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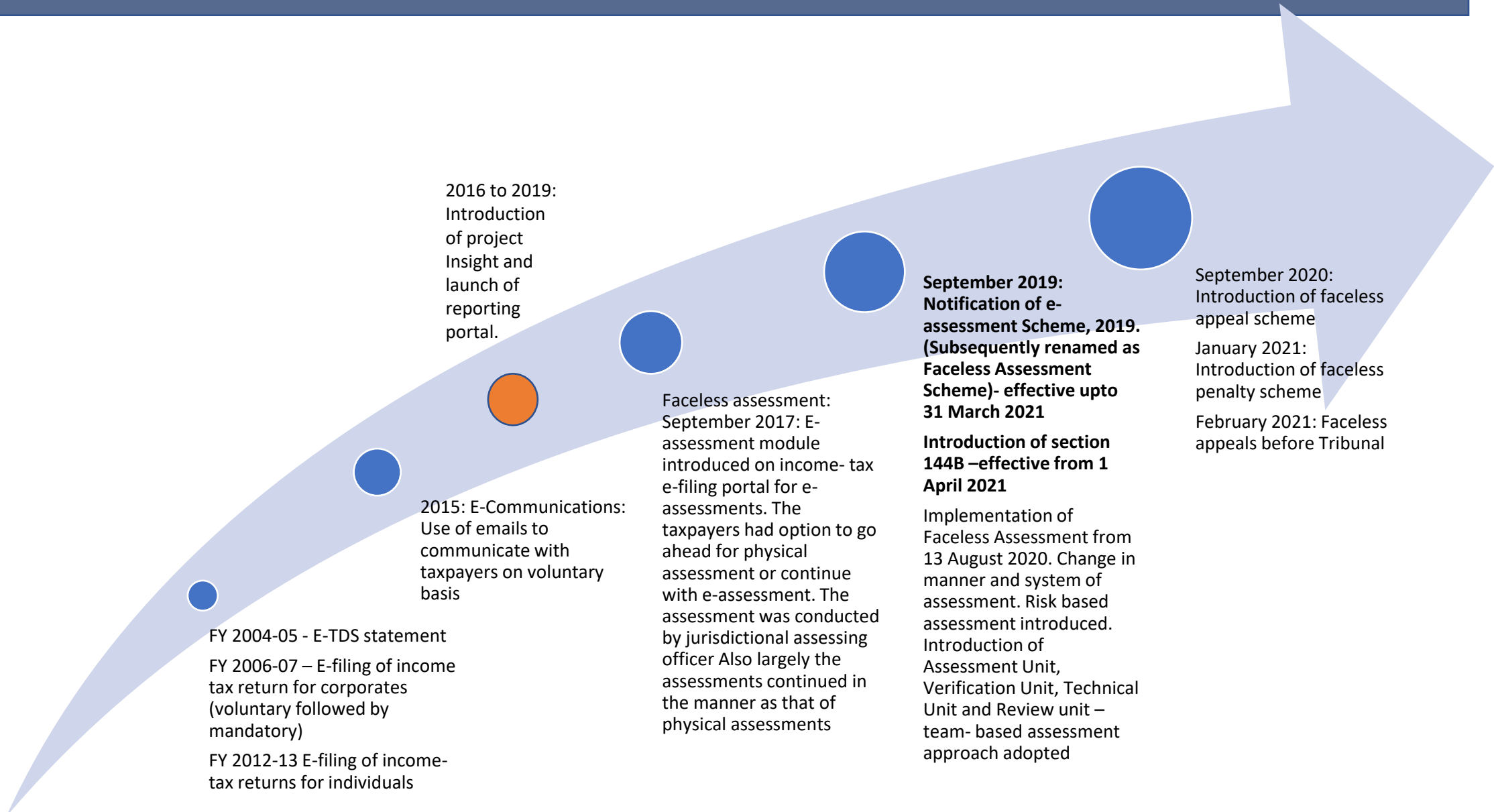
# Faceless Assessment – Practical Issues

7 August 2021

Particulars	Slide no.
Background and legislation for faceless assessment	4 - 15
Structure, mechanism and procedure	16 – 23
Practical issues in communication under faceless assessment	24 – 31
Standard Operating Procedures	32 – 33
Other important points	34 – 36
Practical issues	37
- Preparedness	38 – 42
- Legal and procedural	43 – 49
- Other practical experience	50
Key Takeaways/ way forward	51 – 52
Annexures	53
- Annexure 1 – Procedures under Faceless Assessment	54 – 58
- Annexure 2 – Screenshots of VC Procedure	59 – 64
- Annexure 3 – Details of Specified Financial Transactions	65 – 67
Glossary	68 – 69

# Background and Legislation for faceless assessment

# Evolution of digitization with tax department



# Purpose and intention of the scheme

- Nearly eliminate face to face interactions between Assessing Officer and Assessee
- Improve ease of doing business in India
- In line with global practice expected to be followed
- Bring greater levels of transparency, efficiency and accountability in assessment proceedings
- A step further in Government's E-Governance Program
- Optimise utilization of resources through functional specialization
- Novel way of assessment involving assessment by a team
- Reduce cost of compliance

# Key legislation for faceless assessment upto March 2021

Key Notifications/ orders	Particulars
Notification No. 61 and 62 dated 12 September 2019	<ul style="list-style-type: none"><li>Notification issued under section 143(3A) and (3B). E-Assessment Scheme Notified</li></ul>
Notification No. 60 and 61 dated 13 August 2020 Order under section 119 dated 13 August 2020 and CBDT Order No. 3 dated 13 August 2020	<ul style="list-style-type: none"><li>Modifications introduced to Faceless Assessment Scheme and scheme implemented</li><li>Reconstitution of jurisdiction of tax authorities and creation of NeAC, Regional e-assessment centers and other units</li><li>All assessment orders to be passed on or after 13 August 2020 to be passed by NeAC. Any orders passed otherwise to be non- est</li><li>Central charges and international tax assessments kept out of jurisdiction of NeAC</li></ul>
Order under section 119 dated 19 October 2020	<ul style="list-style-type: none"><li>Powers of survey restricted to investigation wing and TDS wing. Regular/ jurisdictional officers not to have powers of survey. Order provides detailed instructions as to how surveys are to be staffed and approvals required for survey actions</li></ul>
Notification No. 6 dated 17 February 2021	<ul style="list-style-type: none"><li>Further modifications to Faceless Assessment Scheme</li></ul>

*Detailed procedural provisions under Faceless Assessment Scheme, 2019 (effective upto 31 March 2021) and those under section 144B are similar and depicted in Annexure 1*

# Legislation for faceless assessment from April 2021 (section 144B)

Section	Particulars
Section 144B (1)	Deals with faceless assessment procedure
(2)	Specifies scope of faceless assessment
(3)	Gives right to the Board for the purposes of faceless assessment to set up such Centres and units and specify their respective jurisdiction
(4)	Specifies the authorities under the assessment unit, verification unit, technical unit and the review unit
(5)	Deals with communication among the assessment unit, review unit, verification unit or technical unit or with the assessee or any other person with respect to the information or documents or evidence or any other details, as may be necessary for the purposes
(6)	Specifies that communication under faceless assessment shall be exchanged exclusively through electronic mode

# Legislation for faceless assessment from April 2021 (section 144B)

Section	Particulars
Section 144B(7)	Deals with Authentication of electronic record, it's delivery, filing of response by assessee, personal hearing through video conferencing and other miscellaneous matters stating it's scope
(8)	Deals with transfer of case to the Assessing officer: <u>PCCIT or the PDGIT</u> , in charge of NFAC, may at any stage of the assessment, if considered necessary, transfer the case to the Assessing Officer having jurisdiction over such case, <u>with the prior approval of the Board.</u>
(9)	Specifies that the cases referred to in sub-section (2) (other than the cases transferred under sub-section (8), on or after the 1st day of April, 2021), shall be non-est if such assessment is not made in accordance with the procedure laid down under this section.

*Detailed procedural provisions under Faceless Assessment Scheme, 2019 (effective upto 31 March 2021) and those under section 144B are similar and depicted in Annexure 1*



# Exclusions from faceless assessment regime\*

Proceedings	Comments on authority to carry out proceedings
Rectification proceedings under section 154 of the Act	Jurisdictional AO. Provisions introduced for faceless rectification proceedings under section 157A - however no scheme/ notification issued under the said section
Audit functions including handling matters pertaining to revenue and internal audit and taking remedial actions	Jurisdictional AO
Appeal effects to CIT(A), ITAT, High Court and Supreme Court (except passing of final assessment order in conformity with DRP directions)	Jurisdictional AO. Provisions introduced for faceless appeal effect under section 264B - however no scheme/ notification issued under the said section
Final assessment order pursuant to DRP directions	AU
Passing a fresh assessment order in set aside assessment proceedings (pursuant to directions of ITAT, High Court or Supreme Court)	AU as per comments from tax officials during the course of webinars conducted on faceless assessment

\* In the absence of specific machinery provisions to implement faceless scheme for the above list and basis comments made by Pr. CCIT, CCIT and CIT in various webinars on faceless assessment scheme. Going forward, most of these functions are also expected to be carried out in a faceless manner through ITBA portal

# Exclusions from faceless assessment regime\*

Proceedings	Comments on authority to carry out proceedings
Proceedings under section 263/ 264 of the Act	Jurisdictional CIT/ PCIT – to be carried in through ITBA. Provisions introduced for faceless revision under section 264A - however no scheme/ notification issued under the said section
Recording of reasons and issue of notice under section 148 followed by providing reasons to the taxpayers. Receiving objections from the assessee and passing an order disposing off the objections	Jurisdictional AO – any proceedings thereafter to be carried out by AU. Provision introduced for faceless reassessment under section 151A/ No specific scheme/ notification issued under the said section
Demand recovery and stay proceedings	Jurisdictional AO
Proceedings before DRP	By jurisdictional DRP – No specific scheme for faceless DRP. Notification No. 62 of 2019 on faceless assessment states that provisions of section 144C to apply to faceless assessment scheme. No specific provision under section 144B

*\* In the absence of specific machinery provisions to implement faceless scheme for the above list and basis comments made by Pr. CCIT, CCIT and CIT in various webinars on faceless assessment scheme. Going forward, most of these functions are also expected to be carried out in a faceless manner through ITBA portal*

# Exclusions from faceless assessment regime\*

Proceedings	Comments on authority to carry out proceedings
Proceedings before GAAR Panel	Possibly by jurisdictional GAAR Panel. No specific scheme for faceless GAAR.
Preparation of scrutiny reports and filing appeals, defending writ petitions and recommending SLPs in appropriate cases	Jurisdictional AO
Instructions from Joint/ Additional Commissioner under section 144A	Basis responses provided by income tax officials during webinars on faceless assessment proceedings, no specific scheme for directions from the Joint Commissioner.

