

INCOME-TAX ACT, 2025

A: Procedure for assessment

Section 273 - Faceless Assessment.

(1) Irrespective of anything to the contrary contained in any other provision of this Act, the assessment, reassessment or recomputation under section 270(10) or 271 or 279, as the case may be, with respect to the cases referred to in sub-section (2), shall be made in a faceless manner as per such procedure, as may be prescribed in this behalf.

(2) The faceless assessment under sub-section (1) 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 Board.

(3) The Board may, for the purposes of faceless assessment, set up the following Centre and Units and specify their functions and jurisdiction:—

(a) a National Faceless Assessment Centre to facilitate the conduct of faceless assessment proceedings in a centralised manner including assigning the case selected for the purposes of faceless assessment under this section to a specific assessment unit, intimating the assessee that assessment in his case shall be completed in accordance with the provision of this section, serving a notice to the assessee under section 268(1) or 270(8), and forwarding any response of the assessee to the assessment unit;

(b) such assessment units, as it may deem necessary to conduct the faceless assessment, to perform the function of making assessment, which includes analysis of the material furnished by the assessee or any other person, identification of points or issues material for the determination of any liability (including refund) under this Act, seeking information or clarification on points or issues so identified, determination of any variation prejudicial to the assessee, and such other functions as may be required for the purposes of making faceless assessment;

(c) such verification units, as it may deem necessary to facilitate the conduct of faceless assessment, to perform the function of verification, which includes enquiry, cross verification, examination of books of account, examination of witnesses and recording of statements, and such other functions as may be required for the purposes of verification;

(d) such technical units, as it may deem necessary to facilitate the conduct of faceless 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 under this Act or an agreement entered into under section 159, which may be required in a particular case or a class of cases, under this section;

(e) such review units, as it may deem necessary to facilitate the conduct of faceless assessment, to perform the function of review of any variation proposed by the assessment unit (wherever it is so considered necessary by the National Faceless Assessment Centre), which includes checking whether the relevant and material evidence has been brought on record, relevant points of fact and law have been duly incorporated, the issues requiring addition or disallowance have been incorporated and such other functions as may be required for the purposes of review.

(4) In accordance with the procedure as may be prescribed under sub-section (1),--

(a) the verification unit, the technical unit and the review unit shall facilitate the conduct of faceless assessment; and

(b) the assessment unit shall--

(i) make the assessment of the total income or loss by an order in writing after taking into account all

relevant material which it has gathered and after giving the assessee an opportunity of being heard, and may also initiate penalty proceedings, if any;

(ii) determine the sum payable by the assessee or refund of any amount due to him on the basis of such assessment.

(5) For the purposes of this section, the terms “assessment unit”, “verification unit”, “technical unit” and “review unit” shall refer to an Assessing Officer having powers so assigned by the Board.

(6) The assessment unit, verification unit, technical unit and the review unit shall have the following authorities:—

(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 income-tax authority, ministerial staff, executive or consultant, as may be considered necessary by the Board.

(7) All communications, save as otherwise provided in sub-section (8),—

(a) 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 a faceless assessment shall be through the National Faceless Assessment Centre;

(b) between the National Faceless Assessment Centre and the assessee, or his authorised representative, or any other person shall be exchanged exclusively by electronic mode; and

(c) between the National Faceless Assessment Centre and various units shall be exchanged exclusively by electronic mode.

(8) The provisions of sub-section (7) shall not apply to the enquiry or verification conducted by the verification unit in the circumstances as specified by the Board in this behalf.

(9) The Principal Chief Commissioner or the Principal Director General, as the case may be, in-charge of the National Faceless Assessment Centre shall, in accordance with the procedure laid down by the Board in this regard, if he considers appropriate that the provisions of section 268(5) may be invoked in the case,—

(a) forward any reference received from an assessment unit in this regard to the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner having jurisdiction over such case, and inform the assessment unit accordingly;

(b) transfer the case to the Assessing Officer having jurisdiction over such case as per sub-section (12).

(10) Where a reference has been received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner under sub-section (9)(a), he shall direct the Assessing Officer, having jurisdiction over the case, to invoke the provisions of section 268(5).

(11) Where a reference has not been forwarded as per sub-section (9)(a) to the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, having jurisdiction over the case, the assessment unit shall proceed to complete the assessment as per the procedure laid down in this section.

(12) Irrespective of anything contained in sub-section (1) or (2), the Principal Chief Commissioner or the Principal Director General, as the case may be, in charge of National Faceless Assessment Centre may, at

any stage of the assessment, if considered necessary, transfer the case to the Assessing Officer having jurisdiction over such case, with the prior approval of the Board.

(13) For the purposes of this section,--

(a) “designated portal” means the web portal designated as such by the Principal Chief Commissioner or the Principal Director General, in charge of the National Faceless Assessment Centre;

(b) “faceless assessment” means the assessment proceedings conducted electronically in “e-Proceeding” facility through registered account of the assessee in designated portal; and

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