E-Assessment Scheme for Scrutiny Cases

1. Introduction

Section 143(3A) of the Act provides that the Central Government may make a scheme, by notification in the Official Gazette, for the purposes of making assessment of total income or loss of the assessee under section 143(3) so as to impart greater efficiency, transparency and accountability by —

(a) eliminating the interface between the assessing officer and the assessee in the course of proceedings to the extent technologically feasible;
(b) optimising utilisation of the resources through economies of scale and functional specialisation;
(c) introducing a team-based assessment with dynamic jurisdiction.

Section 143(3B) further provides that the Central Government may, for the purpose of giving effect to the scheme made under sub-section (3A), by notification in the Official Gazette, direct that any of the provisions of the Act relating to assessment of total income or loss shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification.

In exercise of the powers conferred by sub-section (3A) of section 143 of the Income Tax Act, 1961, the Central Government notified the E-Assessment Scheme, 2019. This scheme was recently notified vide Notification No. S. O. 3264(E). dated 12-9-2019. This scheme came into force from that date itself.

In exercise of the powers conferred by sub-section (3B) of section 143 of the Income Tax Act, 1961, the Central Government has issued Notification S.O. 3265(E), dated 12-9-2019 so as to make necessary modifications in the provision of the Act.

2. Applicability of the scheme

The assessment under E-Assessment Scheme, 2019 shall be made in respect of —

– such territorial area, or
– persons or class of persons, or
– incomes or class of incomes, or
– cases or class of cases,

as may be specified by the CBDT

3. Assessments covered

As per scheme, “e-assessment” means the assessment proceedings conducted electronically in ‘e-Proceeding’ facility through assessee’s
registered account in designated portal [“designated portal” means the web portal designated as such by the Principal Chief Commissioner or Principal Director General, in charge of the National e-assessment Centre].

“Assessment” means assessment of total income or loss of the assessee under sub-section (3) of section 143 of the Act.

Thus, it appears that the following assessments shall be outside the purview of this scheme:

(a) Reassessment [Section 147]
(b) Best judgment assessment [Section 144]
(c) Search assessments [Sections 153A to section 153C]

4. Setting up of assessment centres

For the purposes of this scheme the CBDT may set up following centres and specify their respective jurisdiction:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Centre</th>
<th>Functions</th>
<th>Remarks</th>
<th>Authorities attached with the units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>A National e-assessment Centre</td>
<td>To facilitate the conduct of e-assessment proceedings in a centralised manner, which shall be vested with the jurisdiction to make assessment in accordance with the provisions of this Scheme.</td>
<td></td>
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<td>2.</td>
<td>Regional e-assessment Centres, as may be deemed necessary by CBDT</td>
<td>To facilitate the conduct of e-assessment proceedings in the cadre controlling region of a Principal Chief Commissioner, which shall be vested with the jurisdiction to make assessment in accordance with the provisions of this Scheme.</td>
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<td>3.</td>
<td>Assessment units, as may be deemed necessary by CBDT</td>
<td>To facilitate the conduct of e-assessment, to perform the function of making assessment, which includes 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, and such other functions as may be required for the purposes of making</td>
<td>No clarity as to what will be constitution of assessment unit</td>
<td>(a) Additional Commissioner or Additional Director or Joint Commissioner or Joint Director, as the case may be; (b) Deputy Commissioner or Deputy Director or Assistant Commissioner or Assistant Director, or Income Tax Officer, as the case may be; (c) Such other</td>
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<tr>
<td>S. No.</td>
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<td>Authorities attached with the units</td>
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<td>3</td>
<td></td>
<td>assessment.</td>
<td></td>
<td>income-tax authority, ministerial staff, executive or consultant, as considered necessary by the CBDT.</td>
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<td>4</td>
<td>Verification units, as may be deemed necessary by CBDT</td>
<td>To facilitate the conduct of e-assessment, to perform the function of verification, which includes enquiry, cross verification, examination of books of accounts, examination of witnesses and recording of statements, and such other functions as may be required for the purposes of verification.</td>
<td>No clarity as to what will be constitution of verification unit</td>
<td>–do–</td>
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<td>5</td>
<td>Technical units, as may be deemed necessary by CBDT</td>
<td>To facilitate the conduct of e-assessment, to perform the function of providing technical assistance which includes any assistance or advice on legal, accounting, forensic, information technology, valuation, transfer pricing, data analytics, management or any other technical matter which may be required in a particular case or a class of cases, under this Scheme</td>
<td>No Clarity as to what will be constitution of technical unit</td>
<td>–do–</td>
</tr>
<tr>
<td>6</td>
<td>Review units, as may be deemed necessary by CBDT</td>
<td>To facilitate the conduct of e-assessment, to perform the function of review of the draft assessment order, which includes checking whether the relevant and material evidence has been brought on record, whether the relevant points of fact and law have been duly incorporated in the order, in the draft order, whether the issues on which addition or disallowance should be made have been discussed in the draft order, whether the applicable judicial decisions have been considered and dealt with in the draft order, checking for arithmetical correctness of modifications</td>
<td>No clarity as to what will be constitution of review unit</td>
<td>–do–</td>
</tr>
<tr>
<td>S. No.</td>
<td>Centre</td>
<td>Functions</td>
<td>Remarks</td>
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<td>proposed, if any, and such other functions as may be required for the purposes of review.</td>
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</table>

