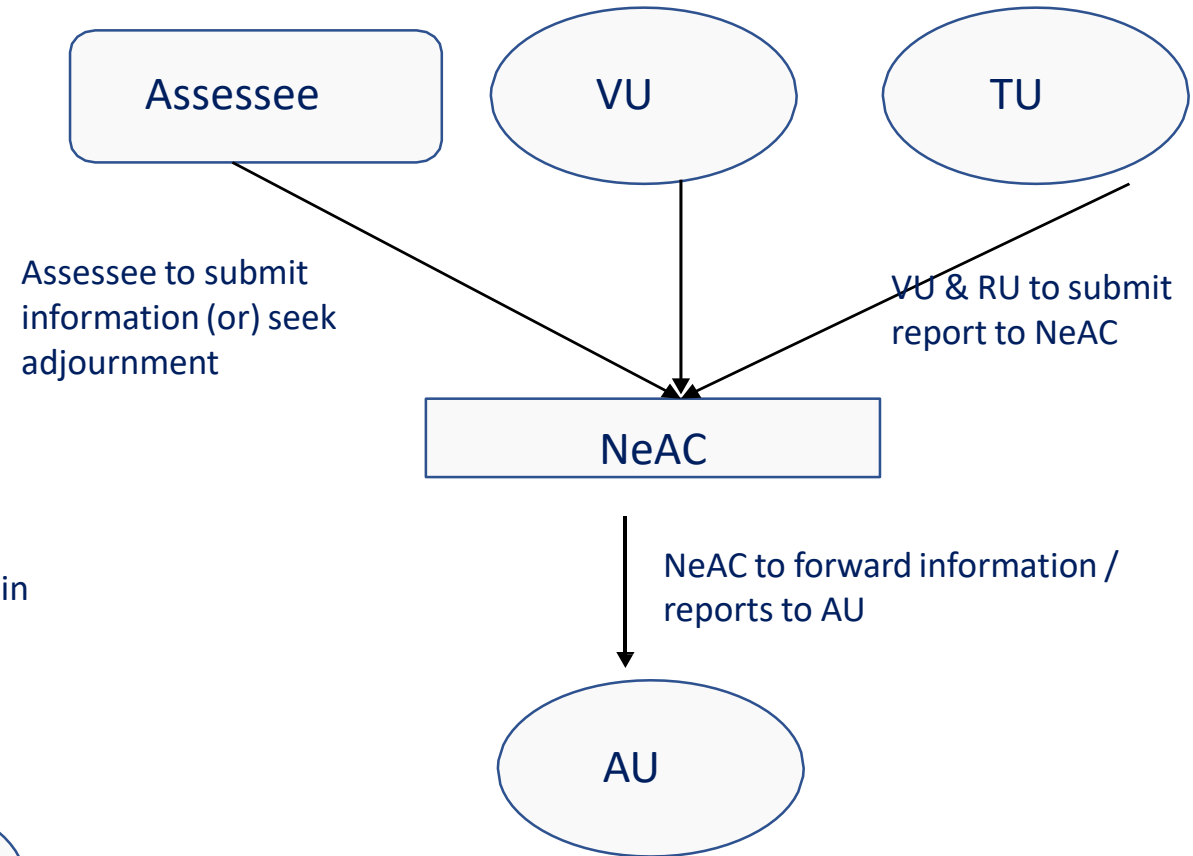
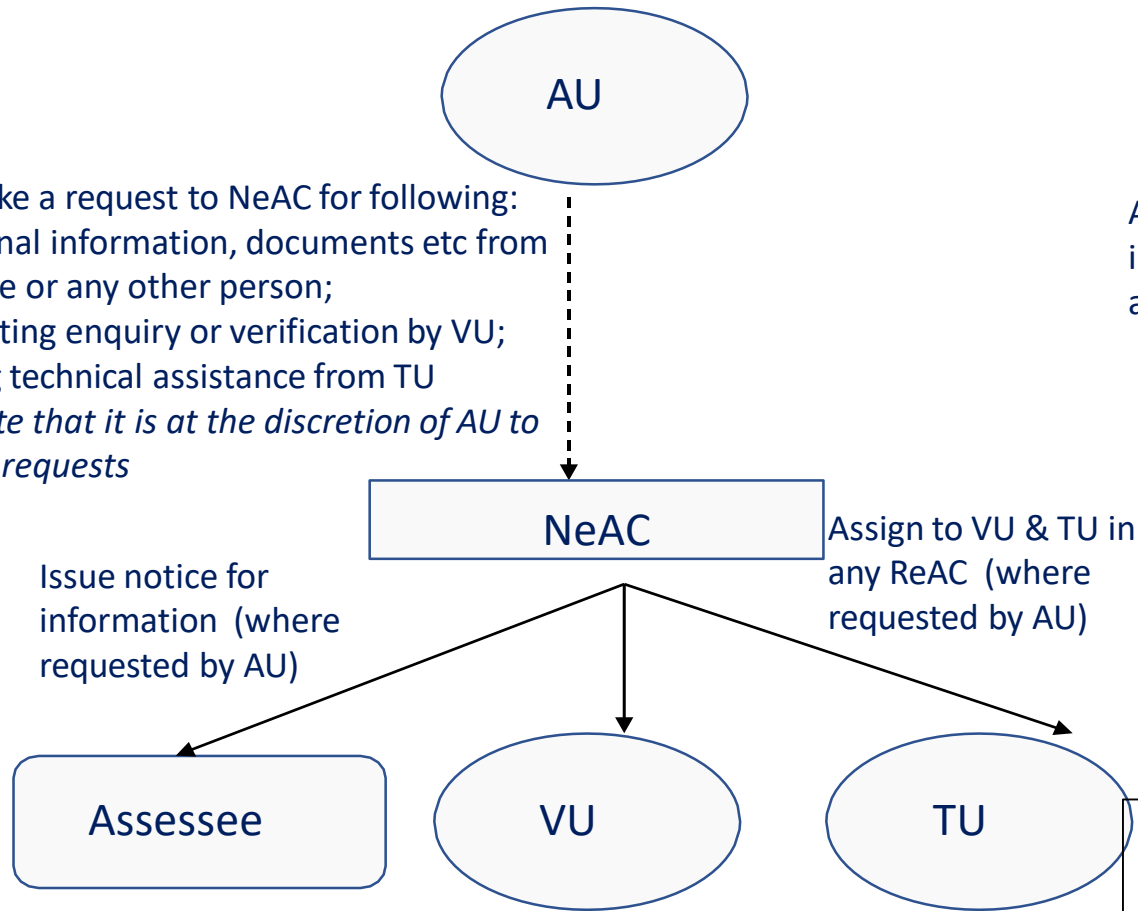
**D** – Activities done by Assessment Unit upon being assigned a case

