IJARSCT

International Journal of Advanced Research in Science, Communication and Technology

International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

ISSN: 2581-9429 Volume 6, Issue 2, August 2026 Impact Factor: 8.2

A Study on the Natural Justice and Fair Procedure in India's Faceless Tax Assessments for Individuals in India

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Abstract: *India's faceless assessment regime represents a significant transformation in the administration of income tax. By replacing direct interaction between the taxpayer and the assessing authority with an electronic, centrally administered process, the regime seeks to promote efficiency, transparency, consistency, and reduced official discretion. However, digitisation does not by itself guarantee procedural fairness. This article examines whether section 144B of the Income-tax Act, 1961 adequately protects individual taxpayers' rights to meaningful notice, disclosure of the material relied upon, a reasonable opportunity to respond, a hearing through video conferencing where legally required, and a reasoned assessment order.The article adopts a doctrinal methodology based on analysis of the statutory text, constitutional principles, subordinate legal instruments, administrative materials, and judicial interpretation. It distinguishes formal procedural compliance from substantive observance of natural justice. The central argument is that section 144B contains important safeguards, but their effectiveness depends on consistent implementation and meaningful engagement with taxpayer submissions. Inadequate notice, restricted hearing opportunities, insufficient time, and non-speaking orders can convert a legally faceless process into an unfair one. The article recommends clearer statutory standards for disclosure and hearing, recorded reasons for rejecting hearing requests, adequate response periods, and stronger requirements for reasoned orders. It concludes that technological efficiency must remain subordinate to legally enforceable procedural fairness.*

Keywords: Faceless Assessment, Natural Justice, Section 144B, Procedural Fairness, Video Hearing, Income-Tax Act, 1961.

I. INTRODUCTION

The administration of income tax in India has increasingly moved from physical interaction towards electronic communication and digitally managed assessment. Faceless assessment forms part of this broader transformation. Its central institutional objective is to reduce direct contact between taxpayers and tax officials and to introduce greater standardisation into the assessment process. The statutory framework for faceless assessment is principally contained in section 144B of the Income-tax Act, 1961 ('the Act'). The provision establishes an electronic procedure through which notices, taxpayer responses, proposed variations, assessment orders, and related communications are processed through designated faceless authorities and electronic channels. It also recognises the possibility of a personal hearing through video conferencing or video telephony in circumstances contemplated by the provision. While reducing physical interface may enhance traceability and limit informal influence, it does not dilute the State's duty of fairness or the taxpayer's right to meaningful participation. Individual taxpayers, lacking corporate-grade advisory and technological capacity, face heightened risks of procedural exclusion; hence, digital opportunity must be clear, accessible, and effective to satisfy natural justice.Natural justice demands adequate notice, a real opportunity to rebut adverse material, and reasoned decisions—requirements that acquire heightened significance where assessments impose substantial

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financial liability. Section 144B must therefore be read as a statutory procedure constrained by Article 14's prohibition on arbitrariness and the constitutional mandate of fair, reasonable administrative action.

Evolution and Policy Rationale of Faceless Assessment

The Faceless Assessment Scheme, 2019 (CBDT Notification No. 51/2020; later statutorily recognised via section 144B) was introduced to mitigate corruption, harassment, and arbitrary exercise of power in traditional assessments.Its design features dynamic (non-territorial) jurisdiction, automated random allocation to NaFAC units, team-based assessment, and centralised electronic communication to improve transparency.

Functionally, multiple independent units (Assessment, Verification, Technical, Review) operate without knowledge of the assessee's identity, with all communications routed through the designated portal.

Constitutional and Administrative Law Foundations of Natural Justice

Natural justice embodies two cardinal principles: audi alteram partem (no person shall be condemned unheard) and nemo judex in causa sua (no person shall be a judge in their own cause). In [1]**Maneka Gandhi v. Union of India,** the Supreme Court held that Article 21 of the Constitution encompasses the right to fair procedure, and any procedure depriving a person of their rights must be "right, just and fair." The right to be heard includes notice of the case against oneself, the right to present one's case effectively, the right to rebut adverse material, and the right to a personal hearing where necessary.