5. National e-assessment centre to be communication central

All 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 of making an assessment under this Scheme shall be through the National e-assessment Centre.

6. How assessment will be made

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, specifying the issues for selection of his case for assessment;

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

(iii) 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 [“Automated allocation system” means an algorithm for randomised allocation of cases, by using suitable technological tools, including artificial intelligence and machine learning, with a view to optimise the use of resources];

(iv) 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;

(v) 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;

(vi) 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 through an automated allocation system;

(vii) 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 Centres through an automated allocation system;

(viii) the assessment unit shall, after taking into account all the relevant material available on the record, make in writing, a draft assessment order either accepting the returned income of the assessee or modifying the returned income of the assessee, as the case may be, and send a copy of such order to the National e-assessment Centre;

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

(x) the National e-assessment Centre shall examine the draft assessment order in accordance with the risk management strategy specified by the CBDT, including by way of an automated examination tool ["Automated examination tool" means an algorithm for standardised examination of draft orders, by using suitable technological tools, including artificial intelligence and machine learning, with a view to reduce the scope of discretion], whereupon it may decide to —

(a) finalise the assessment 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 a modification is proposed [It appears that wherever modification to returned income in proposed a draft assessment order will be served on the assessee. This is a welcome step indeed], by serving a notice calling upon him to show cause as to why the assessment should not be completed as per the draft assessment order; 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;

(xi) 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 modification, as it may deem fit, to the draft assessment order and send its suggestions to the National e-assessment Centre;

(xii) the National e-assessment Centre shall, upon receiving concurrence of the review unit, follow the procedure laid down as under:

(a) finalise the assessment 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 a modification is proposed, by serving a notice calling upon him to show cause as to why the assessment should not be completed as per the draft assessment order;

(xiii) the National e-assessment Centre shall, upon receiving suggestions for modifications from the review unit, communicate the same to the assessment unit;

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

(xv) The National e-assessment Centre shall, upon receiving final draft assessment order follow the procedure laid down as under:

(a) finalise the assessment 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 a modification is proposed, by serving a notice calling upon him to show cause as to why the assessment should not be completed as per the draft assessment order;

(xvi) The assessee may, in a case, where show-cause notice that why the assessment should not be completed as per the draft assessment order, has been served upon him, furnish his response to the National e-assessment Centre on or before the date and time specified in the notice;