**E** – Response from Assessee & reports from TU & VU

AU **may** make a request to NeAC for following:

- Additional information, documents etc from assessee or any other person;
- Conducting enquiry or verification by VU;
- Seeking technical assistance from TU

*\* Please note that it is at the discretion of AU to make these requests*

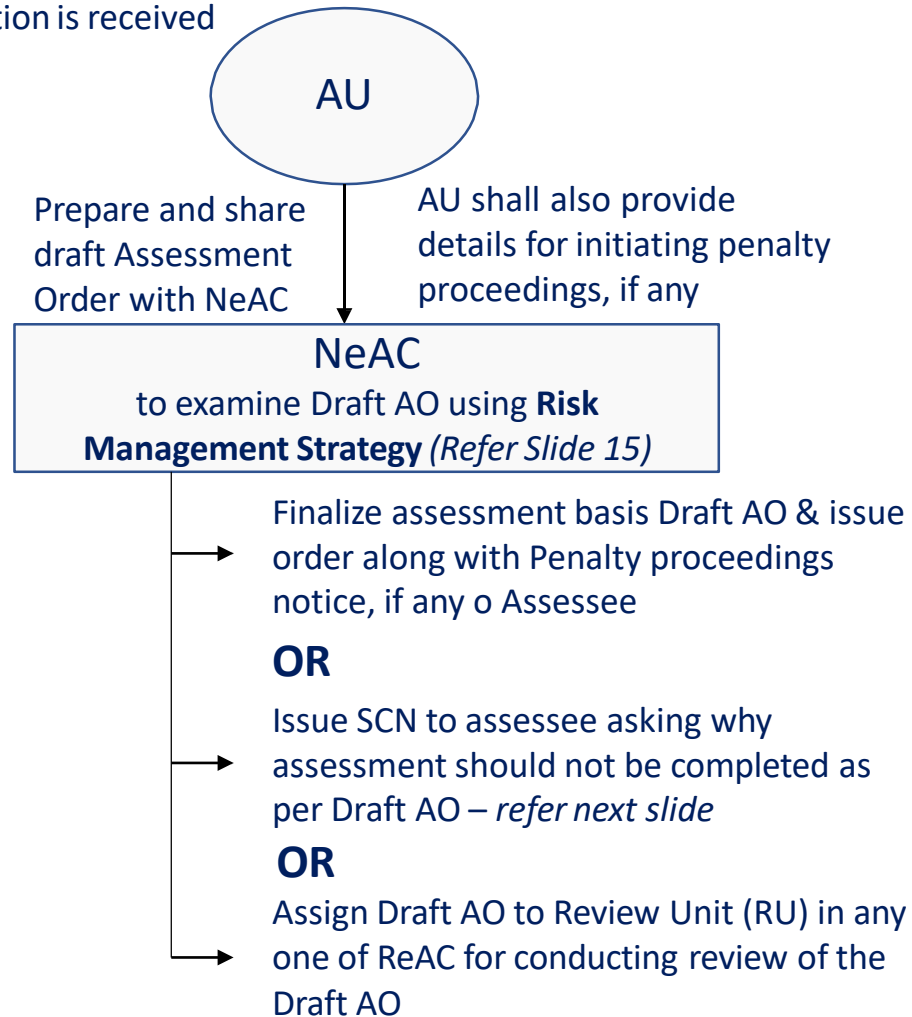


*Where no response is received from Assessee, NeAC shall issue SCN asking why assessment should not be completed on best judgement basis u/s 144 of the Act.  
Where Assessee does not respond even to such SCN, NeAC to intimate failure to AU*