*\* In the absence of specific machinery provisions to implement faceless scheme for the above list and basis comments made by Pr. CCIT, CCIT and CIT in various webinars on faceless assessment scheme. Most of these functions are also expected to be carried out in a faceless manner through ITBA portal*

# Exclusions from faceless assessment regime\*

Proceedings	Comments on authority to carry out proceedings
Transfer pricing proceedings	Currently being conducted in regular manner – whether should be taken up by Technical Unit in faceless manner (On various webinars – tax officials have expressed a view that Transfer Pricing proceeding for resident taxpayers will be covered by the faceless scheme)
TDS proceedings	Jurisdictional TDS AO. No specific scheme for faceless TDS proceedings.
International tax assessments	Jurisdictional AO
Registration of charitable trusts	Jurisdictional CIT (currently online procedure for registration and registration). Assessment to be carried in faceless manner

*\* In the absence of specific machinery provisions to implement faceless scheme for the above list and basis comments made by Pr. CCIT, CCIT and CIT in various webinars on faceless assessment scheme. Most of these functions are also expected to be carried out in a faceless manner through ITBA portal*

# Exclusions from faceless assessment regime\*

Proceedings	Comments on authority to carry out proceedings
Valuation by DVO	Provision introduced for faceless valuation under section 142B. No scheme/ notification issued under the same. This ideally comes under technical unit – therefore likely to be carried out in faceless manner
Examination of additional evidence in appeal	No specific provision for the same in faceless assessment scheme. Likely to be examined by the AU/ VU basis response by income tax officials during the course of webinars on faceless assessment

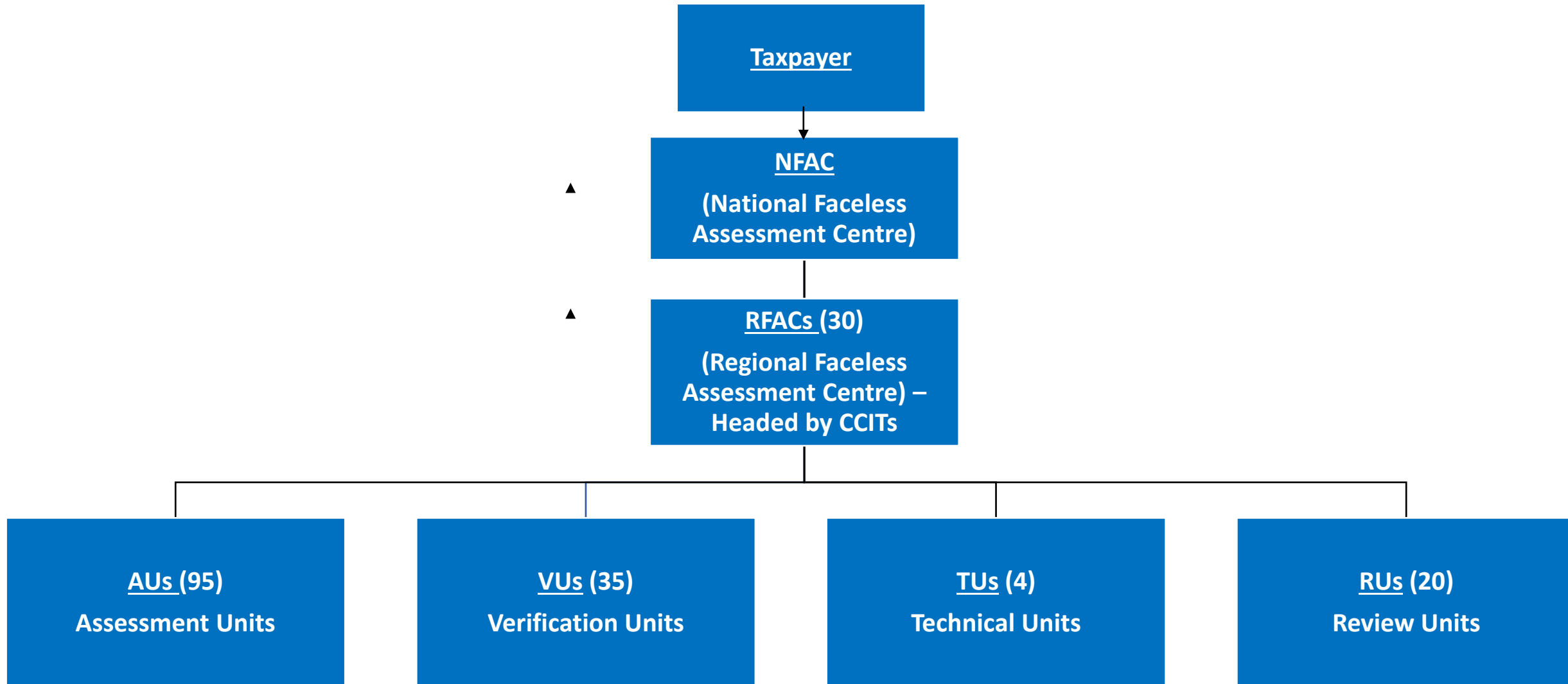
*\* In the absence of specific machinery provisions to implement faceless scheme for the above list and basis comments made by Pr. CCIT, CCIT and CIT in various webinars on faceless assessment scheme. Most of these functions are also expected to be carried out in a faceless manner through ITBA portal*

# Faceless Assessments so far

Class of cases	Cases allotted	Draft assessment orders	Orders passed without addition	Orders passed with addition	Total orders passed
Legacy cases 3 August 2021	59,731	56,135	45,594	10,537	56,131
New cases 3 August 2021	1,39,737	90,295	77,959	9,536	87,395
Total on 3 August 2021	1,99,468	1,46,430	1,23,453	20,073	1,43,526

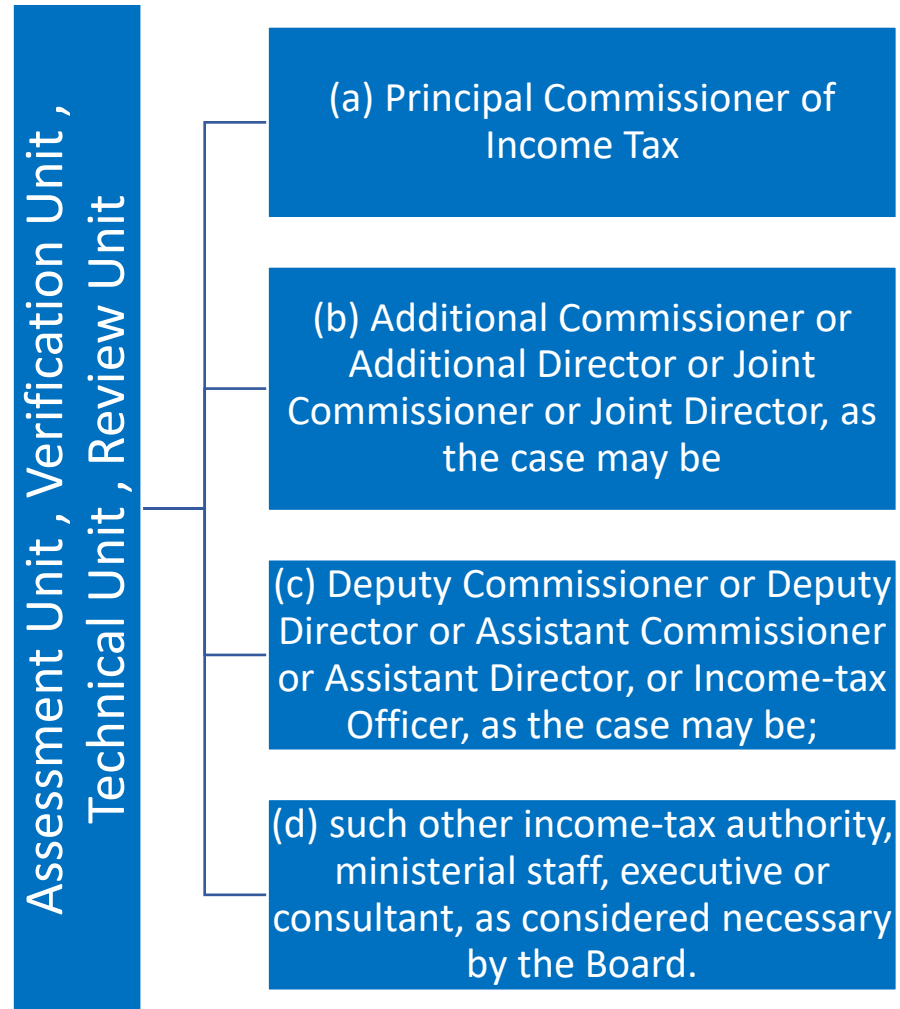
# Structure, mechanism and procedure

# Structure of faceless assessment





# Composition of the units



## National Faceless Assessment Centre (NFAC):

The NFAC under the PCCIT located at Delhi is the head component of the scheme and centrally controls the faceless assessments.

### Functions:

- Assigns cases to Assessment Unit
- Sends notices to the assessee and receives replies from assessee.
- Intimate to AU about failure of Assessee to respond to Notice
- Allocate issues/cases to Technical Unit, Verification Unit & Review Unit
- Review Draft Assessment Order
- Provide an opportunity to the assessee, by serving a notice calling upon him to show-cause as to why the proposed variation should not be made;
- Transfer assessment proceeding to Jurisdictional AO(JAO) with approval of the Board
- Transfer electronic records to JAO on completion of assessment

## Assessment Unit (AU)

To perform the function of making assessment, the AUs are going to act as Assessment Officers.