(xvii) The National e-assessment Centre shall, —

(a) in a case where no response to the show-cause notice is received, finalise the assessment 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) in any other case, send the response received from the assessee to the assessment unit;

(xviii) The assessment unit shall, after taking into account the response furnished by the assessee, make a revised draft assessment order and send it to the National e-assessment Centre;

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

(a) in case no modification prejudicial to the interest of the assessee is proposed with reference to the draft assessment order, finalise the assessment 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) in case a modification prejudicial to the interest of the assessee is proposed with reference to the draft assessment order, provide an opportunity to the assessee, by serving a notice calling upon him to show cause as to why the assessment should not be completed as per the draft assessment order;

(c) the response furnished by the assessee shall be dealt with as per the procedure laid down in paragraphs (xvi), (xvii) and (xviii) supra;

(xx) 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 such case, for —

– imposition of penalty;
– collection and recovery of demand;
– rectification of mistake;
– giving effect to appellate orders;
– submission of remand report, or any other report to be furnished, or any representation to be made, or any record to be produced before the Commissioner (Appeals), Appellate Tribunal or Courts, as the case may be;
– proposal seeking sanction for launch of prosecution and filing of complaint before the court;

(xxi) The National e-assessment Centre may at any stage of the assessment, if considered necessary, transfer the case to the assessing officer having jurisdiction over such case.
7. Penalty for non-compliance with notice issued under the Scheme

(a) Any unit may, in the course of assessment proceedings, for non-compliance of any notice, direction or order issued under this Scheme on the part of the assessee or any other person, send recommendation for initiation of any penalty proceedings under Chapter XXI of the Act, against such assessee or any other person, as the case may be, to the National e-assessment Centre, if it considers necessary or expedient to do so.

(b) The National e-assessment Centre shall, on receipt of such recommendation, serve a notice on the assessee or any other person, as the case may be, calling upon him to show cause as to why penalty should not be imposed on him under the relevant provisions of the Act.

(c) The response to show-cause notice furnished by the assessee or any other person, if any, shall be sent by the National e-assessment Centre to the concerned unit which has made the recommendation for penalty.

(d) The said unit shall, after taking into consideration the response furnished by the assessee or any other person, as the case may be, —

(i) make a draft order of penalty and send a copy of such draft to National e-assessment Centre; or

(ii) drop the penalty after recording reasons, under intimation to the National e-assessment Centre.

(e) The National e-assessment Centre shall levy the penalty as per the said draft order of penalty and serve a copy of the same on the assessee or any other person, as the case may be.

8. Appellate Proceedings

An appeal against an assessment made by the National e-assessment Centre under this Scheme shall lie before the Commissioner (Appeals) having jurisdiction over the jurisdictional assessing officer and any reference to the Commissioner (Appeals) in any communication from the National e-assessment Centre shall mean such jurisdictional Commissioner (Appeals).

9. Exchange of communication exclusively by electronic mode only

For the purposes of this Scheme,—

(i) all communications between the National e-assessment Centre and the assessee, or his authorised representative, shall be exchanged exclusively by electronic mode; and

(ii) all internal communications between the National e-assessment Centre, Regional e-assessment Centres and various units shall be exchanged exclusively by electronic mode.

10. Authentication of electronic record

For the purposes of this Scheme, an electronic record shall be authenticated by the originator by affixing his digital signature in...
accordance with the provisions of sub-section (2) of section 3 of the Information Technology Act, 2000.

It is provided that in case of the originator, being the assessee or any other person, such authentication may also be done by electronic signature or electronic authentication technique in accordance with the provisions of sub-section (2) of section 3A of the said Act.

“electronic record” shall have the same meaning as assigned to it in clause (t) of sub-section (1) of section 2 of the Information Technology Act, 2000. Accordingly, "electronic record" means data, record or data generated, image or sound stored, received or sent in an electronic form or microfilm or computer generated micro fiche;

(i) **DSC verification**

As per section 3(2) of the Information Technology Act, 2000 the authentication of the electronic record shall be effected by the use of asymmetric crypto system and hash function which envelop and transform the initial electronic record into another electronic record.