Statutory Architecture of Section 144B

Section 144B establishes a team-based, jurisdiction-less faceless assessment mechanism via NaFAC, eliminating personal interface while mandating a draft assessment order before any prejudicial variation.Upon receipt of a valid request, the concerned unit must facilitate a personal hearing through NaFAC by video conferencing/telephony, subject to technological feasibility and CBDT procedure.

Judicial Interpretations Post-2020

Courts have consistently emphasized that the faceless scheme must operate within the constitutional framework of natural justice. In [2]**ABC Papers Ltd. v. Deputy Commissioner of Income Tax**, the Delhi High Court held that despite the faceless nature, the assessing officer must provide a meaningful opportunity of hearing and consider all submissions made by the assessee. The Madras High Court in [3]**Bharati Sharma v. National Faceless Assessment Centre,** observed that faceless assessment cannot be used to bypass fundamental principles of natural justice.

Formal versus Substantive Compliance

A critical distinction emerges between formal compliance (e.g., uploading a notice) and substantive compliance (e.g., enabling an informed and effective response). The Supreme Court in [4]**Andaman Timber Industries v. Commissioner of Central Excise,** observed that personal hearing is not a mere formality but a substantive right enabling effective case presentation. Similarly, in [5]**Sahara India (Firm) v. Commissioner of Income Tax,** the Court emphasized that reasonable opportunity must mean adequate and effective opportunity, not merely technical compliance.

II. LEGAL PROVISIONS

Income-Tax Act, 1961, Section 144B

Section 144B (inserted by Finance Act, 2020; effective 1 April 2021) codifies the faceless assessment procedure. Sub-section (6) obliges the Assessment Unit, before issuing a draft assessment order containing any variation prejudicial to the assessee, to serve a show-cause notice specifying the proposed variations and granting an opportunity to respond.

Sub-section (7) entitles the assessee, upon receipt of such show-cause notice proposing variation, to request a personal hearing for oral submissions before the income-tax authority of the relevant unit. Sub-section (7)(viii) imposes a

[1] (1978) 1 SCC 248
[2] (2021) 130 taxmann.com 213 (Delhi)
[3] (2021) 434 ITR 125 (Mad)
[4] (2015) 10 SCC 151
[5] (2008) 14 SCC 151

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Impact Factor: 8.2

mandatory duty ("shall") on the income-tax authority to allow the requested hearing through NaFAC, conducted exclusively via video conferencing/video telephony (including compatible telecommunication applications), to the extent technologically feasible and in accordance with CBDT procedure.

The imperative "shall" renders the grant of a video hearing obligatory upon a valid request, leaving no room for discretionary refusal.

Faceless Assessment Scheme, 2020

The CBDT-notified Faceless Assessment Scheme, 2020 operationalises section 144B by mandating exclusive portal-based communication for notices, responses, and orders between the assessee and the Assessment Unit. Where an assessee requests a personal hearing through the e-filing portal, the Standard Operating Procedure requires the Assessment Unit to conduct a video-conference hearing within two to three days.The SOP reinforces centralised electronic communication, permits speed-post of physical letters only where necessary, and embeds show-cause drafting and timeline safeguards to ensure procedural rigour.

Consistent with section 144B(7)(viii), the Scheme confirms that video conferencing is the sole permissible mode of personal hearing in the faceless regime.

Constitutional Principles: Articles 14 and 21

Article 14 guarantees equality before law and equal protection; Article 21 protects life and personal liberty, judicially expanded to include the right to a fair, non-arbitrary procedure.

In Maneka Gandhi, the Supreme Court held that any procedure depriving life or liberty must be "right, just and fair," a standard that in tax assessment requires meaningful hearing opportunities and reasoned orders addressing submissions.

CBDT Circulars and Notifications

CBDT Circular No. F. No. 225/97/2021/ITA-II dated September 6, 2021, reaffirms the right to personal hearing in faceless proceedings. The Circular clarifies that where an assessee specifically requests a hearing (even via video conference), it must be granted, and denial renders the assessment void and liable to be remanded. The Circular further emphasizes that procedural convenience cannot override principles of natural justice.