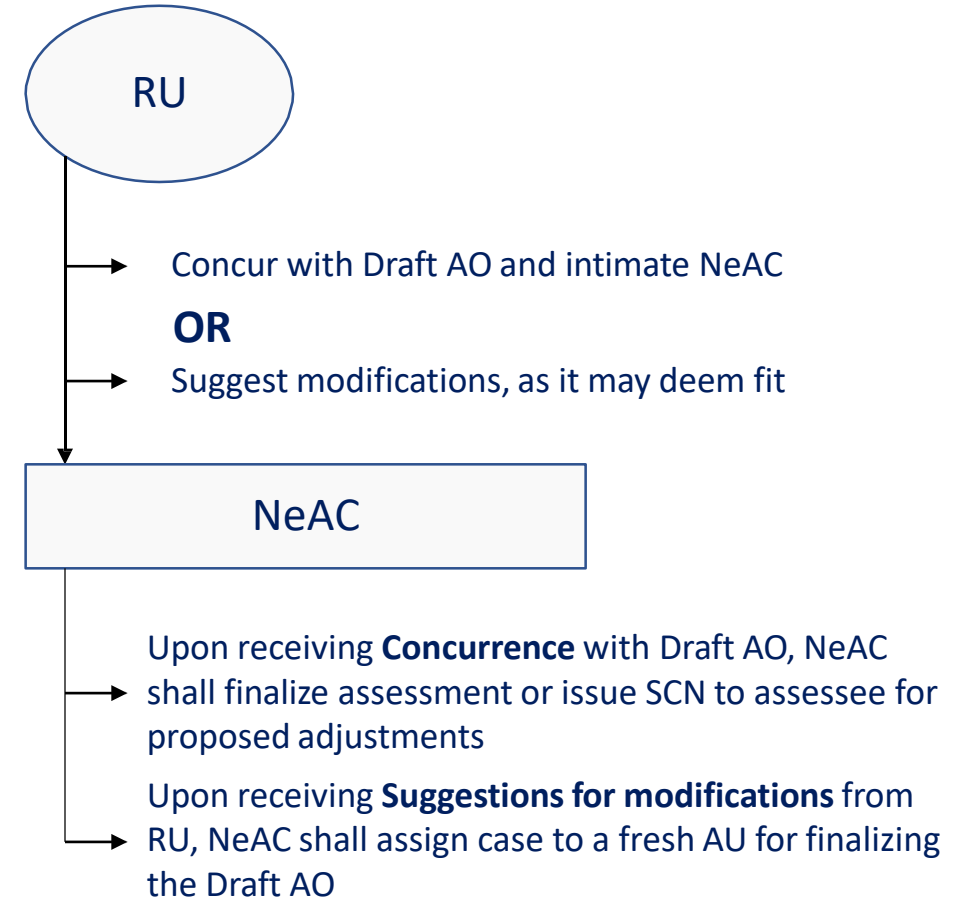


# Preparation of Draft Assessment Order

**F** – Assessment Unit to prepare Draft Asst Order basis information available or on best judgement basis where no information is received

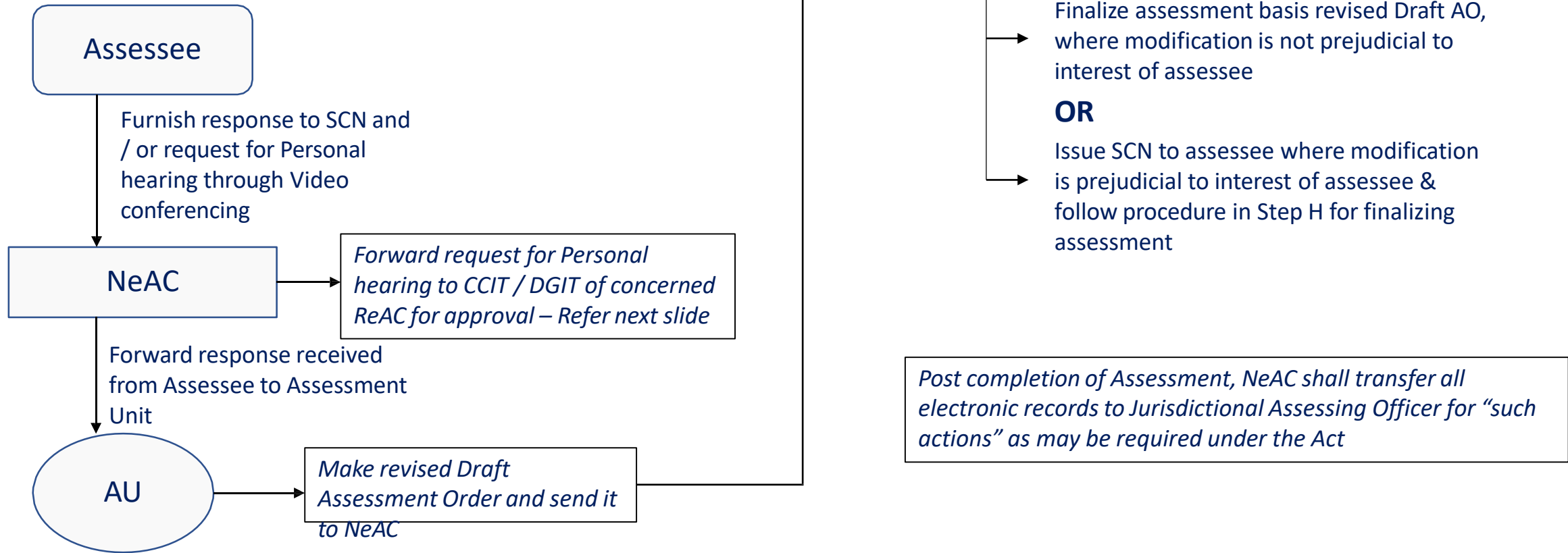


**G** – Review of Draft AO by Review unit



# SCN to Assessee for Draft AO & Finalisation

**H** – As discussed in Step F above, NeAC, may at its discretion after receiving the Draft AO, send a SCN to assessee. Post receipt of SCN, assessee shall follow below process

