



E-ASSESSMENT

Under Income Tax Act, 1961



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Assessment:

1. Return of Income is filed by the taxpayer



2. ITD processes the Return of Income.



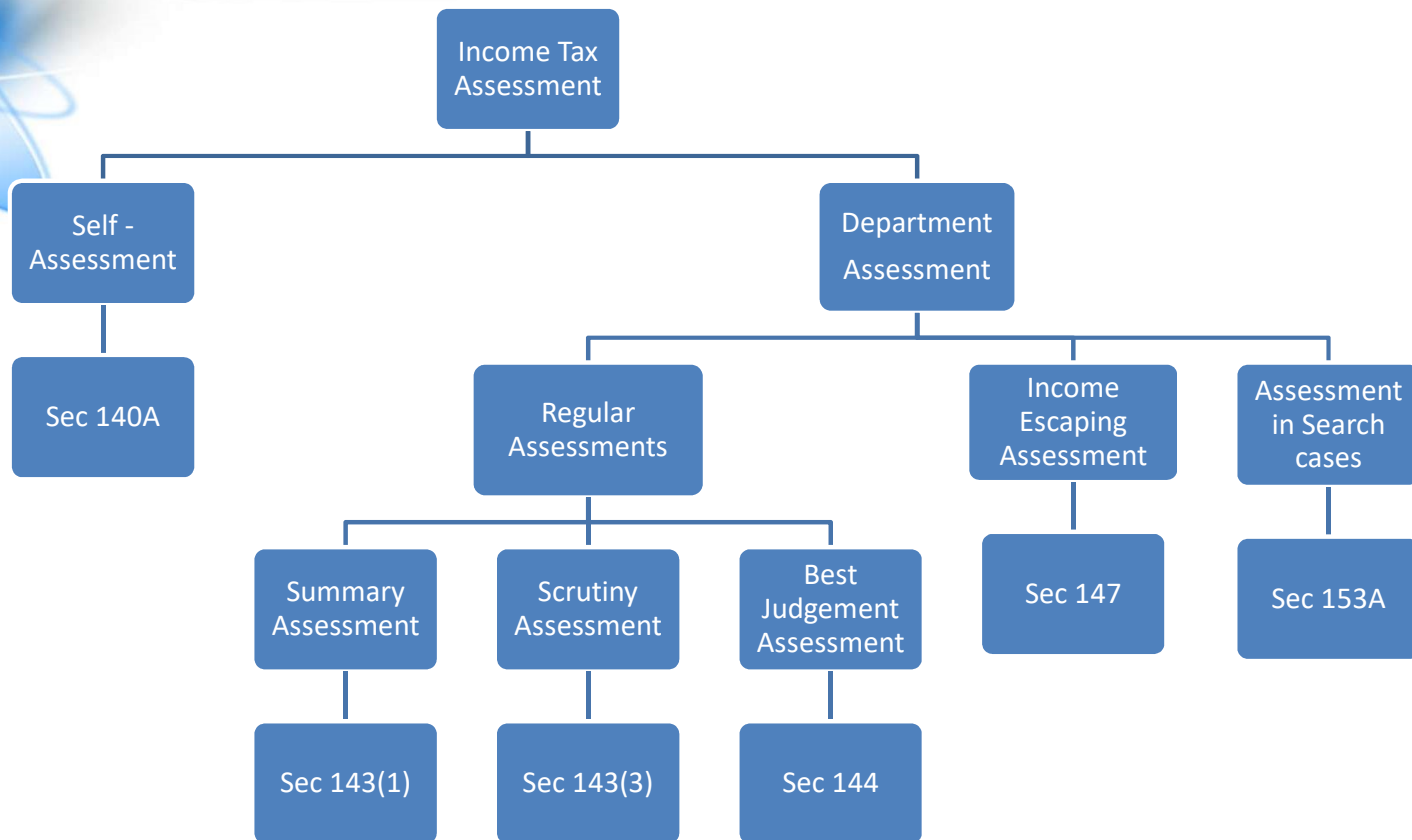
3. ITD examines the Return of Income for its correctness



4. This process is known as ***Assessment***.



Assessments at a glance:





Major assessments:

❑ Under the Income-tax Law, following are *major assessments*

- Scrutiny assessment u/s 143(3).
- Best judgment assessment u/s 144.
- Income escaping assessment u/s 147.
- Assessment in case of search u/s 153A.