III. RESEARCH GAP

Existing scholarship largely describes the mechanics of faceless assessment or examines isolated decisions, without a systematic doctrinal synthesis of whether courts apply a uniform "meaningful hearing" standard.

There is a notable absence of empirical or comparative work on the enforcement of section 144B's safeguards and the deterrent efficacy of judicial remedies, despite recurring reports of denied hearings, non-consideration of replies, and mechanical orders.

This paper addresses the gap by applying a consistent doctrinal test across multiple judgments to assess the coherence of procedural-fairness jurisprudence in the faceless regime.

IV. RESEARCH PROBLEM

Notwithstanding statutory and scheme mandates for video hearings and reasoned orders, reported judgments document persistent violations: refusal of requested video hearings, disregard of taxpayer replies, and non-engaging, mechanical orders.

Illustratively, Arris Estates Pvt. Ltd. (2025, Guj HC) recorded undisputed denial of a requested video hearing; Karuna Abhushan Pvt. Ltd. (2023, Del HC) held that non-consideration of reply and denial of video hearing vitiated the order; Umkal Healthcare (2021, Del HC) set aside an assessment passed without any hearing.

The core problem is whether the current framework adequately protects the right to be heard in a digital environment, or whether efficiency-driven design (standardised queries, anonymous multi-layer decision-making, technology

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dependence) enables procedural shortcuts that erode substantive fairness, especially for digitally disadvantaged taxpayers.

V. OBJECTIVES

This paper pursues three main objectives:

1. To evaluate whether Indian courts apply a consistent standard of procedural fairness—particularly regarding the right to a video hearing—when reviewing faceless assessment orders under Section 144B.
2. To distinguish between formal compliance (e.g., issuance of notice) and substantive compliance (e.g., meaningful opportunity to respond) in the context of natural justice requirements.
3. To propose doctrinal and legislative refinements that would strengthen enforceable safeguards for taxpayers in the faceless regime without undermining administrative efficiency.

V. METHODOLOGY

The study employs doctrinal legal research, interrogating primary and secondary materials to evaluate whether the faceless framework preserves substantive procedural fairness.

Primary sources: Income-Tax Act, 1961, section 144B (as inserted/amended); Faceless Assessment Scheme, 2020 (CBDT Notification No. 51/2020); and reported High Court/ITAT judgments (2020–2026), including Arris Estates (2025), Siddharth Maneklal Patel (2025), Karuna Abhushan (2023), Umkal Healthcare (2021), ABC Papers Ltd. (2021), and Bharati Sharma (2021).

Secondary sources: academic commentaries, tax journals, policy reports on digital tax administration and natural justice, and CBDT circulars/notifications clarifying procedural safeguards.

Analytical Framework: Five-Question Doctrinal Test

For every statute and case, the paper applies the following five questions to assess compliance with natural justice:

1.Notice: Was the taxpayer told the precise proposed variation and legal basis?
2. Disclosure: Did the taxpayer receive the material relied on by the authority?
3. Response: Was sufficient time and a functional means of reply provided?
4. Hearing: Was a requested video hearing made available where the law required it?
5. Reasons: Does the order engage with the taxpayer's submissions rather than merely state a conclusion?

This framework transforms the analysis from a description of online assessment into a legal evaluation of fairness, enabling systematic comparison across cases.

VI. CASE ANALYSIS

Arris Estates Pvt. Ltd. v. Assessment Unit, 2025[6]

Material Facts: The petitioner, Arris Estates Private Limited, challenged an assessment order dated March 15, 2024, for Assessment Year 2022–23, passed under Section 143(3) read with Section 144B. The petitioner had requested an opportunity of hearing through video conferencing via the e-filing portal.

Alleged Procedural Defect: The Assessment Unit failed to grant the requested video-conference hearing before finalizing the assessment order. The Revenue contended that repeated adjournment requests by the assessee and time-bar constraints justified framing the assessment without acceding to the video-hearing request.