### Functions:

- Identification of points or issues material for the determination of any liability (including refund) under the Act
- Seeking information or clarification on points or issues so identified
- Analysis of the material furnished by the assessee or any other person
- Such other functions as may be required for the purposes of making assessment

## Verification Unit (VU):

The verification units perform the function of verifying the information in detail, provided by the assessee during the assessment

## Functions:

- Enquiry,
- Cross verification,
- Examination of books of accounts,
- Examination of witnesses and recording of statements,
- Make Request for physical verification to the Designated VU after obtaining approval of Pr. CIT in cases having high risk potential case, potential fraud PAN and suspected large tax evasion case
- Such other functions as may be required for the purposes of verification.

## Technical Unit (TU):

Technical units perform the role of providing technical support on a wide array of aspects whenever needed

## Functions:

Any assistance or advice on:

- Legal,
- Accounting
- Forensic
- Information Technology
- Valuation
- Transfer Pricing
- Data analytics
- Management
- Any other technical matter which may be required in a particular case or a class of cases, under this Scheme

## Review Unit (RU):

The review units, review the draft assessment order whenever requested by the NFAC

## Functions:

Review of draft assessment order including:

- Checking whether material evidence has been brought on record
- Whether relevant points of act and law have been duly incorporated in the draft order
- Whether issues on which addition/disallowance should be made have been discussed in draft order
- Whether applicable judicial decisions have been considered and dealt in draft order
- Checking for arithmetical correctness of modifications proposed
- such other functions as may be required for the purposes of review

# Practical issues in communications under Faceless Assessment

# Practical issues in communication under faceless assessment

- All communications between the NFAC and the assessee, or his authorized representative, or any other person shall be exchanged exclusively by electronic mode
- All internal communications between the NFAC, RFAC and various units shall be exchanged exclusively by electronic mode
- Only exception to the above: Enquiry or verification conducted by VU in the circumstance to be prescribed by Principal Chief Commissioner or the Principal Director General, in charge of the NFAC in consultation with Board.
- Authentication of the electronic record :
  - An electronic record shall be authenticated by NFAC by affixing its digital signature.
  - Assessee or any other person, by affixing his digital signature if he is required under the Rules to furnish his return of income, under digital signature,  
and in any other case by affixing his digital signature or under electronic verification code.
- Any notice/ communication/ order from officer without DIN – invalid in law.



# Practical issues in communication under faceless assessment

- Every notice or order or any other electronic communication to assessee shall be by way of :
  - Placing an authenticated copy thereof in the assessee's registered account; or
  - Sending an authenticated copy thereof to the registered email address of the assessee or his authorized representative; or
  - Uploading an authenticated copy on the assessee's Mobile App; and
  - Followed by a real time alert
- Every notice or order or any other electronic communication to any other person shall be by way of:

Email to registered email address of such person, followed by a real time alert.
- The assessee shall file his response under this Scheme, through his registered account, and once an acknowledgement is sent by the NFAC containing the hash result generated upon successful submission of response, the response shall be deemed to be authenticated

# Practical issues in communication under faceless assessment

- “registered e-mail address” means the e-mail address at which an electronic communication may be delivered or transmitted to the addressee, including- \*
  - the email address available in the electronic filing account of the addressee registered in designated portal; or
  - the e-mail address available in the last income-tax return furnished by the addressee; or
  - The e-mail address available in the Permanent Account Number database relating to the addressee; or
  - In the case of addressee being an individual who possesses the Aadhaar number, the e-mail address of addressee available in the database of Unique Identification Authority of India ;or
  - In the case of addressee being a company, the e-mail address of the company as available on the official website of Ministry of Corporate Affairs; or
  - Any e-mail address made available by the addressee to the income-tax authority or any person authorized by such authority
- “registered mobile number” of the assessee means the mobile number of the assessee, or his authorized representative, appearing in the user profile of the electronic filing account registered by the assessee in designated portal
- “registered account” of the assessee means the electronic filing account registered by the assessee in designated portal;
- “real time alert” means any communication sent to the assessee :
  - by way of Short Messaging Service on his registered mobile number, or
  - by way of update on his Mobile App, or
  - by way of an email at his registered email address,so as to alert him regarding delivery of an electronic communication.

# Practical issues in communication under faceless assessment

- **The time and place of dispatch and receipt of electronic record shall be determined in accordance with the provisions of section 13 of the Information Technology Act, 2000**  
**Information Technology Act, 2000**  
*“13. Time and place of dispatch and receipt of electronic record.-  
(1) Save as otherwise agreed to between the originator and the addressee, the dispatch of an electronic record occurs when it enters a computer resource outside the control of the originator.  
(2) Save as otherwise agreed between the originator and the addressee, the time of receipt of an electronic record shall be determined as follows, namely:-  
(a) if the addressee has designated a computer resource for the purpose of receiving electronic records,-  
(i) receipt occurs at the time when the electronic record enters the designated computer resource; or  
(ii) if the electronic record is sent to a computer resource of the addressee that is not the designated computer resource, receipt occurs at the time when the electronic record is retrieved by the addressee;  
(b) if the addressee has not designated a computer resource along with specified timings, if any, receipt occurs when the electronic record enters the computer resource of the addressee.”*
- "computer resource of assessee" shall include assessee's registered account in designated portal of the Income-tax Department, the Mobile App linked to the registered mobile number of the assessee, or the registered email address of the assessee with his email service provider;

# Practical issues in communication under faceless assessment

- The time and place of dispatch and receipt of electronic record shall be determined in accordance with the provisions of section 13 of the Information Technology Act, 2000
  - These provisions would be crucial to determine the date/ time of service of the notice to determine the time limits for various compliances/ submissions pursuant to the notice;
  - These provisions would be crucial to determine the date/ time of service of the orders to determine the time limits for filing appeals/ revisions/ rectifications;
  - The notice/ order may be considered as served on the assessee when the same is uploaded on income- tax portal of the assessee – even though no email is received by the assessee and irrespective of whether the same is accessed by the assessee (?)

- There is no provision of personal/ physical hearing during the course of faceless assessment proceedings
- Procedure for VC:
  - Where a variation is proposed in the draft assessment order and a show cause notice is issued to the assessee as to why the assessment should not be completed as per draft order, the assessee may request for a personal hearing to make oral submissions or to present his case before the tax authorities. There is no provision for VC at any other stage
  - The personal hearing to take place through video conferencing or video telephony
  - The CCIT/ DGIT can approve the request for personal hearing through VC
  - Any examination during the course of assessment, recording statement (except during the course of survey action u/s 133A) to take place through VC
  - CBDT to provide for facilities for VC and provide for rules, regulations for the same
- SOP dated 23.11.2020 on Personal hearing through video conference :

Where any modification is proposed in draft assessment order and the assessee in his written submission in response to the show cause notice disputes facts underlying the proposed modification and makes a request for personal hearing , the CCIT of RFAC may allow personal hearing through video conference after considering the facts and circumstances of the case as below:

  - The Assessee has submitted written submission in response to the DAO/Revised DAO/ Final DAO
  - The Video Conference will ordinarily be of 30 minutes duration. It may be extended on the request of the Assessee or authorized representative.
  - The Assessee may furnish documents/ evidence, to substantiate points raised in the Video Conference during the session or within a reasonable time allowed by the AU, after considering the facts and circumstances of the case.

# Personal hearing through VC

- If the VC date and time given by the NFAC is not suitable for any reason, a request of “Seek VC adjournment” will have to be submitted before the expiry of VC date and time. Once expired, no request for adjournment can be submitted.
- Kindly keep identification document, softcopy of all the documents on which reliance is to be made handy during the VC.
- If VC couldn't be conducted due to any technical issue/other issue, NFAC will cancel the existing scheduled VC and share new date and time and VC link and password (2 hours before the scheduled time of VC on the registered mobile number) for joining the meeting along with email and SMS communication.
- Only assessee can join VC. If any authorized representative has been appointed through the e-filing account for such proceeding, then both assessee and authorized representative can join.
- In practical experience, assessees were not able to upload the submissions/ presentations online during VC for reference, however, when specific submissions filed earlier were referred to, the tax officers were able to access the same
- Screenshots of the procedure for VC – Refer **Annexure 2**

# Standard Operating Procedures (SOP)

The PCCIT, NeAC (New Delhi) has issued SOPs for various units of the ReAC vide *F. No.: PR. CCIT/NeAC/SOP/2020-21 dated 19/11/2020* to provide guidance and process for facilitating assessments in faceless environment. Key points of the SOPs are discussed below:

#### SOP for AU

- Provides procedures for issue of notice and initial/additional questionnaire u/s 142(1) – All internal data bases of department in (360 degree in ITBA), Insight, E-filing AO Portal available to the AU shall be examined by the AU, before issuing the initial questionnaire.
- Provides for time to be provided for response to notices, adjournments, conversion of limited scrutiny to full scrutiny cases
- Provides for procedure to be followed in non- compliance and best judgment assessment
- Provides for circumstances in case of physical verification through VU
- Provides for non compliance cases and penalty under section 272A

#### SOP for VU

- Procedures for handling cases having digital footprint (PAN is registered on e-filing portal) and not having digital footprint (PAN is not registered on e-filing portal) received for verification or enquiry have been prescribed
- Carry out physical verification as requested from AU

#### SOP for TU

- Procedures for handling of case received for Technical Assistance on legal matters, Audit u/s 142(2A), Valuation of asset, property or investment, translation of documents, etc. information to be called from Foreign Jurisdictions
- Procedures for handling of references received for assistance in TP Matters

#### SOP for RU

- Provides procedures for handling of case received for review and the information it needs to examine



# Other important points

- Mechanism for grievance resolution - [feedback.notice.neac@incometax.gov.in](mailto:feedback.notice.neac@incometax.gov.in)
- Basis discussions over webinar on faceless assessments – any queries around procedure, assessment, whether a particular proceeding will be carried faceless or offline could be written to: [mumbai.dcit.hq.coord@incometaxgov.in](mailto:mumbai.dcit.hq.coord@incometaxgov.in)
- Under section 144B (applicable from 01.04.2021) – CBDT has power to specify the territorial area, persons or class of persons, income or class of incomes, class or classes of cases which shall be made under faceless manner
- Under section 144B(8) – the PCCIT or PDGIT have powers to transfer any assessment to the jurisdictional AO at any stage during the course of assessment proceedings with the prior approval of CBDT
- Authorized Representative (AR):
  - 1.Login to e-filing portal -> e-proceedings tab
  - 2.A new page will appear showing the details of the notices (if available) such as PAN, Assessment year, proceeding Name, Proceeding Status, Proceeding Limitation Date, Proceeding Closure Date and Action
  - 3.Click on 'Add/View Authorized Representative [AR]' hyperlink available under the Action column.
  - 4.Select 'Authorized Representative type' from the drop down, if Chartered Accountant is selected, then add membership number, and in other cases add PAN.
  - 5.OTP is sent to registered mobile number and e-mail address -> Enter OTP -> Validate -> Success message is displayed.
  - 6.After submitting, an alert message will be sent to the Authorized Representative's e-mail ID and mobile number intimating that a request has been raised.
  - 7.Acceptance of AR:
    - Login to e-filing portal -> Worklist Tab -> For your Action -> on e-proceedings worklist
    - Click on accept and attach POA as attachment -> e-verify through DSC or EVC
    - If reject is selected, mention remark.
    - Acceptance or rejection to be done within 7 days.
  8. Video conferencing can be attended by a CA only if his name appears as AR in assessee's login.

