



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)



Women Members Excellence Committee

Organises

यशस्विनी - An IDOL- Live Webinar



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**PRACTICAL
ASPECT FACELESS
ASSESSMENT**

CA SONAL DESAI



1. WHY FACELESS ?

To eliminate the physical interface between the assessee and the assessing authority

To involve the electronic interface right from the selection of the cases for the scrutiny purpose with the help of an 'automated allocation system.

To use suitable technological tools, including artificial intelligence and machine learning, with a view to optimizing the use of resources

To conduct of assessments exclusively in electronic mode via the 'e-Proceedings' utility of the e-Filing portal of Income-tax department's website

To review and examination of the assessment orders using 'automated examination tool' involving therein an algorithm for standardized examination of draft assessment orders, by using suitable technological tools, including artificial intelligence and machine learning, with a view to reducing the scope of discretion

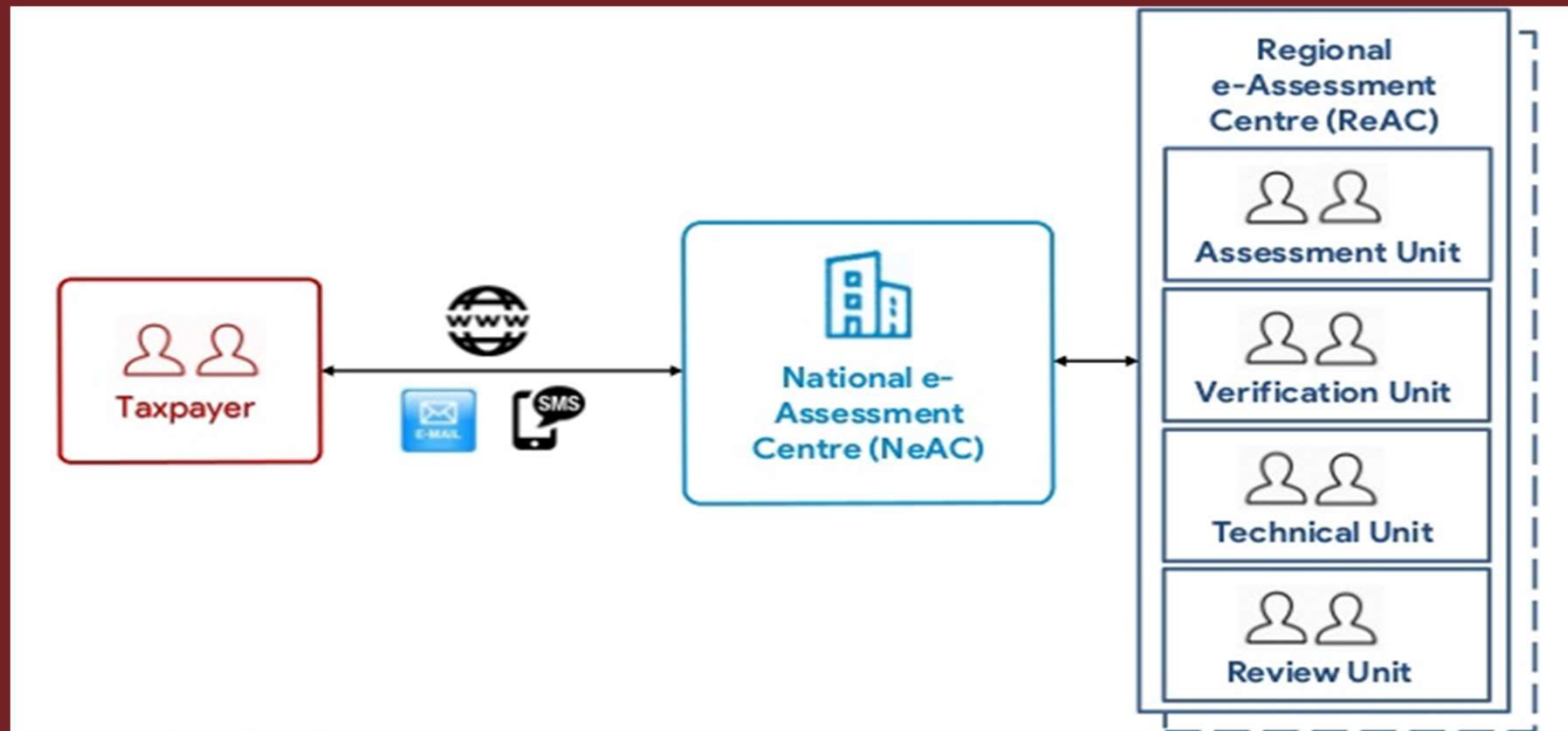


JURISDICTION-LESS ASSESSMENTS

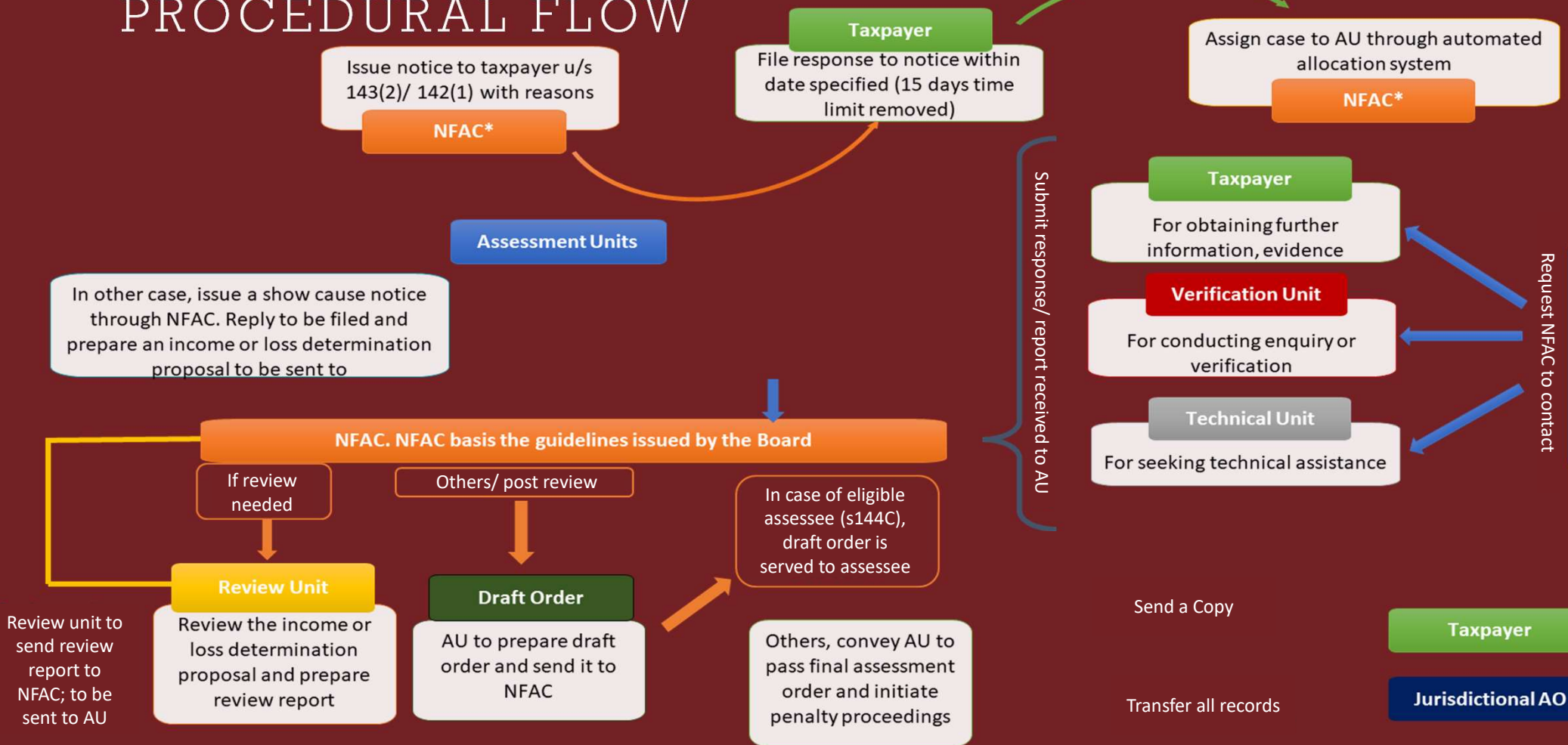
These are conducted by a Team/Group of Expert Income Tax Officers at multiple-level units, viz. National Faceless Assessment Centre (NaFAC), Assessment Unit, Verification Unit, Technical Unit and Review Unit