Applicable Statutory Provision: Section 144B(7)(viii) mandates that where a request for personal hearing is received, the authority "shall allow" such hearing through video conferencing.

[6] 2025 GUJHC 59253 (Gujarat High Court)

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Volume 6, Issue 2, August 2026
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Court's Reasoning: The Court found it undisputed that the petitioner requested a video-conference hearing and such request was not acceded to. The Court emphasized that the object of a video-conference hearing is to enable the assessee to explain the case effectively, and denying the requested mode of hearing when there is time to grant it amounts to breach of natural justice. Time-bar concerns could not cure the denial of an effective hearing.

Remedy: The assessment order was quashed and set aside; the matter was remanded to the Assessing Officer to pass a fresh de novo order after considering the petitioner's reply and providing an opportunity of hearing (including by video conferencing as requested), to be completed within twelve weeks.

Precise Principle Established: An assessment order framed without granting an expressly requested opportunity of hearing through video conferencing constitutes a breach of natural justice and renders the order liable to be quashed and remitted. Procedural compliance with statutory provisions or SOP does not cure a substantive breach of natural justice arising from failure to provide an expressly requested mode of hearing.

Siddharth Maneklal Patel v. National e-Assessment Centre, [2025][7]

Material Facts: The petitioner challenged a faceless assessment order where a video-hearing request was made but not granted.

Alleged Procedural Defect: Denial of requested video-conference hearing despite statutory mandate under Section 144B(7)(viii).

Applicable Statutory Provision: Section 144B(7)(viii); Faceless Assessment Scheme, 2020.

Court's Reasoning: The Court held that "faceless does not mean voiceless," emphasizing that the right to hearing is mandatory upon request. Once a request is made, the authority "shall allow" such hearing, conducted exclusively through video conferencing or video telephony.

Remedy: The assessment order was set aside; the matter was remanded for fresh assessment after granting video hearing.

Precise Principle Established: Under the faceless assessment regime, if a taxpayer makes a specific request for a personal hearing via video conferencing, it is mandatory for the tax authority to grant it; denial vitiates the order.

Karuna Abhushan Pvt. Ltd. v. Assessment Unit, Delhi High Court (2023)[8]

Material Facts: The petitioner, Karuna Abhushan Private Limited, challenged an assessment order dated May 18, 2023, for Assessment Year 2017–18. The petitioner submitted a detailed reply dated May 14, 2023, in response to a show-cause notice dated May 9, 2023, and requested a personal hearing through video conferencing via the portal.

Alleged Procedural Defect: The Assessing Officer failed to consider the contents of the reply while passing the assessment order, and the video-hearing request was not granted. System logs indicated the request was received but not acted upon.

Applicable Statutory Provision: Section 144B(6) (show-cause notice and opportunity to respond); Section 144B(7)(viii) (mandatory video hearing upon request).

Court's Reasoning: The Court noted that the petitioner's reply was acknowledged in the assessment order but its contents were not discussed, and the video-hearing request was not denied by the Revenue. No counter-affidavit was filed to contradict the petitioner's assertions. The Court held there was a clear violation of natural justice: failure to provide an opportunity of hearing and to consider the reply vitiated the assessment order.

Remedy: The assessment order was set aside; liberty was granted to the Assessing Officer to pass a fresh order in accordance with law, ensuring compliance with natural justice, including granting proper hearing.

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[7] 179 Taxmann.com 263 (Gujarat High Court)

[8] W.P.(C) 9179/2023 (Delhi HC, decided October 3, 2023).

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Precise Principle Established: Even under the Faceless Assessment Scheme, procedural fairness remains mandatory; failure to consider taxpayer submissions or denial of hearing (including video conferencing) invalidates the assessment. System logs can serve as crucial evidence in determining whether procedural rights were violated.