# Other important points

Basis responses provided by income tax officials on webinars, the following developments have taken place/ likely to take place in near future:

- Size limit for submissions on new portal to be increased to 500MB
- The AUs have been instructed to grant sufficient time to the assessee for submissions
- The AUs have been instructed to issue show cause before finalizing assessment in case assessment is prejudicial to the interest of the assessee – the system is configured to pop up requirement of such show cause
- The AUs have been instructed to grant VC if asked for by the assessee by clicking on Seek VC tab

# Practical issues

Issue 1: Timely responses to notices/ assessment orders? Notices for due dates are missed leading to penal consequences, best judgment assessments and lapse of time limit for filing appeal with the CIT(A)

Suggested approach: The taxpayers should:

- 1) Ensure that their registered email IDs/ mobile numbers are updated on income- tax e-filing portal
- 2) Secondary contact details are updated
- 3) Check portal at regular intervals (particularly for corporates with multiple group entities). If no new notices, etc. are shown, advisable to obtain screenshots of the proceeding sheet
- 4) Add/ update Authorised Representative so that he can response to the notices
- 5) Ensure that response is filed well before time indicated in the notice

Issue 2: Preparedness for recurring issues and crucial transactions for the year. Generally time granted for responding to the notice is 15 days or even shorted and 2-3 days close to time barring.

Suggested approach:

- 1) Identification of recurring issues and key transactions during the year which may be considered during the assessment proceedings
- 2) Keep copies of necessary ledgers, agreements, sample copies of invoices and other supporting in respect of certain heads of expenses (which are regularly examined during the course of assessments), necessary calculations, maps, diagrams, charts, reports, certificates, etc. scanned and ready for submission

**Issue 3: Manner of submissions to make them more impactful and to avoid multiple communication/ misunderstanding. Questions raised during assessment are generic as well as specific/ point blank questions on specific issues**

Suggested approach: The taxpayers should:

- 1) The faceless scheme has led to a shift of focus from a combination of oral and written skills, to a written skill centric scenario. The submissions made and filed by us are in most cases the only way to communicate our representation to the officer. Therefore it becomes imperative for us to keep improving and polishing our written skills and communicate the information sought very clearly
- 2) **Use of charts, diagrams, pictures to better depict and support written submissions**
- 3) Use of excel sheets appropriately to provide large data
- 4) Providing necessary index for large data such as ledgers, break- ups, etc. and executive summary for large submissions involving factual and legal submissions running into 50+ pages on crucial issues
- 5) **Breaking up agreements, invoices and supporting documents into appropriate sizes (permissible file size is 10MB \* 10 files) (likely to be increased)**
- 6) Numbering and cross referencing submissions, ledgers/ break-ups and the supporting documents in the absence of any opportunity to take tax officers through the supporting documents
- 7) Conceptualizing the submissions and flow and breaking the submissions into smaller parts if necessary
- 8) The submissions must be specific and related to the point raised in the questionnaire and must provide all reasonable details, facts, supporting documents that may be required
- 9) Key issues that may be raised during the course of assessment proceedings: (i) Significant additions to fixed assets (particularly self- constructed fixed assets including allocation of expenses to such assets); (ii) Major expenses with supporting documents (legal and professional fees, repairs and maintenance expenses, sales and promotion expenses, significant purchases) (iii) Disallowances as per earlier years (iv) Related Party transactions (v) Interest payments (vi) share valuations etc
- 10) **The taxpayers may consider collating and compiling necessary details at the time of finalization of Tax Audit Report/ Tax Return itself and building up a tax defense file/ tax dossier**

## Issue 4: What are focus items in faceless assessment proceedings? (contd...)

Suggested approach: Basis our experience and approach of tax authorities during the course of assessment proceedings in faceless manner, the taxpayers may expect following issues to be raised during faceless assessment proceedings. The approach of the tax authorities is to gather data/ information from various sources such as:

- Form 26AS
- Annual Information Report/ Statement
- INSIGHT portal
- MCA website
- Data from investigation wing
- Details gathered from reporting portal through various sources (registrar/ stamp duty offices for transaction in immovable properties, banks, mutual funds, companies issuing shares and bonds/ debentures, companies undertaking buy- back of shares, other taxpayers reporting cash deposits, etc.)
- GST returns
- TCS statements

## Issue 4: What are focus items in faceless assessment proceedings? (contd...)

Suggested approach: Basis assessments concluded, the tax authorities, the tax authorities have called for following details/ information/ reconciliations with information available with tax department through various sources:

- Custom duty payment and imports as per ICEGATE website. Points of reconciliation could be as under:
  - Difference in exchange rate adopted as per custom regulations and exchange rate adopted for the purpose of recording imports in books of accounts
  - Custom duty creditable as input credit recorded separately as receivable
  - Custom duty not creditable recorded as part of purchases and forming part of COGS
- Turnover as per GST return with books of accounts. Points of reconciliation could be as under:
  - Inter branch transfers
  - Exempted sales
  - Sale of goods reduced from certain items of expenses (in the nature of recoveries)
- Value of property as uploaded by the registrar/ stamp duty authorities with sale consideration considered for capital gains. Points of reconciliation could be as under:
  - Stamp duty valuation under section 50C
  - Joint holders of property – proportionate consideration offered to tax
- Remittances as per Form 15CA with entries in books of accounts. Points of reconciliation could be as under:
  - Remittance as per Form 15CA may be reconciled to specific entry in books of accounts by providing ledger account/ relevant extract for specific expenditure
  - Difference in recorded amount on account of exchange rate



# Practical issues – Preparedness (5 of 5)

## Issue 4: What are focus items in faceless assessment proceedings? (contd...)

Suggested approach: Following details are available with tax authorities from reporting portal and may be reflected in Form 26AS/ Annual Information Statement (as per section 285BB read with rule 114-I – refer table below). The tax authorities will also upload information received from any other source and details received under Article on Exchange of Information under tax treaties. As a matter of readiness, the taxpayers may have these items reconciled

<i>Sl. No.</i>	<i>Nature of information</i>
<b>(1)</b>	<b>(2)</b>
(i)	<i>Information relating to tax deducted or collected at source</i>
(ii)	<i>Information relating to specified financial transaction - (uploaded under section 285BA and rule 114E – refer <b>Annexure 2</b> for details)</i>
(iii)	<i>Information relating to payment of taxes</i>
(iv)	<i>Information relating to demand and refund</i>
(v)	<i>Information relating to pending proceedings</i>
(vi)	<i>Information relating to completed proceedings</i>

The taxpayers may consider going through Form 26AS/ Annual Information Statement in advance and have it reconciled to their books of accounts with supporting evidence well in advance including building up reconciliations, where required

## Issue 1: Non- receipt of show cause notice alongwith draft assessment order in case of assessment prejudicial to the interest of the assessee

### Suggested approach:

The taxpayers, while making any submissions, may consider making a reference to provisions of Faceless Assessment Scheme regarding show cause notice cum draft assessment order and may indicate to tax officers that in case they wish to proceed and propose any adjustment prejudicial to the interest of the assessee, a show cause notice cum draft assessment order is needed to be served.

On receipt of assessment order/ draft assessment order, the tax payer could file appeal/ objections with appropriate forum.

Appropriate ground may be raised to the effect that the assessment order has been passed without following the due procedure as per Faceless Assessment Scheme. The taxpayers could consider filing writ petition in deserving cases. In following decisions, the writ petitions have been filed and listed for hearing in cases where the assessment order was passed without issue of show cause draft assessment order, even when there was variation to the income, prejudicial to the interest of the assessee:

- K. L. Trading Corporation v NeAC (W.P.(C) 4774/2021 & CM APPL. NO.14723/2021)(Delhi HC)
- SAS Fininvest LLP v NeAC (W.P. (C) 5087/2021)(Delhi HC)
- CHS Gaseous Fuel Applications Pvt. Ltd. v NeAC (W.P.(C) 5272/2021)(Delhi HC)

# Practical issues – legal and procedural (2 of 7)

Issue 2: (i) Non consideration of submission against show cause notice. (ii) Passing final assessment order without providing sufficient opportunity to respond to show cause notice and (iii) Non grant of opportunity for personal hearing by way of VC