SECTION 144B – AS SUBSTITUTED BY FA, 2022 W.E.F. 01.04.2022



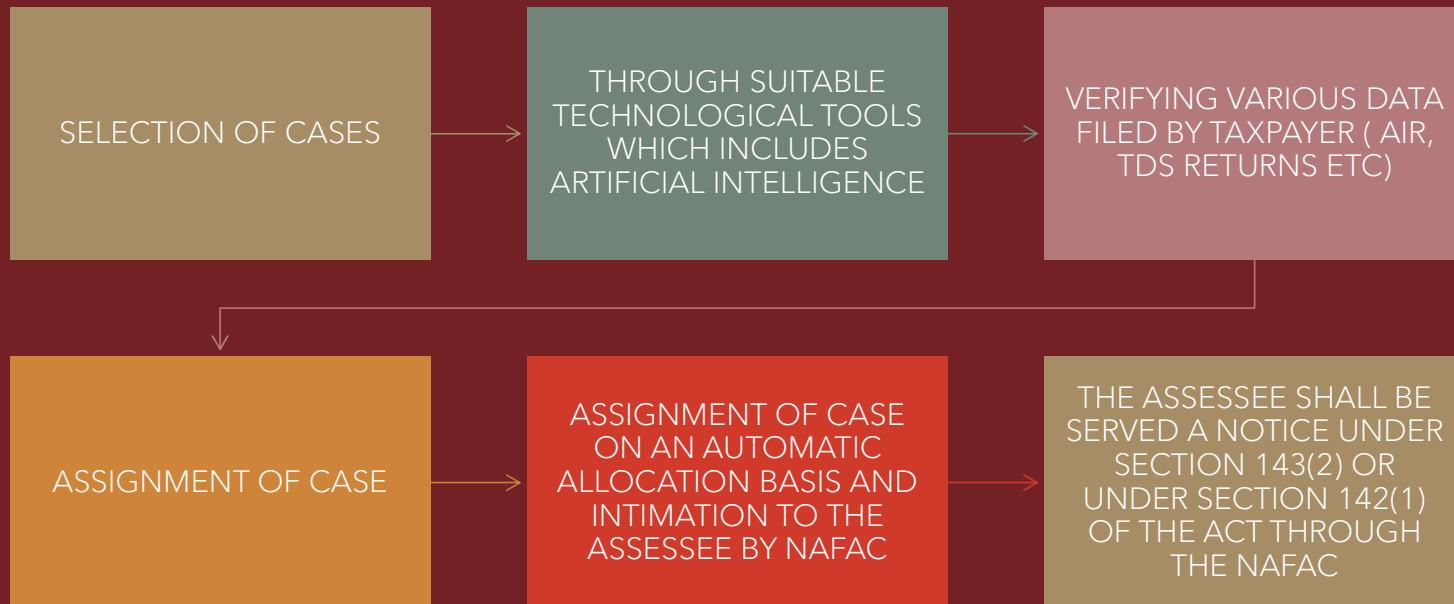
FACELESS ASSESSMENT – PROCEDURAL FLOW



On non-compliance, AU through NFAC can make assessment u/s 144. Assessee can request personal hearing.