Pre E-Assessment Era:

AO **serves** on the taxpayer a notice requiring him to **attend his office**



Taxpayer will **appear physically** before AO and will place his arguments, on various matters as required by AO



After hearing such evidence and such other evidence as the AO may require **further documents**



AO will determine the sum payable /refundable of any amount due to him on the basis of assessment.



AO shall, by an **order in writing**, make an assessment of the total income



E-Assessment Era- An Introduction:

- The Government is all set to roll out *faceless*, *nameless*, *paperless* and *jurisdictionless* assessments under the income tax law.
- The intention of the Government to bring about *transparency* and *accountability* in assessments under the income tax law.
- This communication of data and documents between the ITD and assessee through electronic mode is termed '*E-Proceeding*'.





E-Assessment- Phases:

It was extended to two more metros. While issuing notices in scrutiny cases u/s 143(2), an option for conduct of assessment proceedings through the 'e-mail based assessment' was given to assesseees

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2015

2016

2017

Now

CBDT on a voluntary basis, introduced a pilot project for the purpose of conducting assessment proceedings in **five metros** through the 'e-mail based assessment'.

ITD developed an Integrated platform i.e. **Income Tax Business Application (ITBA)** for electronic conduct of various functions/ proceedings including assessments.



E-Assessment- Phases:

- **Budget 2019:** The Hon'ble Finance Minister Nirmala Sitharaman, Minister of Finance, stated in her budget speech that-

*“The existing system of scrutiny assessments in the ITD involves a high level of **personal interaction** between the taxpayer and the Department, which leads to certain **undesirable practices** on the part of tax officials. To eliminate such instances, and to give shape to the vision of the Hon'ble Prime Minister, a scheme of **faceless assessment** in electronic mode involving **no human interface** is being launched this year in a phased manner.*

*Cases selected for scrutiny shall be allocated to assessment units in a **random manner** and notices shall be issued electronically by a Central Cell, without disclosing the name, designation or location of the AO. The Central Cell shall be the single point of contact between the taxpayer and the Department. This new scheme of assessment will represent a paradigm shift in the functioning of the ITD.”*



E-Assessment- Sec 143(3A):

- **The Finance Act, 2018** has inserted a new sub-section (3A) in Section 143 that the Central Govt. may make a scheme for the purpose of making assessment so as to impart greater **efficiency**, **transparency** and **accountability** by:
 - **Eliminating the interface** between the AO and the assessee in the course of proceeding to the extent technologically feasible;
 - Optimising **utilization of the resources** through economies of scale and functional specialization;
 - Introducing a team-based assessment with **dynamic jurisdiction**

CBDT has made it mandatory for the tax officers to take recourse of electronic communications for all **limited** and **complete** scrutiny

Assessments shall be conducted only through the 'E-Proceeding' functionality available at e-filing website of ITD.



E-Assessment- Procedure:

AO will send communications through the Assessment Module of ITBA and it is delivered to '**E-filing**' account of assessee.



Assessee need to submit response along with attachments by uploading the same in '**E-filing**' **account**.



AO views the response **electronically** in ITBA and passes the Assessment order.

This communication of data and documents between the Income-tax Department and assessee through electronic mode is termed as '**E-Proceeding**'.



E-Assessment- (Cases Not Mandatory):

– In following cases where assessment is required to be framed during the year 2018-19, 'E-Proceeding' shall **not** be mandatory (**As per CBDT Instruction No. 03 dated 20th August 2018**):

- Where assessment is to be framed under sections 144 , 147 ,153A and153C of the Act.
- In case of Set-aside assessments.
- Assessments being framed in non-PAN Cases.
- Cases where income-tax return was filed in paper mode and the concerned assessee does not yet have an E-filing' account.
- In cases where substantial hearing had already taken place in the conventional mode prior to issue of **instruction No. 1/2018 dated 12.02.2018**. AO may complete such cases manually.



E-Assessment- Is Personal hearing possible?

- where assessment proceedings being carried out through the 'E-Proceeding', personal hearing/attendance **may** take place in following situation(s):
 - Books of accounts have to be examined;
 - AO invokes provisions of section 131 of the Act;
 - Examination of witness is required to be made by the concerned assessee or the Department;
 - where show-cause notice contemplating any adverse view is issued by the AO and assessee requests through their 'E-filing account for personal hearing to explain the matter.

However, details have to be uploaded on ITBA subsequently.