Name of assessee	Name of Court	Particulars	Decision
<b>Renew Power Private Limited v NeAC (W.P. (C) 5235/2021)</b>	Delhi HC	Assessment order passed even before the time limit for reply to the show cause notice cum draft assessment order was over. The assessee could not upload the response online.	Writ petition admitted and assessment order and notice of demand issued under section 156 stayed.
<b>Ekambaram Sukumaran v NeAC</b> W.P. No.10433 of 2021 & WMP Nos.11029 & 11032 of 2021	Madras HC	Assessee was asked to file reply to notice dated 19.3.2021 on or before end of day on 23.3.2021 by 23.59 hours. Assessee contended that he filed reply before the deadline. NFAC passed the assessment order on 23.3.2021 (assuming during working hours as stated in the order )	Order set aside. Violation of Principle of natural Justice. Assessee to file reply within 2 weeks and assessment to be completed in six week.
<b>Antony Alphonse Kevin Alphonse v NeAC</b>	Madras HC	Assessee was asked to file reply to notice dated 4.3.2021 on or before end of day on 15.3.2021 by 23.59 hours. Assessee contended that he filed reply before the deadline. NFAC passed the assessment order on 15.3.2021 which is digitally signed at 16.22 hours	Order quashed. Violation of Principle of natural Justice. Case remitted back to pass a speaking order on merits after considering reply filed by assessee on 15.3.2021

# Practical issues – legal and procedural (3 of 7)

Issue 2: (i) Non consideration of submission against show cause notice. (ii) Passing final assessment order without providing sufficient opportunity to respond to show cause notice and (iii) Non grant of opportunity for personal hearing by way of VC

Name of assessee	Name of Court	Particulars	Decision
<b>Smt. Kanagavalli v NeAC (Writ Petition No.728 of 2020 And WMP. Nos.3354 &amp; 881 of 2020</b>	Madras HC	Show cause notice has been issued on 11.12.2019 listing the matter for personal hearing on 16.12.2019. However, the same has been served only subsequent to the time of personal hearing and there has been no opportunity of hearing extended to the petitioner	The impugned order is set aside and fresh assessment order to be passed after hearing the taxpayer.
<b>KBB Nuts (P.) Ltd. v NeAC (127 taxmann.com 194)</b>	Delhi HC	Show-cause notice, along with draft assessment order was served on petitioner by National Faceless Assessment Centre, whereby, petitioner was called upon to file its response by 23:59 hours on 21-4-2021. However, show cause notice was received by petitioner via e-mail on 20-4-2021 at 03:06 hours and since time for compliance was short, petitioner filed an application via e-portal, seeking a day's adjournment, i.e., till 22-4-2021. The petitioner also filed response on 22-4-2021. However, the final assessment order was passed without considering the response	Impugned assessment order was to be set aside and National Faceless Assessment Centre was to pass a fresh assessment order after taking into account objections filed qua show cause notice on behalf of petitioner

# Practical issues – legal and procedural (4 of 7)

Issue 2: (i) Non consideration of submission against show cause notice. (ii) Passing final assessment order without providing sufficient opportunity to respond to show cause notice and (iii) Non grant of opportunity for personal hearing by way of VC

Name of assessee	Name of Court	Particulars	Decision
<b>Praful M Shah v NeAC (WP (L) No. 11143 of 2021)</b>	Bombay HC	Final assessment order passed without considering the response to show cause	Order kept in abeyance till disposal of the writ petition.
<b>DJ Surfantants v NeAC (WP (C) 4814/2021)</b>	Delhi HC	Final assessment order passed without considering the response to show cause	A breach of the principles of natural justice, and therefore, the impugned assessment order deserves to be quashed. The AO has not taken into account the explanation and the material placed before him by the petitioner, along with its reply dated 12.03.2021. There shall be a stay on the operation of the impugned assessment order till further orders of the Court.

# Practical issues – legal and procedural (5 of 7)

Issue 2: (i) Non consideration of submission against show cause notice. (ii) Passing final assessment order without providing sufficient opportunity to respond to show cause notice and (iii) Non grant of opportunity for personal hearing by way of VC

Name of assessee	Name of Court	Particulars	Decision
<b>Piramal Enterprises Ltd. v NeAC (WP (L) No. 11040 of 2021)</b>	Bombay HC	Heavy adjustments made in the draft assessment order without granting an opportunity of personal hearing requested by the assessee. Show-cause notice issued to the petitioner on 25/03/2021 to which the petitioner has responded to from time to time vide letters dated 26th March, 2021, 28th March, 2021 requesting for personal hearing and by sending responses dated 7th and 8th April, 2021. No such hearing was granted.	Order quashed. The department is to pass fresh order after providing the assessee an opportunity of hearing

# Practical issues – legal and procedural (6 of 7)

Issue 3: Draft assessment order was passed without providing sufficient opportunity in case of an eligible assessee. The assessee filed its objections before DRP and also filed additional evidence. The remand report was called from the AO. The jurisdictional AO did not respond to the remand report called for by the DRP. The DRP passed order directing the AO to consider the additional evidence and pass final assessment order accordingly. We approached the jurisdictional AO with a request to look into the matter. However, it was mentioned that there is lack of clarity as to who will entertain the additional evidence (i.e. whether the jurisdictional AO or NeAC/ AU. There was no provision to approach NeAC/ AU and to provide them with copies of additional evidence.

Suggested approach: We approached DCIT (HQ) – Coordination with a request to look into the matter as per suggestions of the income- tax officers in webinars on faceless assessments. In the absence of specific provision/ SOP on the issue, a query was raised to CBDT and response obtained. The additional evidence was to be looked into by the NeAC/ AU. However, there was no option to upload/ email the additional evidence to NeAC/ AU. We provided scanned copies of additional evidence to the jurisdictional AO suitably broken into files of 10MB each. The jurisdictional AO uploaded the additional evidence with the NeAC/ AU, which was considered. The NeAC/ AU looked into the additional evidence and issued a show cause before filing the final assessment order. A detailed response was uploaded on the portal as to why the adjustment was liable to be deleted. The final assessment order was passed and the adjustment was deleted.

# Practical issues – legal and procedural (7 of 7)

Issue 3: Draft assessment order was passed in case of an 'eligible assessee' and the assessee opted to file objections before DRP. However, in the meanwhile there were certain issues with the portal on account of introduction of new portal and a copy could not be served on NeAC/ AU. In fact, there appeared to be no tab for submission of objections to DRP against the draft order even otherwise. A copy of the objections was served on the jurisdictional AO. The assessee even received a notice from NeAC to provide copies of acknowledgement of objections filed with DRP.

**Suggested approach:** We approached jurisdictional AO with the scanned copies of objection and requested the same to be uploaded at backend. The same was uploaded online by the jurisdictional AO at backend.

Issue 4: The AU called for details of commission payments. The AU in turn issued notices under section 133(6) to the parties to whom the commission was paid. 2 parties did not respond. The AU issued a show cause cum draft assessment order proposing to disallow commission to the parties who did not disallow the commission paid to parties who did not respond to notice under section 133(6).

**Suggested approach:** The assessee approached the parties who had not responded to notices under section 133(6) and requested to file response on an urgent basis and also provide a copy of the response to the assessee, which was uploaded along with response to show cause notice. To the extent response to the notice was received, the addition was not made.



- Adjustments made under section 143(1)(a) and remaining to be rectified are often incorporated into the computation in the assessment order although there is no separate addition made/ proposed – advisable to have adjustments/ errors in intimation under section 143(1)(a) rectified in a timely manner through CPC/ jurisdictional AO
- In case VC is opted for and granted – the issues could be explained to the AU and we have experienced that the additions which are proposed based on some misunderstanding/ unclear facts/ bulky data, etc. are deleted
- Time provided in show cause notices and notice under section 142(1) is very short – need to keep in mind all points of preparedness mentioned earlier
- Individuals can keep ready bank statements and their summaries for submissions, investment proofs, proofs of donations, agreements for purchase/ sale of properties, lease deeds, wills, trust deeds, etc.

