

NOTIFICATION

New Delhi, the 17th February, 2021

S.O. 742(E).—In exercise of the powers conferred by sub-section (3B) of section 143 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby makes the following amendments in the notification of the Government of India, Ministry of Finance (Department of Revenue), Central Board of Direct Taxes, published in the Gazette of India, Extraordinary, vide number S.O 3265 (E), dated the 12th September, 2019, namely: —

1. In the said notification, —

(1) in clause 1, —

(i) for sub-paragraph (1) of item A, the following sub-paragraph shall be substituted, namely:—

“(1) The assessment under this Scheme shall be made as per the following procedure, namely:—

(i) the National e-Assessment Centre shall serve a notice on the assessee under sub-section (2) of section 143 of the Act;

(ii) the assessee may, within fifteen days from the date of receipt of notice referred to in clause (i), file his response to the National e-Assessment Centre;

(iii) where the assessee —

(a) has furnished his return of income under section 139 of the Act or in response to a notice issued under sub-section (1) of 142 of the Act or sub-section (1) of section 148 of the Act, and a notice under sub-section (2) of section 143 of the Act has been issued by the Assessing Officer or the prescribed income-tax authority, as the case may be; or

(b) has not furnished his return of income in response to a notice issued under sub-section (1) of section 142 of the Act by the Assessing Officer; or

(c) has not furnished his return of income under sub-section (1) of section 148 of the Act and a notice under sub-section (1) of section 142 of the Act has been issued by the Assessing Officer,

the National e-Assessment Centre shall intimate the assessee that assessment in his case shall be completed under this Scheme.

(iv) the National e-Assessment Centre shall assign the case selected for the purposes of e-assessment under this Scheme to a specific assessment unit in any one Regional e-Assessment Centre through an automated allocation system;

(v) where a case is assigned to the assessment unit, it may make a request to the National e-Assessment Centre for —

(a) obtaining such further information, documents or evidence from the assessee or any other person, as it may specify;

(b) conducting of certain enquiry or verification by verification unit; and

(c) seeking technical assistance from the technical unit;

(vi) where a request for obtaining further information, documents or evidence from the assessee or any other person has been made by the assessment unit, the National e-assessment Centre shall issue appropriate notice or requisition to the assessee or any other person for obtaining the information, documents or evidence requisitioned by the assessment unit;

(vii) the assessee or any other person, as the case may be, shall file his response to the notice referred to in clause (vi), within the time specified therein or such time as may be extended on the basis of an application in this regard, to the National e-Assessment Centre;

(viii) where a request for conducting of certain enquiry or verification by the verification unit has been made by the assessment unit, the request shall be assigned by the National e-

Assessment Centre to a verification unit in any one Regional e-Assessment Centre through an automated allocation system;

(ix) where a request for seeking technical assistance from the technical unit has been made by the assessment unit, the request shall be assigned by the National e-Assessment Centre to a technical unit in any one Regional e-Assessment Centre through an automated allocation system;

(x) the National e-Assessment Centre shall send the report received from the verification unit or the technical unit, based on the request referred to in clause (viii) or (ix) to the concerned assessment unit;

(xi) where the assessee fails to comply with the notice referred to in clause (vi) or notice issued under sub-section (1) of section 142 of the Act, or with a direction issued under sub-section (2A) of section 142 of the Act, the National e-Assessment Centre shall serve upon such assessee a notice under section 144 of the Act giving him an opportunity to show-cause, on a date and time to be specified in the notice, why the assessment in his case should not be completed to the best of its judgment;

(xii) the assessee shall, within the time specified in the notice referred to in clause (xi) or such time as may be extended on the basis of an application in this regard, file his response to the National e-Assessment Centre;

(xiii) where the assessee fails to file response to the notice referred to in clause (xi) within the time specified in the notice or within the extended time, if any, the National e-Assessment Centre shall intimate such failure to the assessment unit;

(xiv) the assessment unit shall, after taking into account all the relevant material available on the record make in writing, a draft assessment order or, in a case where intimation referred to in clause (xiii) is received from the National e-Assessment Centre, make in writing, a draft assessment order to the best of its judgment, either accepting the income or sum payable by, or sum refundable to, the assessee as per his return or making variation to such income or sum, and send a copy of such order to the National e-Assessment Centre;

(xv) the assessment unit shall, while making draft assessment order, provide details of the penalty proceedings to be initiated therein, if any;

(xvi) the National e-Assessment Centre shall examine the draft assessment order in accordance with the risk management strategy specified by the Board, including by way of an automated examination tool, whereupon it may decide to –

(a) finalise the assessment, in case no variation prejudicial to the interest of assessee is proposed, as per the draft assessment order and serve a copy of such order and notice for initiating penalty proceedings, if any, to the assessee, alongwith the demand notice, specifying the sum payable by, or refund of any amount due to, the assessee on the basis of such assessment; or

(b) provide an opportunity to the assessee, in case any variation prejudicial to the interest of assessee is proposed, by serving a notice calling upon him to show-cause as to why the proposed variation should not be made; or

(c) assign the draft assessment order to a review unit in any one Regional e-Assessment Centre, through an automated allocation system, for conducting review of such order;

(xvii) the review unit shall conduct review of the draft assessment order, referred to it by the National e-Assessment Centre, whereupon it may decide to–

(a) concur with the draft assessment order and intimate the National e-Assessment Centre about such concurrence; or

(b) suggest such variation, as it may deem fit, in the draft assessment order and send its suggestions to the National e-Assessment Centre;