Practical Exposure:



e-Filing *Anywhere Anytime*
Income Tax Department, Government of India

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e-Proceedings

e-Proceedings

PAN	Assessment Year	Proceeding Name	Opt for e-Proceeding	Proceeding Status	Proceeding Limitation Date	Proceeding Closure Date	Action
ABCDE1234A	2017-18	Assessment Proceeding u/s 143(3)	YES	Open	31/12/2019	-	-
ABCDE1234A	2015-16	Assessment Proceeding u/s 143(3)	YES	e-Submission closed by officer	31/12/2017	-	-



Note :

- Please note that even if you select No, all selected Notices and Letters will be available for viewing. However, option to submit response through e-Filing shall not be available.
- Please click on the **Proceeding Name** hyperlink to view the Proceeding Details
- In case of PAN users Assessment Year is taken into consideration. In case of TAN users Financial Year is taken into consideration.

Practical Exposure:



e-Filing *Anywhere Anytime*
Income Tax Department, Government of India

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e-Proceedings

PAN - **ABCDE1234A**

Assessment 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
100000003790735	143(2)	[ITBA]Notice under section 143(2) of the Income Tax Act, 1961	24/09/2018	ITBA/AST/S/143 (2)/2018-19/1012496304 (1)	-	01/10/2018	Submit View	-
100000029598834	142(1)	[ITBA]Notice u/s 142(1) of Income Tax Act 1961.	08/07/2019	ITBA/AST/F/142 (1)/2019-20/1016692878 (1)	-	18/07/2019	Submit -	-

we can view notices issued by department here.


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Note :

1. Please click on the **Reference ID** hyperlink to view the Notice Details.
2. In order to submit the response click on the **Submit** hyperlink under Response Column.
3. To View the details of submitted Response, please click on **View** hyperlink.
4. u/s - under section

Practical Exposure:

**e-Filing** *Anywhere Anytime*
Income Tax Department, Government of India

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e-Proceedings

PAN
ABCDE1234A

Proceeding Name
Assessment Proceeding u/s 143(3)

Assessment Year
2017-18

Document Reference ID
100000029598834

Notice Section
142(1)

Response Type*
Full Response
Select
Partial Response
Full Response

Response/Remarks (Not exceeding 1000 characters)*

We need to give response here.

Sl. No.	Attachment Description
1	<div>Select</div> <div>Attach scanned documents in PDF format (Maximum 10 attachments with each not exceeding 5 MB)</div> <div>Browse...</div>

+ Add X Delete

I declare that to the best of my knowledge and belief, the information furnished in the statement/statements is correct and complete and other particulars shown therein are truly stated.

Continue Back

Note :
For a given Description, if there are multiple documents to be provided, scan it as a single PDF for upload or else choose "Others" and provide unique Description for each of the document.



Practical Exposure:

Drag down options

Select

- Agriculture income computation statement
- Asset and Liability statement
- Balance sheet /statement of affairs along with detailed schedules
- Bank account statement
- Capital account statement
- Capital gains or loss computation statement
- Demat account statement
- Details of depreciable assets sold during the year
- Details of exempt income and expenditure incurred relatable to exempt income
- Details of expenditure incurred involving persons covered u/s 40A(2)(b)
- Details of loans or Advances taken from companies or firms
- Details of other expenditure
- Details of person wise expenditure as covered u/s 40(a)(i) and 40(a)(ia) with proof of deduction of tax
- Details of persons along with addresses who are issued shares during the year, along with PAN
- Details of share premium received
- Evidence in investment in capital gains scheme account
- Evidence in respect of investment made in properties
- Evidence of payment of taxes, duties, cess, interest etc covered u/s 43B
- Evidence with sources for cash deposits
- Family tree with sources of income and PAN
- Fixed assets schedule with details
- Income computation statement along with schedules
- Land holdings detail
- Method of valuation adopted Under rule 11UA and valuation report copy
- Note on business activities
- Others
- Partnership deed copy
- Profit and loss account along with detailed schedules
- Reconciliation of ITR with Audit report noting
- Reconciliation statement between receipts as per 26AS and P&L Account
- Record of rights indicating details of crops grown
- Sale deed copies
- Sales Tax/VAT/Service Tax/GST returns or assessment orders copies
- Transaction statement



Highlights of E-Assessment:

- Faceless, Nameless, Paperless, jurisdictionless
- Efficiency, Transparency, Accountability
- Anywhere access to E-filing portal
- **'View'** option enables access to documents anytime
- **Minimizing the scope for corruption.**
- No Discretion by the tax officers.
- Reduces the harassment for the taxpayers.
- It will especially reduce the travelling time / meeting time / waiting time of both AOs and CAs increasing their efficiencies.