Key takeaways/ way forward

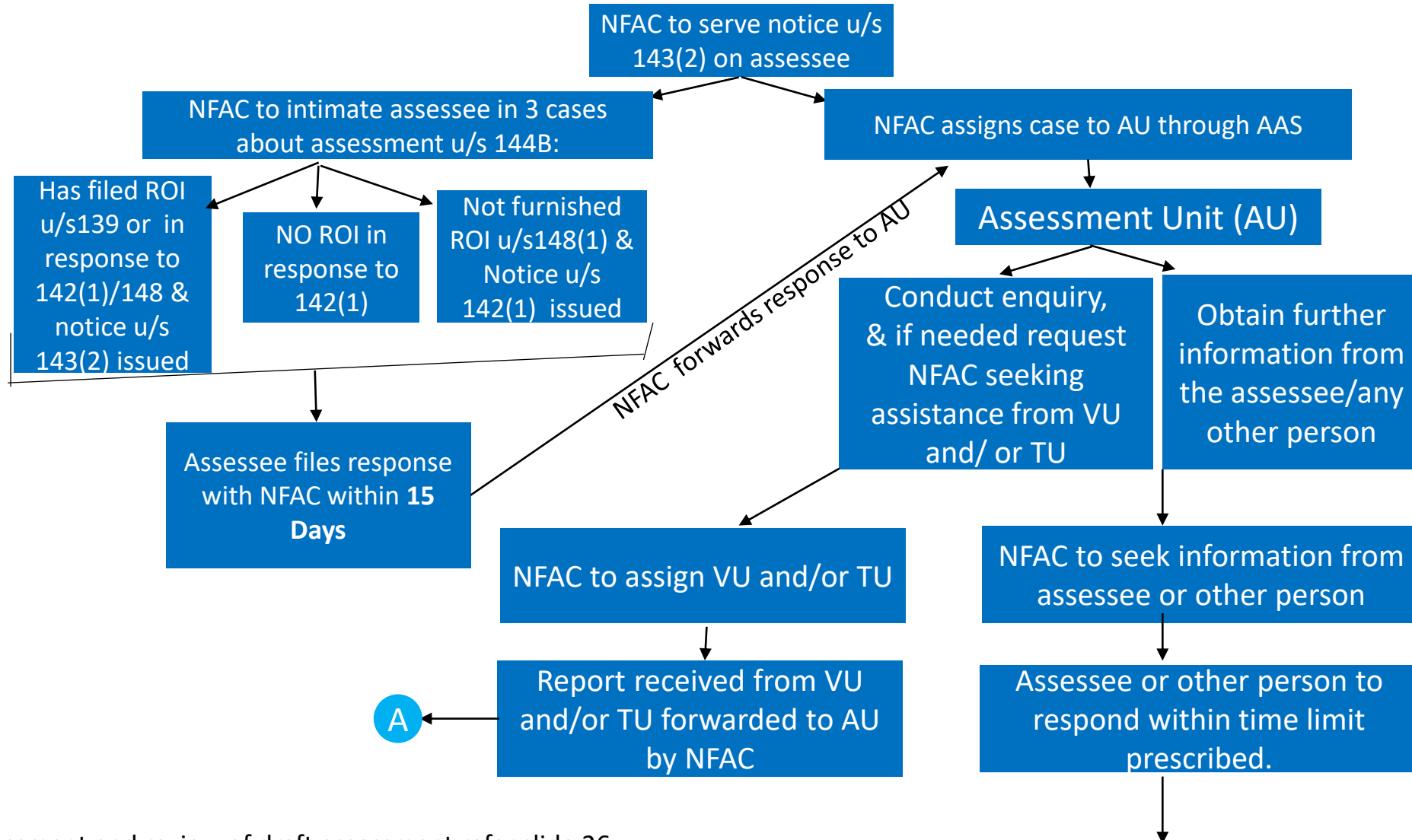
# Key takeaways/ way forward

- 1) Ensure that their registered email IDs/ mobile numbers are updated on income- tax e-filing portal and secondary contact details updated
- 2) Check portal at regular intervals
- 3) Add/ update Authorised Representative so that they can respond to the notices
- 4) Be precise in the response. Crucial to visualize the assessing officer reading the response and draft accordingly – Leave nothing to oral explanation
- 5) Provide necessary supporting documents, agreements, invoices, etc. and cross refer with the submissions/ ledgers. The submissions should be self- explanatory. Please put page numbering and refer the supporting documents in case large in number than putting annexures
- 6) Keep your 26AS/ Annual Information Statement reconciled with your business records
- 7) Digitisation of crucial documents, deeds, etc.
- 8) Approach jurisdictional AO for any issues/ queries around jurisdiction or in case not being able to upload. Provide feedback/ grievances on the emails provided
- 9) Seek adjournments/ VC through specific tabs provided and not through letters

# Annexures

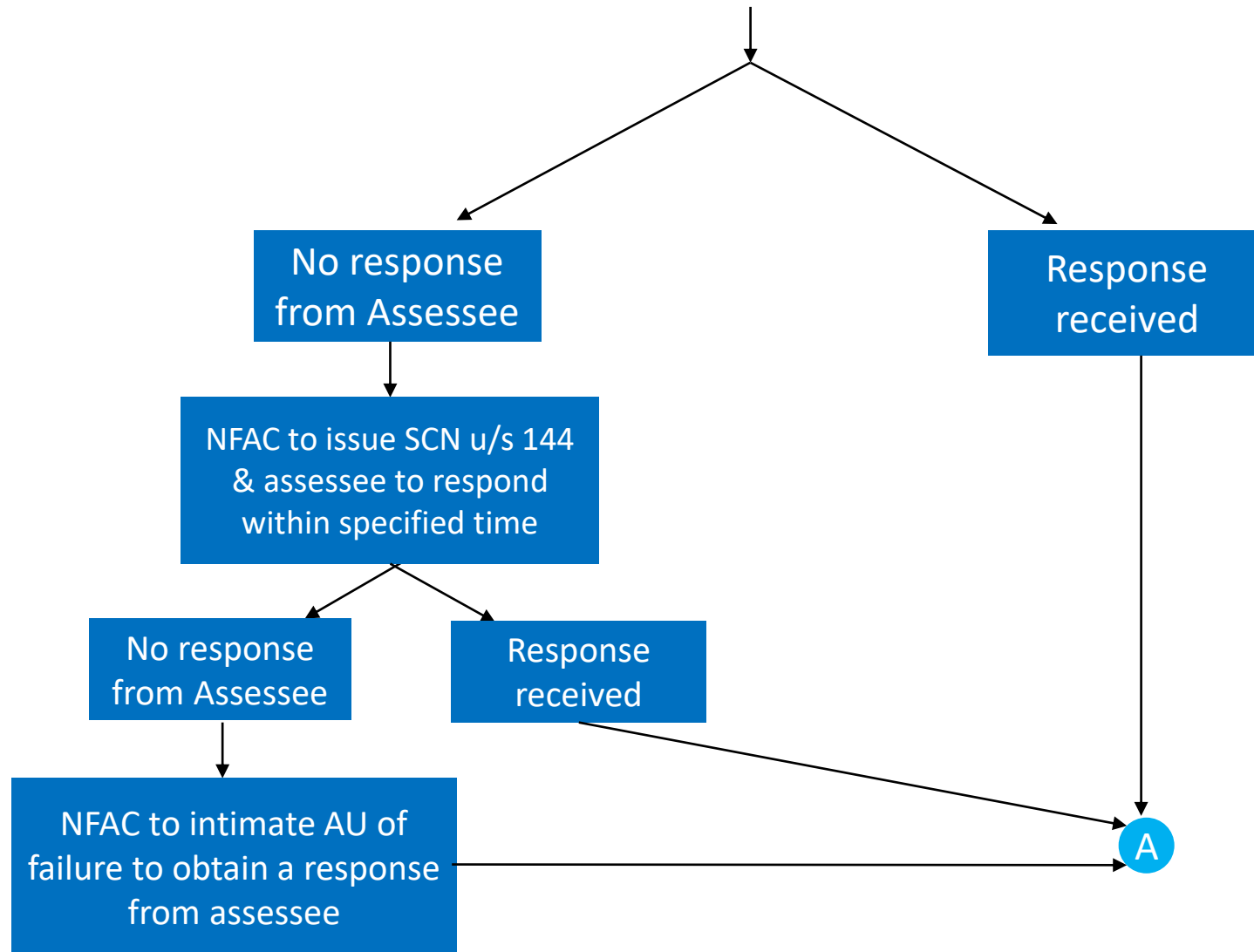
# Annexure 1 - Procedure under faceless assessment (1 of 5)

## Issue of notice under section 143(2) and enquiry



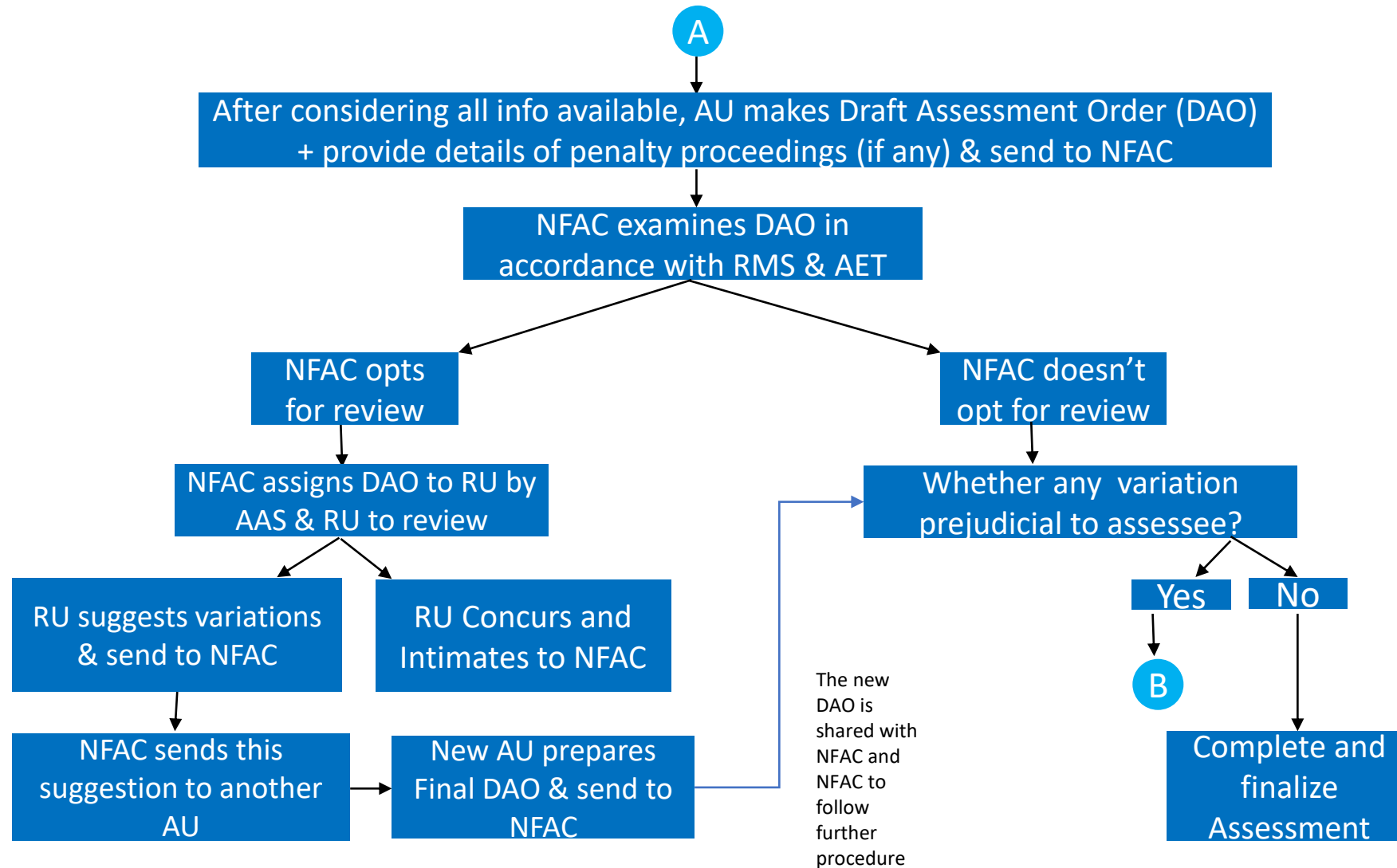
# Annexure 1 - Procedure under faceless assessment (2 of 5)