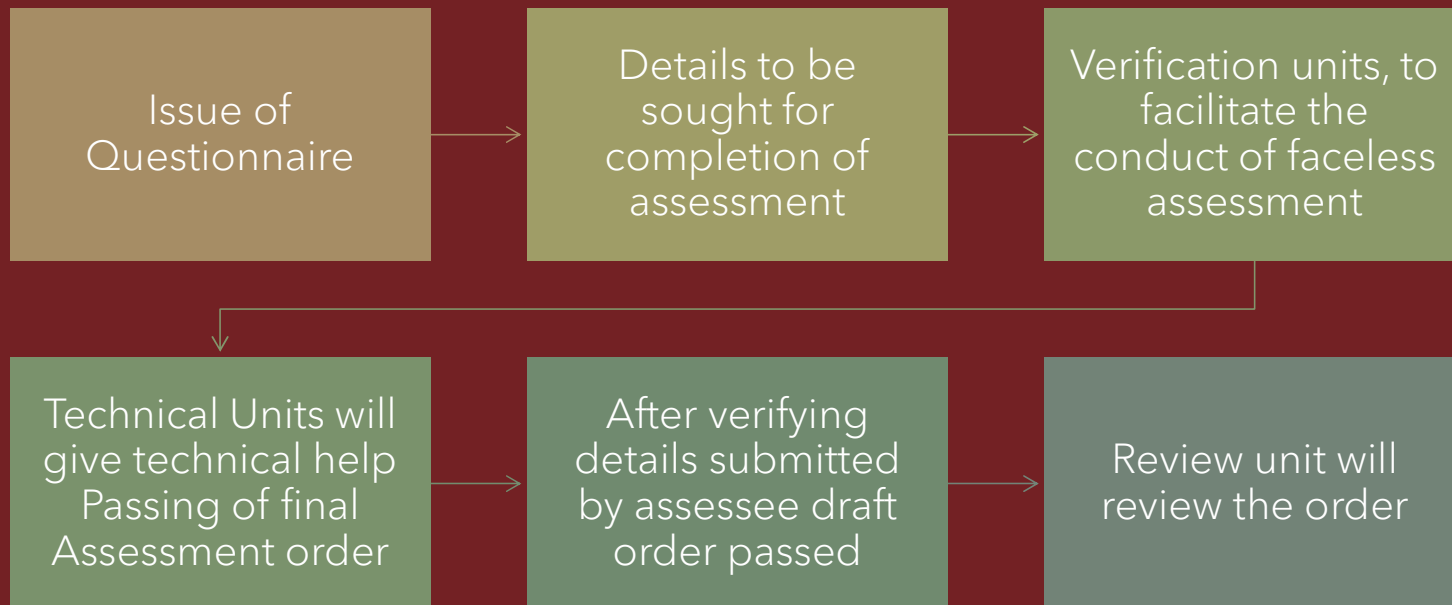


PROCEDURE





PROCEDURE CONT.





PRACTICAL ASPECT OF FACELESS

KEEP ADDRESS, EMAIL-ID & MOBILE NUMBER UPDATED IN THE INCOME TAX DATABASE

REPLY ALL THE NOTICE

TOTAL EMPHASIS ON WRITTEN SUBMISSIONS

IMPROVE WRITING SKILLS

USE PAN, SUBJECT, YEAR, DIN, ASSESSEE NAME IF BY AR

POSITIVE APPROACH



PRACTICAL ASPECT OF FACELESS CONT.