"hash function" means an algorithm mapping or translation of one sequence of bits into another, generally smaller, set known as "hash result" such that an electronic record yields the same hash result every time the algorithm is executed with the same electronic record as its input making it computationally infeasible —

(a) to derive or reconstruct the original electronic record from the hash result produced by the algorithm;

(b) that two electronic records can produce the same hash result using the algorithm.

(ii) **Other modes of verification**

As per section 3A(1) of the Information Technology Act, 2000 notwithstanding anything contained in section 3, but subject to the provisions of sub-section (2), a subscriber may authenticate any electronic record by such electronic signature or electronic authentication technique which —

(a) is considered reliable; and

(b) may be specified in the Second Schedule.

As per section 3A(2) of Information Technology Act, 2000 for the purposes of this section any electronic signature or electronic authentication technique shall be considered reliable if —

(a) the signature creation data or the authentication data are, within the context in which they are used, linked to the signatory or, as the case may be, the authenticator and to no other person;

(b) the signature creation data or the authentication data were, at the time of signing, under the control of the signatory or, as the case may be, the authenticator and of no other person;
(c) any alteration to the electronic signature made after affixing such signature is detectable;

(d) any alteration to the information made after its authentication by electronic signature is detectable; and

(e) it fulfils such other conditions which may be prescribed.

Section 3A(3) provides that the Central Government may prescribe the procedure for the purpose of ascertaining whether electronic signature is that of the person by whom it is purported to have been affixed or authenticated.

Section 3A(4) provides that the Central Government may, by notification in the Official Gazette, add to or omit any electronic signature or electronic authentication technique and the procedure for affixing such signature from the Second Schedule:

It is provided that no electronic signature or authentication technique shall be specified in the Second Schedule unless such signature or technique is reliable.

*Electronic Signature or Electronic Authentication Technique And Procedure*

*As Per Second Schedule To Information Technology Act, 2000*

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<tr>
<th>S.No.</th>
<th>Description</th>
<th>Procedure</th>
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</table>
| 1.    | e-authentication technique using Aadhaar or other e-KYC services | Authentication of an electronic record by e-authentication Technique which shall be done by—

(a) The applicable use of e-authentication, hash, and asymmetric crypto system techniques, leading to issuance of Digital Signature Certificate by Certifying Authority

(b) A trusted third party service by subscriber's key pair-generation, storing of key pairs and creation of digital signature provided that the trusted third party shall be offered by the certifying authority. The trusted third party shall send application form and certificate signing request to the Certifying Authority for issuing a Digital Signature Certificate to the subscriber.

(c) Issuance of Digital Signature Certificate by Certifying Authority shall be based on e-authentication, particulars specified in Form C of Schedule IV of the Information Technology (Certifying Authorities) Rules, 2000, digitally signed verified information from Aadhaar e-KYC services and electronic consent of Digital Signature Certificate applicant.

(d) The manner and requirements for e-authentication shall be as issued by the Controller from time to time

(e) The security procedure for creating the subscriber's key pair 2d and other e-KYC services
 shall be in accordance with the e-authentication guidelines issued by the Controller.

(f) The standards referred to in rule 6 of the Information Technology (Certifying Authorities) Rules, 2000 shall be complied with, in so far as they relate to the certification function of public key of Digital Signature Certificate applicant.

(g) The manner in which the information is authenticated by means of digital signature shall comply with the manner and standards specified in rules 3 to 12 of the Digital Signature (End entity) Rules, 2015 in so far as they relate to the creation, storage, and verification of Digital Signature.