## Enquiry and best judgment assessment



# Annexure 1 - Procedure under faceless assessment (3 of 5)

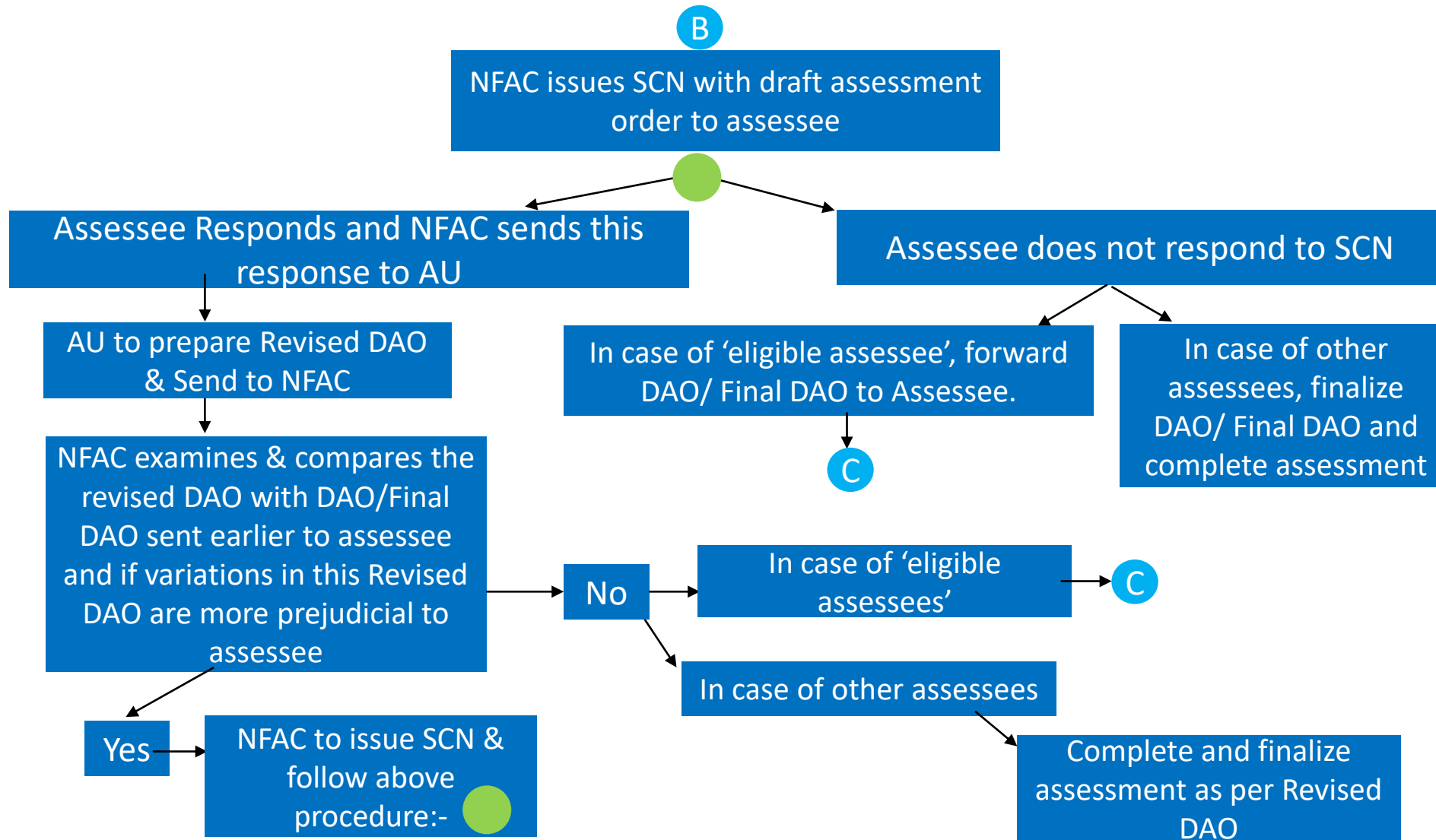
## Draft assessment and review of draft assessment



**B** For orders which are prejudicial to the assessee – refer slide 27 for procedure to be followed

# Annexure 1 - Procedure under faceless assessment (4 of 5)

## Procedure in respect of orders prejudicial to the interest of the assessee

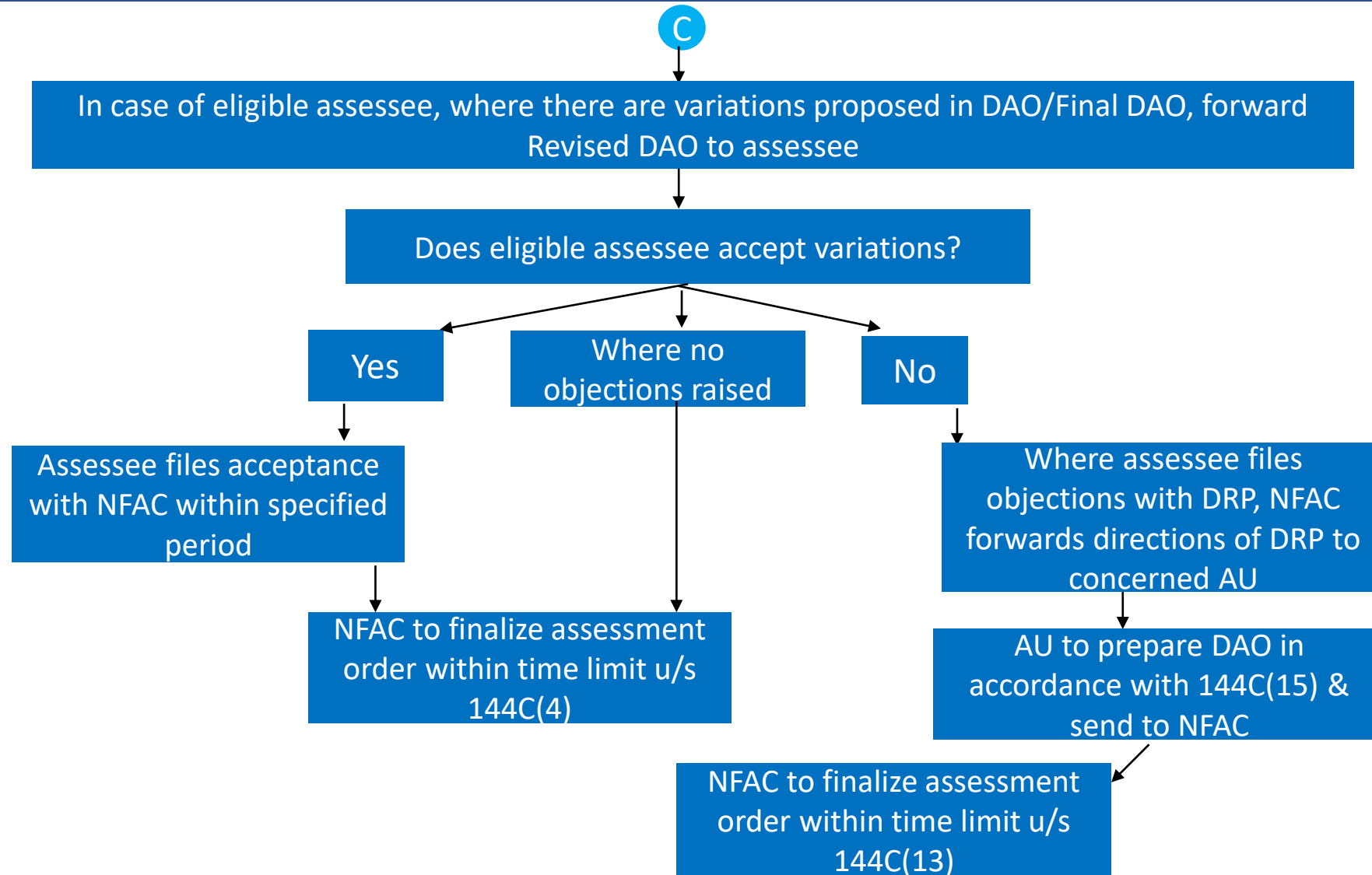


**C** For procedure on receipt of draft assessment order in case of an eligible assessee – refer slide 28. Eligible assessee means a resident assessee in whose case transfer pricing adjustment has been proposed or a non- resident assessee.



# Annexure 1 - Procedure under faceless assessment (5 of 5)

## Procedure on receipt of draft assessment order by eligible assessee



After completion of assessment – all electronic records to be transferred to the AO having jurisdiction over the assessee

# Annexure 2 – Screenshots of VC proceedings

## e-Proceedings

PAN - AADPD0124F

Assessment Year - 2018-19

Financial Year - 2017-18

Proceeding Name - Assessment Proceeding u/s 143(3)

Notice/Communication reference ID	Notice u/s	Description	Issued On	Document ID	Served On	Response Due date	Response	Response viewed by AO on	Seek/View Adjournment	Video Conferencing
100000031931333	143(2)	[ITBA]Notice under section 143(2) of the Income Tax Act, 1961	27/09/2019	ITBA/AST/S/143(2)/2019-20/1018384981(1)	-	15/10/2019	Submit -	-	Seek	-

100000405748298	143(3)	[ITBA]Show Cause Notice for Proceedings u/s 143(3)of Income Tax Act 1961.	18/04/2021	ITBA/AST/F/143(3)(SCN)/2021-22/1032496090(1)	-	22/04/2021	Submit View	-	View	VC
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Back

# Annexure 2 – Screenshots of VC proceedings

e-Proceedings

PAN - AHTPM3178P

Assessment Year - 2018-19

Financial Year - 2017-18

Proceeding Name - Assessment Proceeding u/s 143(3)

Notice/Communication reference ID	Notice u/s	Description	Issued On	Document ID	Served On	Response Due date	Response	Response viewed by AO on	Seek/View Adjournment	Video Conferencing
10000000056087	143(3)	[TBA]Show Cause Notice for Proceedings u/s 143(3)of Income Tax Act 1961.	24/12/2020	ITBA/AST/F/143(3) (SCN)/2020-21/1000450972(1)	-	02/02/2021	Submit	-	Seek	VC

e-Proceedings VC

PAN/TAN details	ABEPL3008L
Notice Section	143(3)
Description	[TBA]Show Cause Notice for Proceedings u/s 143(3)of Income Tax Act 1961
Notice Issue date	12/01/2021
Response due date	26/01/2021

[Back](#) [Seek VC](#)

# Annexure 2 – Screenshots of VC proceedings

e-Proceedings Seek VC

Reason for Video Conferencing \*

Reason in detail\*

Attach scanned documents in PDF format (Max size 5MB)