Negate Specific question

State Factual position with supporting documents

Mention Legal position

Study the assessment proceedings records

Date wise arrangement of assessee's assessment proceeding record and flagging the relevant pages

Material & evidences placed during assessment

Notice or show cause issued & its reply

Ask Video Conference



Show Case Notice

Issued during S. 143(3)

Issued during S. 148

Go through the notice very carefully

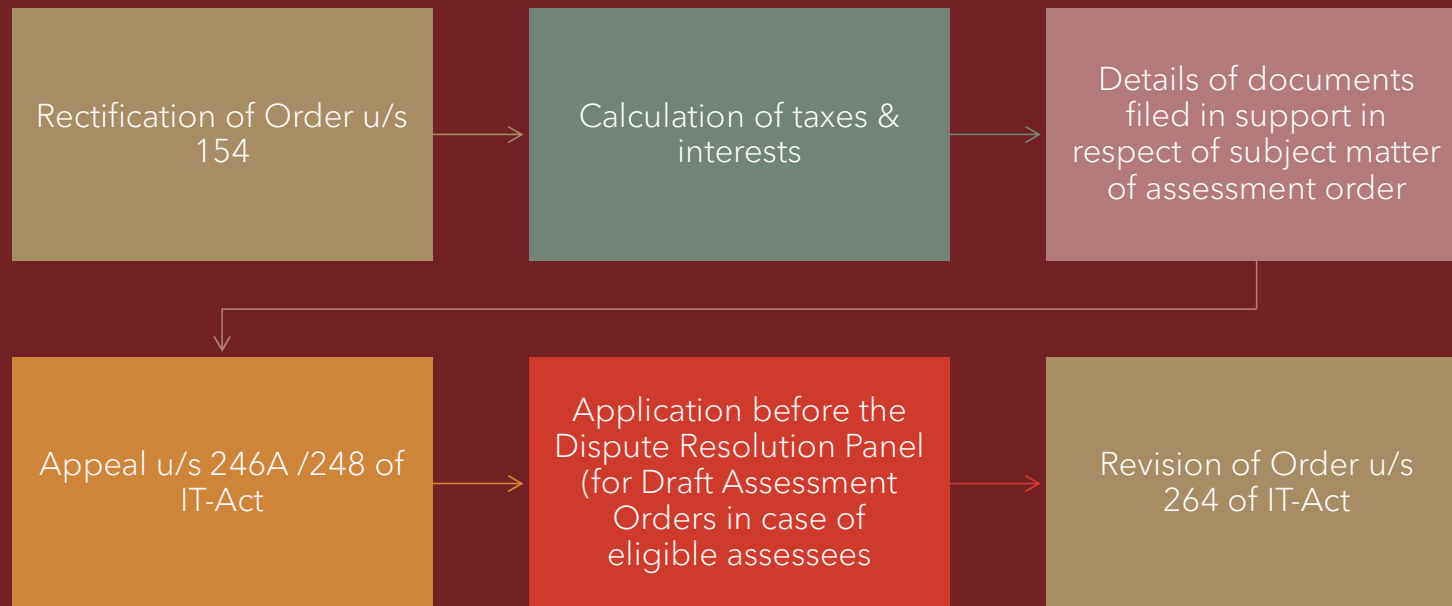
Need to show the cause in detailed why addition should not be made

Respond to each cause stated in the notice

File all necessary evidences related to the issues raised, even if not asked specifically



ACTIONS AFTER ASSESSMENT ORDER



EXEMPTION FROM FACELESS ASSESSMENTS

Cases covered under section 132 , 133 A = all the cases which are with central circle are physical .

International Taxation = All cases whose jurisdiction with International taxation

TDS Circle

LEGAL CASE LAWS FOR NON-FOLLOWING PROCEDURES LAID DOWN U/S 144B



- RMSI (P) Ltd. vs NFAC, Delhi. ([2022] 136 taxmann.com 61 (Delhi HC))
- Rinku R. Rai vs ITO [2023] 151 taxmann.com 478 (Bombay)/[2023] 454 ITR 33 (Bom)
- Toplight Corporate Management Private Limited vs NFAC, Delhi (W.P.(C) 6223/2021 & CM APPL. 19717/2021 Delhi HC)



PROS / CONS

Saving of Time and Money of AR

Not to face mood swings of AOs

Assessment records available

Change of Satisfaction Mode !!

Whose Satisfaction now - NeAC or AU or Officer of AU

AO did not remain AO in many cases

Instructions based assessments

AO from different regions



THANK YOU