11. Issue of notice and filing of response thereto

Every notice or order or any other electronic communication under this Scheme shall be delivered to the addressee, being the assessee, by way of—

(a) placing an authenticated copy thereof in the assessee's registered account; or

(b) sending an authenticated copy thereof to the registered email address of the assessee or his authorised representative; or

(c) uploading an authenticated copy on the assessee’s Mobile App; and followed by a real time alert.

(2) Every notice or order or any other electronic communication under this Scheme shall be delivered to the addressee ["Addressee" shall have the same meaning as assigned to it in clause (b) of sub-section (1) of section 2 of the Information Technology Act, 2000. Accordingly, "addressee" means a person who is intended by the originator to receive the electronic record but does not include any intermediary being any other person, by sending an authenticated copy thereof to the registered email address of such person, followed by a real time alert.

(3) The assessee shall file his response to any notice or order or any other electronic communication, under this Scheme, through his registered account, and once an acknowledgement is sent by the National e-assessment Centre containing the hash result generated upon successful submission of response, the response shall be deemed to be authenticated.

(4) 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.

(i) Time and place of despatch and receipt of electronic record

As per section 13 of the Information Technology Act, 2000.
(a) Save as otherwise agreed to between the originator and the addressee, the despatch of an electronic record occurs when it enters a computer resource outside the control of the originator.

(b) 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.

(C) Save as otherwise agreed to between the originator and the addressee, an electronic record is deemed to be despatched at the place where the originator has his place of business, and is deemed to be received at the place where the addressee has his place of business.

(D) The provisions of sub-section (b) shall apply notwithstanding that the place where the computer resource is located may be different from the place where the electronic record is deemed to have been received under sub-section (c).

(E) For the purposes of this section,—
   (a) if the originator or the addressee has more than one place of business, the principal place of business, shall be the place of business;
   (b) if the originator or the addressee does not have a place of business, his usual place of residence shall be deemed to be the place of business;
   (c) "usual place of residence", in relation to a body corporate, means the place where it is registered.

(ii) Electronic record

“Electronic record” shall have the same meaning as assigned to it in clause (t) of sub-section (1) of section 2 of the Information Technology Act, 2000. Accordingly, "electronic record" means data, record or data generated, image or sound stored, received or sent in an electronic form or microfilm or computer generated micro fiche.
(iii) Computer resource

As per section 2 of the Information Technology Act, 2000.

"Computer resource" means computer, computer system, computer network, data, computer database or software.

"Computer" means any electronic magnetic, optical or other high-speed data processing device or system which performs logical, arithmetic, and memory functions by manipulations of electronic, magnetic or optical impulses, and includes all input, output, processing, storage, computer software, or communication facilities which are connected or related to the computer in a computer system or computer network.

"Computer network" means the inter-connection of one or more computers or computer systems or communication device through —

(i) the use of satellite, microwave, terrestrial line, wire, wireless or other communication media; and

(ii) terminals or a complex consisting of two or more inter-connected computers or communication device whether or not the inter-connection is continuously maintained.

"Computer system" means a device or collection of devices, including input and output support devices and excluding calculators which are not programmable and capable of being used in conjunction with external files, which contain computer programmes, electronic instructions, input data and output data, that performs logic, arithmetic, data storage and retrieval, communication control and other functions.

"Data" means a representation of information, knowledge, facts, concepts or instructions which are being prepared or have been prepared in a formalised manner, and is intended to be processed, is being processed or has been processed in a computer system or computer network, and may be in any form (including computer printouts magnetic or optical storage media, punched cards, punched tapes) or stored internally in the memory of the computer.

12. E-mail address to be used for communication

“Registered e-mail address” means the e-mail address at which an electronic communication may be delivered or transmitted to the addressee, including —

(a) the email address available in the electronic filing account of the addressee registered in designated portal; or

(b) the e-mail address available in the last income-tax return furnished by the addressee; or

(c) the e-mail address available in the Permanent Account Number database relating to the addressee; or
(d) 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

(e) 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

(f) any e-mail address made available by the addressee to the income-tax authority or any person authorised by such authority.