Challenges of E-Assessment:

- Success of digitization depends upon a country's digital infrastructure.
- Limit on uploading document (For example)
 - Characters- Max 1000
 - No. of Attachments- Max 10
 - File size- <5 MB
 - Unique description for '**Others**' option
 - No Special characters like ['"/:;*<>]
- **Inter-personal hearing makes a difference.** When the assessee wants to explain some issues, personal hearing is considered **effective**.
- Further, as technology improves and proliferates, risks too multiply and the department need to have the right systems in place to avoid unauthorized infiltration.





Impact 360°:

Assessee

- It is a ***simple way*** of communication between the ITD and assessee, through electronic means, without the necessity to visit Income-tax office
- Assessee will automatically get the record of proceedings. He can also keep a ***track*** as to how his authorized representative is rendering the services.
- This would, besides saving precious time of the assessee, would also provide a **24X7 anytime/ anywhere** convenience to submit response to the departmental queries.





Impact 360°:

Department

- These can be directly accessed / cross checked
 - by higher authorities [JCIT / CIT] in administering the work of assessment and
 - by higher judicial / quasi-judicial authorities [CIT(A) / DRP /ITAT] in discharging their duties.
- There will be permanent / reliable to store / retrieve the submissions.
- No requirement of Physical files and records (Box Files).
- Faster resolution of cases.





Impact 360°:

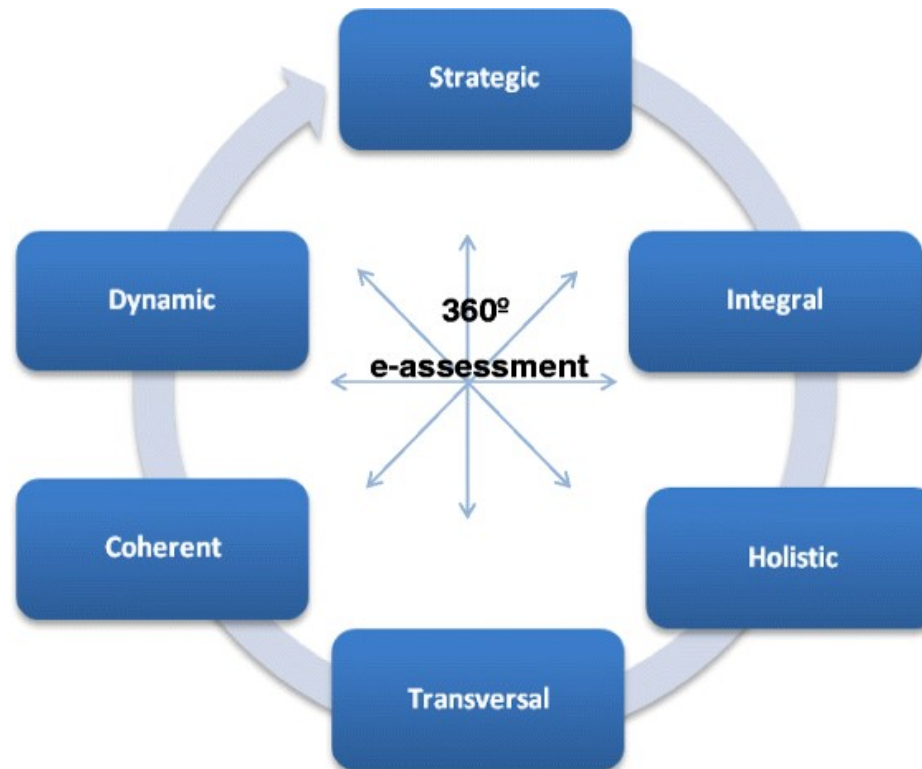
Professional

- Geographical location of any concerned person will become completely irrelevant.
- Professional can get work on PAN India basis.
- Undoubtedly, it will put burden on professionals to respond in time without much of the excuses on qualitative aspects.
- On a causal note, to take adjournment it will be difficult to give reason that **“he/assessee is out of station etc”**





Impact 360°:





Conclusion:

- As the whole world is moving towards digitalization, ***E-Proceeding is a great initiative*** undertaken by the government. However, there are many issues which the Income-tax department may face in the near time.
- Since, success of digitalization depends upon a country's infrastructure, therefore, there is need to augment the infrastructure facility in India else, the purpose of bringing E-proceedings will become infructuous.

“Assessee and Professionals co-operation is must for successful implementation of E-Assessment.”



Thank You All..!!



Thanks and regards:

Sai Praveen Guggilla.

Member of knowledge Enhancement Committee.

SRO 0559135.