Select

- Select
- Material submitted not considered in the draft order
- Matter requires explanation due to complexity of facts
- Inability to explain properly in writing
- Oral evidence
- Others

Choose File No file chosen

Submit Back

e-Proceedings VC

PAN/TAN details	AAWPK7887P
Notice Section	143(3)
Description	[ITBA]Show Cause Notice for Proceedings u/s 143(3)of Income Tax Act 1961.
Notice Issue date	18/01/2021
Response due date	20/02/2021

Date	Reason for seeking VC/adjournment	VC date & Time	Status	ITD Response date	VC link details	ITD Remarks
17/02/2021	Material submitted not considered in the draft order		Open			

Back

# Annexure 2 – Screenshots of VC proceedings

e-Proceedings VC

PAN/TAN details	AAIPC2422L					
Notice Section	143(3)					
Description	[TBA]Show Cause Notice for Proceedings u/s 143(3)of Income Tax Act 1961.					
Notice issue date	16/02/2021					
Response due date	03/03/2021 <a href="#">Seek VC Adjournment</a>					
Date	Reason for seeking VC/adjournment	VC date & Time	Status	ITD Response date	VC link details	ITD Remarks
17/02/2021	<a href="#">Material submitted not considered in the draft order.</a>	17-02-2021 04:30 PM	<b>Approved</b>	17/02/2021	<a href="#">VC Link</a>	<a href="#">VC Schedule Notice</a>
<a href="#">Back</a>						

PAN/TAN details	AIIPS3732P					
Notice Section	143(3)					
Description	[TBA]Show Cause Notice for Proceedings u/s 143(3)of Income Tax Act 1961.					
Notice issue date	15/01/2021					
Response due date	01/02/2021 -					
Date	Reason for seeking VC/adjournment	VC date & Time	Status	ITD Response date	VC link details	ITD Remarks
15/01/2021	<a href="#">Oral evidence</a>		<b>Rejected</b>	15/01/2021		<a href="#">Rejection Letter</a>
<a href="#">Back</a>						

# Annexure 2 – Screenshots of VC proceedings

e-Proceedings VC

PAN/TAN details	ABEPL3008L					
Notice Section	143(3)					
Description	[ITBA]Show Cause Notice for Proceedings u/s 143(3)of Income Tax Act 1961.					
Notice Issue date	12/01/2021					
Response due date	28/01/2021 <a href="#">Seek VC Adjournment</a>					
VC Request Date	Reason for seeking VC/adjournment	VC date & Time	Status/Action	Response date	VC link details	ITD Remarks
13/01/2021	<i>Inability to explain property in writing</i>	18-01-2021 11:46 AM	Approved	13/01/2021	<a href="#">VC link</a>	<a href="#">VC Schedule Notice</a>

[Back](#)

# Annexure 2 – Screenshots of VC proceedings

e-Proceedings VC

<b>Reason for Video Conferencing date adjournment *</b>	Select ▼
<b>Others, please specify in detail*</b>	Select VC facility not available Medical grounds Pre-occupied with other unavoidable activity Others
<b>Reason in detail*</b>	
<b>Attach scanned documents in PDF format (Max size 5MB)</b>	Choose File No file chosen
<input type="button" value="Submit"/> <input type="button" value="Back"/>	

# Annexure 2 – Screenshots of VC proceedings

e-Proceedings VC

PAN/TAN details	ACiPP0383P					
Notice Section	143(3)					
Description	[ITBA]Show Cause Notice for Proceedings u/s 143(3)of Income Tax Act 1961.					
Notice Issue date	20/01/2021					
Response due date	25/01/2021 <a href="#">Seek VC Adjournment</a>					
VC Request Date	Reason for seeking VC/adjournment	VC date & Time	Status/Action	Response date	VC link details	ITD Remarks
20/01/2021	Matter requires explanation due to complexity of facts	21-01-2021 03:00 PM	Approved	20/01/2021	<a href="#">VC link</a>	VC Schedule Notice

[Back](#)

e-Proceedings VC

PAN/TAN details	AAECC71930					
Notice Section	131					
Description	[ITBA]Summan under section 131 of the Income Tax Act, 1961					
Notice Issue date	29/01/2021					
Response due date	29/01/2021 -					
Date	Reason for seeking VC/adjournment	VC date & Time	Status	ITD Response date	VC link details	ITD Remarks
29/01/2021	Suo-moto	29-01-2021 01:30 PM	<a href="#">Completed</a>		<a href="#">VC recording</a>	VC Schedule Notice Status and Link of VC recording



# Annexure 3 – Details of specified financial transactions uploaded under rule 114E

Sl. No.	Nature and value of transaction	Class of person (reporting person)
(1)	(2)	(3)
1.	<p>(a) Payment made in cash for purchase of bank drafts or pay orders or banker's cheque of an amount aggregating to ten lakh rupees or more in a financial year.</p> <p>(b) Payments made in cash aggregating to ten lakh rupees or more during the financial year for purchase of pre-paid instruments issued by Reserve Bank of India under section 18 of the Payment and Settlement Systems Act, 2007 (51 of 2007).</p> <p>(c) Cash deposits or cash withdrawals (including through bearer's cheque) aggregating to fifty lakh rupees or more in a financial year, in or from one or more current account of a person.</p>	<p>A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act).</p>
2.	<p>Cash deposits aggregating to ten lakh rupees or more in a financial year, in one or more accounts (other than a current account and time deposit) of a person.</p>	<p>(i) A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act);</p> <p>(ii) Post Master General<sup>10</sup> as referred to in clause (j) of section 2 of the Indian Post Office Act, 1898 (6 of 1898).</p>

# Annexure 3 – Details of specified financial transactions uploaded under rule 114E

<p>3.</p>	<p><i>One or more time deposits (other than a time deposit made through renewal of another time deposit) of a person aggregating to ten lakh rupees or more in a financial year of a person.</i></p>	<p><i>(i) A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act);</i></p> <p><i>(ii) Post Master General as referred to in clause (j) of section 2 of the Indian Post Office Act, 1898 (6 of 1898);</i></p> <p><i>(iii) Nidhi referred to in section 406 of the Companies Act, 2013 (18 of 2013);</i></p> <p><i>(iv) Non-banking financial company which holds a certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934 <sup>1</sup>[(2 of 1934)], to hold or accept deposit from public.</i></p>
<p>4.</p>	<p><i>Payments made by any person of an amount aggregating to—</i></p> <p><i>(i) one lakh rupees or more in cash; or</i></p> <p><i>(ii) ten lakh rupees or more by any other mode, against bills raised in respect of one or more credit cards issued to that person, in a financial year.</i></p>	<p><i>A banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act) or any other company or institution issuing credit card.</i></p>
<p>5</p>	<p><i>Receipt from any person of an amount aggregating to ten lakh rupees or more in a financial year for acquiring bonds or debentures issued by the company or institution (other than the amount received on account of renewal of the bond or debenture issued by that company).</i></p>	<p><i>A company or institution issuing bonds or debentures.</i></p>

# Annexure 3 – Details of specified financial transactions uploaded under rule 114E

6.	<i>Receipt from any person of an amount aggregating to ten lakh rupees or more in a financial year for acquiring shares (including share application money) issued by the company.</i>	<i>A company issuing shares</i>
7.	<i>Buy back of shares from any person (other than the shares bought in the open market) for an amount or value aggregating to ten lakh rupees or more in a financial year.</i>	<i>A company listed on a recognised stock exchange purchasing its own securities under section 68 of the Companies Act, 2013 (18 of 2013).</i>
8.	<i>Receipt from any person of an amount aggregating to ten lakh rupees or more in a financial year for acquiring units of one or more schemes of a Mutual Fund (other than the amount received on account of transfer from one scheme to another scheme of that Mutual Fund).</i>	<i>A trustee of a Mutual Fund or such other person managing the affairs of the Mutual Fund as may be duly authorised by the trustee in this behalf.</i>
9.	<i>Receipt from any person for sale of foreign currency including any credit of such currency to foreign exchange card or expense in such currency through a debit or credit card or through issue of travellers cheque or draft or any other instrument of an amount aggregating to ten lakh rupees or more during a financial year.</i>	<i>Authorised person as referred to in clause (c) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999).</i>
10.	<i>Purchase or sale by any person of immovable property for an amount of thirty lakh rupees or more or valued by the stamp valuation authority referred to in section 50C of the Act at thirty lakh rupees or more.</i>	<i>Inspector-General appointed under section 3 of the Registration Act, 1908 or Registrar or Sub-Registrar appointed under section 6 of that Act.</i>
11.	<i>Receipt of cash payment exceeding two lakh rupees for sale, by any person, of goods or services of any nature (other than those specified at Sl. Nos. 1 to 10 of this rule, if any.)</i>	<i>Any person who is liable for audit under section 44AB of the Act.</i>

# Glossary

Abbreviation	Full Form	Abbreviation	Full Form
AAS	Automated Allocation System	GAAR	General Anti Avoidance Rules
Addl. CIT	Additional Commissioner of Income- tax	ITAT	Income- tax Appellate Tribunal
AET	Automated Examination Tool	ITBA	Income- tax Business Application
AO	Assessing Officer	NeAC/ NFAC	National e-Assessment Centre/ National Faceless Assessment Centre
AU	Assessment Unit	PCCIT	Principal Chief Commissioner of Income- tax
AR	Authorised Representative	PDGIT	Principal Director General of Income- tax
CBDT	Central Board of Direct Taxes	ReAC/ RFAC	Regional e-Assessment Centre/ Regional Faceless Assessment Centre
CCIT	Chief Commissioner of Income tax	RMS	Risk Management Strategy
CIT	Commissioner of Income- tax	RU	Review Unit
CIT(A)	Commissioner of Income- tax (Appeals)	SLP	Special Leave Petition
DAO	Draft Assessment Order	SOP	Standard Operating Procedure
DCIT	Deputy Commissioner of Income- tax	TPO	Transfer Pricing Officer
DGIT	Director General of Income- tax	TU	Technical Unit
DIN	Director Identification Number	VC	Video Conferencing
DRP	Dispute Resolution Panel	VU	Verification Unit
DVO	Department Valuation Officer		