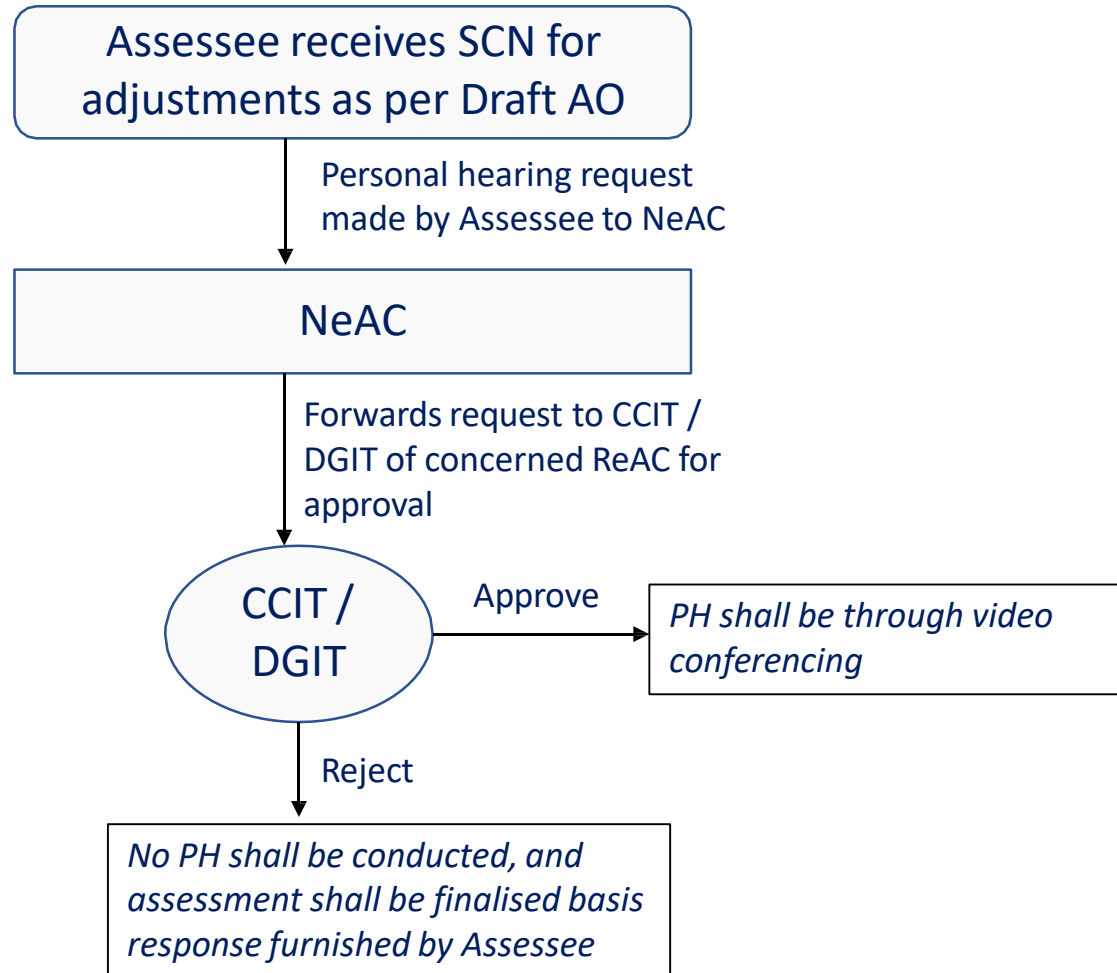


Where no response is received by Assessee to SCN, NeAC shall finalise assessment basis draft Assessment Order