13. Personal appearance and video conferencing

A person shall not be required to appear either personally or through authorised representative in connection with any proceedings under this Scheme before the income-tax authority at the National e-assessment Centre or Regional e-assessment Centre or any unit set up under this Scheme.

(i) Hearing assessee or his representative

In a case where a modification is proposed in the draft assessment order, and an opportunity is provided to the assessee by serving a notice calling upon him to show-cause as to why the assessment should not be completed as per the such draft assessment order, the assessee or his authorised representative, as the case may be, shall be entitled to seek personal hearing so as to make his oral submissions or present his case before the income-tax authority in any unit under this Scheme, and such hearing shall be conducted exclusively through video conferencing, including use of any telecommunication application software which supports video telephony, in accordance with the procedure laid down by the Board.

(ii) Recording of statement

Any examination or recording of the statement of the assessee or any other person (other than statement recorded in the course of survey under section 133A of the Act) shall be conducted by an income-tax authority in any unit under this Scheme, exclusively through video conferencing, including use of any telecommunication application software which supports video telephony in accordance with the procedure laid down by the Board.

(iii) CBDT to establish video conferencing centres

The CBDT shall establish suitable facilities for video conferencing including telecommunication application software which supports video telephony at such locations as may be necessary, so as to ensure that the assessee, or his authorised representative, or any other person is not denied the benefit of this Scheme merely on the consideration that such assessee or his authorised representative, or any other person does not have access to video conferencing at his end.
## 14. Modification of provisions of the Act

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<tr>
<th>S.No.</th>
<th>Sections of Act</th>
<th>Modification</th>
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<tbody>
<tr>
<td>1.</td>
<td>Section 2(7A), section 92CA, section 120, section 124, section 127, section 129, section 131, section 133, section 133A, section 133C, section 134, section 142, section 142A, section 143, section 144A, section 144BA section 144C and Chapter XXI of the Act</td>
<td>The provisions of clause (7A) of section 2, section 92CA, section 120, section 124, section 127, section 129, section 131, section 133, section 133A, section 133C, section 134, section 142, section 142A, section 143, section 144A, section 144BA section 144C and Chapter XXI of the Act shall apply to the assessment made in accordance with the said Scheme subject to the certain exceptions, modifications and adaptations. See discussion under item 6 and item 12 supra.</td>
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<td>2.</td>
<td>Section 246A</td>
<td>The provisions of section 246A of the Act shall apply to appealable orders arising out of assessments made in accordance with the Scheme subject to the following, exceptions, modifications and adaptations, namely: – “An appeal against an assessment made by the National e-assessment Centre under the Scheme shall lie before the Commissioner (Appeals) having jurisdiction over the jurisdictional assessing officer and any reference to the Commissioner (Appeals) in any communication from the National e-assessment Centre shall mean such jurisdictional Commissioner (Appeals).”</td>
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<td>3.</td>
<td>Section 140, section 142 and section 282A</td>
<td>The provisions of section 140, section 142 and section 282A of the Act shall apply to assessments made in accordance with the Scheme subject to the following, exceptions, modifications and adaptations, namely: – “An electronic record shall be authenticated by the originator by affixing his digital signature in accordance with the provisions of sub-section (2) of section 3 of the Information Technology Act, 2000 (21 of 2000) : Provided that in case of the originator, being the assessee or any other person, such authentication may also be done by electronic signature or electronic authentication technique in accordance with the provisions of sub-section (2) of section 3A of the said Act.”</td>
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<td>4.</td>
<td>Chapter XXI [Penalty proceedings]</td>
<td>See discussion under item 7. Penalty for non-compliance as discussed above</td>
</tr>
<tr>
<td>5.</td>
<td>Section 282, section 283 and section 284</td>
<td>See discussion under item 11. Issue of notice and filing of response thereto supra.</td>
</tr>
</tbody>
</table>