(xviii) the National e-Assessment Centre shall, upon receiving concurrence of the review unit, follow the procedure laid down in sub-clause (a) or sub-clause (b) of clause (xvi), as the case may be;

(xix) the National e-Assessment Centre shall, upon receiving suggestions for variation from the review unit, assign the case to an assessment unit, other than the assessment unit which has prepared the draft assessment order, through an automated allocation system;

(xx) the assessment unit shall, after considering the variations suggested by the review unit, send the final draft assessment order to the National e-Assessment Centre;

(xxi) the National e-Assessment Centre shall, upon receiving final draft assessment order, follow the procedure laid down in sub-clause (a) or sub-clause (b) of clause (xvi), as the case may be;

(xxii) the assessee may, in a case where show-cause notice has been served upon him as per the procedure laid down in sub-clause (b) of clause (xvi), furnish his response to the National e-Assessment Centre on or before the date and time specified in the notice or within such time as may be extended on the basis of an application in this behalf;

(xxiii) the National e-Assessment Centre shall, -

(a) where no response to the show-cause notice as per clause (xxii) is received,—

(A) in a case where the draft assessment order or the final draft assessment order is in respect of an eligible assessee and proposes to make any variation which is prejudicial to the interest of such assessee, forward the draft assessment order or final draft assessment order to such assessee; or

(B) in any other case, finalise the assessment as per the draft assessment order or the final draft assessment order and serve a copy of such order and notice for initiating penalty proceedings, if any, upon the assessee, alongwith the demand notice, specifying the sum payable by, or refund of any amount due to, the assessee on the basis of such assessment;

(b) in any other case, send the response furnished by the assessee to the assessment unit;

(xxiv) the assessment unit shall, after taking into account the response furnished by the assessee, as referred to in sub-clause (b) of clause (xxiii), make a revised draft assessment order and send it to the National e-Assessment Centre;

(xxv) The National e-Assessment Centre shall, upon receiving the revised draft assessment order, -

(a) in case the variations proposed in the revised draft assessment order are not prejudicial to the interest of the assessee in comparison to the draft assessment order or the final draft assessment order, and –

(A) in case the revised draft assessment order is in respect of an eligible assessee and there is any variation prejudicial to the interest of such assessee proposed in draft assessment order or the final draft assessment order, forward such revised draft assessment order to such assessee;

(B) in any other case, finalise the assessment as per the revised draft assessment order and serve a copy of such order and notice for initiating penalty proceedings, if any, upon the assessee, alongwith the demand notice, specifying the sum payable by, or refund of any amount due to, the assessee on the basis of such assessment;

(b) in case the variations proposed in the revised draft assessment order are prejudicial to the interest of the assessee in comparison to the draft assessment order or the final 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;

(xxvi) The procedure laid down in clauses (xxiii), (xxiv) and (xxv) shall apply *mutatis mutandis* to the notice referred to in sub-clause (b) of clause (xxv);

(xxvii) where the draft assessment order or final draft assessment order or revised draft assessment order is forwarded to the eligible assessee as per item A of sub-clause (a) of clause (xxiii) or item A of sub-clause (a) of clause (xxv), such assessee shall, within the period specified in sub-section (2) of section 144C of the Act, file his acceptance of the variations to the National e-Assessment Centre;

(xxviii) the National e-Assessment Centre shall, -

(a) upon receipt of acceptance as per clause (xxvii); or

(b) if no objections are received from the eligible assessee within the period specified in sub-section (2) of section 144C of the Act,

finalise the assessment within the time allowed under sub-section (4) of section 144C of the Act and serve a copy of such order and notice for initiating penalty proceedings, if any, to the assessee, alongwith the demand notice, specifying the sum payable by, or refund of any amount due to, the assessee on the basis of such assessment;

(xxix) where the eligible assessee files his objections with the Dispute Resolution Panel, the National e-Assessment Centre shall upon receipt of the directions issued by the Dispute Resolution Panel under sub-section (5) of section 144C of the Act, forward such directions to the concerned assessment unit;

(xxx) the assessment unit shall in conformity of the directions issued by the Dispute Resolution panel under sub-section (5) of section 144C of the Act prepare a draft assessment order in accordance with sub-section (13) of section 144C of the Act and send a copy of such order to the National e-Assessment Centre;

(xxxi) the National e-Assessment Centre shall, upon receipt of draft assessment order referred to in clause (xxx), finalise the assessment within the time allowed under sub-section (13) of section 144C of the Act and serve a copy of such order and notice for initiating penalty proceedings, if any, upon the assessee, alongwith the demand notice, specifying the sum payable by, or refund of any amount due to, the assessee on the basis of such assessment;

(xxxii) The National e-Assessment Centre shall, after completion of assessment, transfer all the electronic records of the case to the Assessing Officer having jurisdiction over the said case for such action as may be required under the Act.”

(2) in sub-paragraph (2) of item B, —

(i) in the first line for the word “modification”, the word “variation” shall be substituted; and

(ii) in the first and third line after the words “draft assessment order”, the words “ or final draft assessment order or revised draft assessment order” shall be inserted.

2. This notification shall come into force with effect from the date of its publication in the Official Gazette.

[Notification No. 7/2021/F. No. 370149/154/2019-TPL]

ANKIT JAIN, Under Secy.

Note : The principal notification was published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (ii) *vide* notification number S.O.3265 (E), dated the 12th September, 2019.