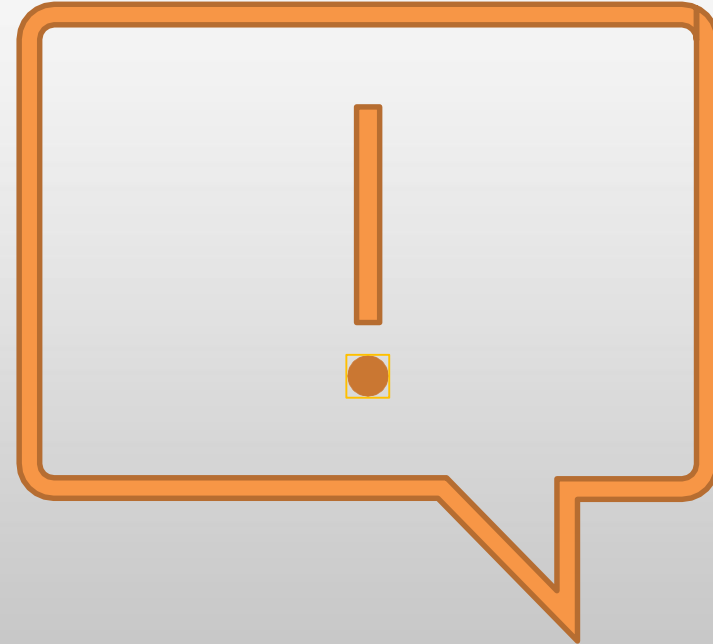


# Personal Hearing request by Assessee

Where a SCN has been issued by NeAC for proposed modifications as per Draft Assessment Order, the assessee may request NeAC for personal hearing



**RISK  
MANAGEMENT  
SYSTEM & OTHER  
POINTS**



# Risk Management System (RMS)



As mentioned earlier, once the draft Assessment Order is received from AU, NeAC shall examine the same using Risk Management System (RMS)



RMS has two-fold purpose:

- To ensure Risk criteria under which cases selected are investigated
- To prevent High Pitched addition
- Whether required additions made or not



All cases flagged by RMS shall be sent by NeAC for review to RUs



## Other Key points...

- Selection of assessments only through system using data analytics and AI
- No physical interface
- Team-based assessments & Team-based reviews
- Draft assessment order in one city, review in another city and finalization in a different city
- PCCIT / PDGIT in charge of national e-assessment centre may frame circumstances under which personal hearing shall be approved. What are such illustrative circumstances?
- With personal hearing being option and not mandatory, the taxpayers may face challenges in effectively communicating with tax authorities
- 2/3rd of manpower shall be utilized for faceless assessments and balance for other activities
- All pending as well as future cases are covered under faceless assessment



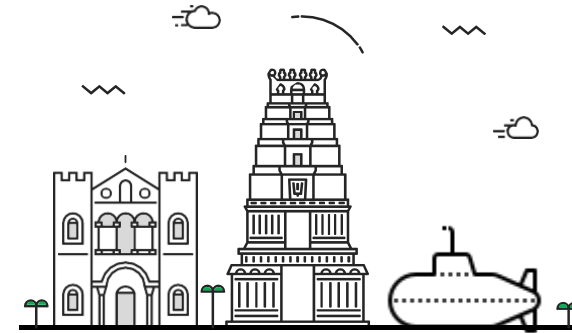
# CONTACT US

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## Other Locations:

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**Tirupathi** : H. No: 6-154/1, Syamala Nilayam, Near Water Tank, Akkarampalli, Tirupathi, Andhra Pradesh

**Delhi** : C- 699A, 1st Floor, Sector-7, Palam Extn., Dwarka, New Delhi, Delhi 110075

**Chennai** : Old no 19, New no 13B, New Bangaru colony first Street, KK Nagar West, Chennai 600078

**Dubai** : 2103, Bayswater Tower, Business Bay, Dubai, UAE



# THANK YOU