## 15. Important terminologies

(a) “authorised representative” shall have the same meaning as assigned to it in sub-section (2) of section 288 of the Act;
(b) “designated portal” means the web portal designated as such by the Principal Chief Commissioner or Principal Director General, in charge of the National e-assessment Centre;

(c) “email” or “electronic mail” and “electronic mail message” means a message or information created or transmitted or received on a computer, computer system, computer resource or communication device including attachments in text, image, audio, video and any other electronic record, which may be transmitted with the message;

(d) “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;

(e) “registered account” of the assessee means the electronic filing account registered by the assessee in designated portal;

(f) “registered mobile number” of the assessee means the mobile number of the assessee, or his authorised representative, appearing in the user profile of the electronic filing account registered by the assessee in designated portal;

(g) “video telephony” means the technological solutions for the reception and transmission of audio-video signals by users at different locations, for communication between people in real-time.

16. Conduct of Assessment Proceedings through 'E-Proceeding' Facility During Financial Year 2019-20

The Central Board of Direct Taxes ('Board'), in exercise of its powers under section 119 of the Income Tax Act, 1961 ('Act') and in accordance with provision of section 2(23C) of the Act, hereby directs as under:

(i) In all cases (other than the cases covered under the 'e-Assessment scheme, 2019' notified by the Board), where assessment is to be framed under section 143(3) of the Act during the financial year 2019-20, it is hereby directed that such assessment proceedings shall be conducted electronically subject to exceptions in para below. Consequently, assessees are required to produce ‘cause to produce their response’ evidence to any notice/communication/show-cause issued by the assessing officer electronically (unless specified otherwise) through their 'E-filing' account on the 'E-filing' portal. For smooth conduct of assessment proceedings through 'E-Proceeding', it is further directed that requisition of information in cases under ‘E-Proceeding’ should be sought after a careful scrutiny of case records.

(ii) In following cases, where assessment is to be framed during the financial year 2019-20, 'E-Proceeding' shall not be mandatory:

(a) Where assessment is to be framed under section(s) 153A, 153C and 144 of the Act. In respect of assessments to be framed under
section 147 of the Act, any relaxation from e-proceeding due to the difficulties in migration of data from ITD to ITBA etc. shall be dealt as per clause (f) below;

(b) In set-aside assessments;

(c) Assessments being framed in non-PAN cases;

(d) Cases where Income-tax return was filed in paper mode and the assessee concerned does not yet have an 'E-filing' account;

(e) In all cases at stations connected through the VSAT or with limited capacity of bandwidth [list of such stations shall be specified by the Pr. DGIT (System)];

(f) In cases covered under para 1(i) above, the jurisdictional Pr. CIT/CIT, in extraordinary circumstances such as complexities of the case or administrative difficulties in conduct of assessment through 'E-Proceeding', can permit conduct of assessment proceedings through the conventional mode. It is hereby further directed that Pr. CIT/CIT is required to provide such relaxation only in extraordinary circumstances after examining the necessity for such relaxation and recording the reasons for providing such relaxations.

(iii) However, it is clarified that issue of notices and departmental communications in such cases shall be strictly governed by the guidelines issued by CBDT vide its Circular No. 19/2019, dated 14-8-2019 regarding generation/allotment/quoting of Document Identification Number (DIN).

(iv) In cases where assessment proceedings are being carried out through the 'E-Proceeding' as per para 1 (i) above, personal hearing/attendance may take place in following situation(s):

(a) Where books of accounts have to be examined;

(b) Where assessing officer invokes provisions of section 131 of the Act;

(c) Where examination of witness is required to be made by the assessee or the Department;

(d) Where a show-cause notice contemplating any adverse view is issued by the assessing officer and assessee requests through their 'E-filing' account for personal hearing to explain the matter.

However, the details pertaining to above shall be uploaded on ITBA subsequently.

—Vide Circular No. ...............27....../2019 New Delhi, the 26th of September, 2019.