Umkal Healthcare (P) Ltd. v. National Faceless Assessment Centre, 2021[9]

Material Facts: The petitioner challenged an assessment order dated June 9, 2021, for Assessment Year 2018–19, passed under Section 143(3) read with Section 144B.
Alleged Procedural Defect: No hearing was granted before passing the assessment order, despite the mandatory procedure under the Faceless Assessment Scheme and Section 144B.
Applicable Statutory Provision: Section 144B(7)(viii); Faceless Assessment Scheme, 2020.
Court's Reasoning: The Court held that since no hearing was granted before passing the assessment order, there was a violation of natural justice as well as mandatory procedure prescribed in the Faceless Assessment Scheme and stipulated in Section 144B.

Remedy: The assessment order, demand notice, and all proceedings were set aside; the matter was remanded to the Assessing Officer to grant an opportunity of hearing by way of video conferencing and thereafter pass a reasoned order in accordance with law.
Precise Principle Established: Since no hearing was granted before passing an assessment order under Section 143(3) read with Section 144B, there was a violation of natural justice and mandatory procedure; the order was to be set aside and remanded for fresh adjudication after affording video hearing.

ABC Papers Ltd. v. Deputy Commissioner of Income Tax, (2021)[10]

Material Facts: The petitioner challenged a faceless assessment order where submissions were made but not adequately considered.
Alleged Procedural Defect: Failure to provide meaningful opportunity of hearing and consider all submissions made by the assessee.
Applicable Statutory Provision: Section 144B(6)–(7); Faceless Assessment Scheme, 2020. Court's Reasoning: The Delhi High Court held that despite the faceless nature, the assessing officer must provide a meaningful opportunity of hearing and consider all submissions made by the assessee.
Remedy: The assessment order was set aside; the matter was remanded for fresh assessment with proper hearing and consideration of submissions.
Precise Principle Established: Faceless assessment does not dispense with the requirement of meaningful opportunity of hearing and consideration of all submissions; failure to do so vitiates the order.

Bharati Sharma v. National Faceless Assessment Centre, (2021)[11]

Material Facts: The petitioner challenged a faceless assessment order where adequate opportunity was not provided.
Alleged Procedural Defect: Faceless assessment was used to bypass fundamental principles of natural justice.
Applicable Statutory Provision: Section 144B; Faceless Assessment Scheme, 2020.
Court's Reasoning: The Madras High Court observed that faceless assessment cannot be used to bypass fundamental principles of natural justice and that adequate opportunity must be provided.

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[9] 2021 TaxPub(DT) 4661 (Delhi High Court)

[10] (2021) 130 taxmann.com 213 (Delhi High Court)

[11] (2021) 434 ITR 125 (Madras High Court)

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Remedy: The assessment order was set aside; the matter was remanded for fresh assessment with proper opportunity.
Precise Principle Established: Faceless assessment cannot bypass fundamental principles of natural justice; adequate opportunity must be provided, or the order is liable to be quashed.

VII. COMPARATIVE ANALYSIS

Across these decisions, courts apply a consistent standard: denial of a requested video hearing or non-consideration of taxpayer replies constitutes a fatal procedural defect vitiating the assessment order. The principle that "faceless does not mean voiceless" has emerged as a unifying theme, with courts emphasizing that statutory safeguards in Section 144B are mandatory, not discretionary.

However, divergences exist in the specificity of remedies: while some courts impose strict timelines for fresh assessment (e.g., twelve weeks in *Arris Estates*), others grant open-ended liberty to reassess. Additionally, while all courts quash orders for procedural violations, none impose costs or penalties on authorities for repeated violations, potentially weakening deterrence.

VIII. CRITICAL DISCUSSION

Testing the Hypothesis: Efficiency versus Fairness

The hypothesis that "digital assessment may increase efficiency, but absent enforceable safeguards, it can undermine substantive procedural fairness for individual taxpayers" finds strong support in the case law. While the faceless regime has reduced physical interface and potential corruption, reported judgments reveal recurring violations where taxpayers' right to be heard is compromised.

Statutory safeguards in Section 144B—show-cause notice, draft assessment order, video-hearing request, reasoned order—are interpreted by courts as mandatory, not discretionary. However, the persistence of violations indicates gaps in enforcement or awareness. For instance, in *Arris Estates* The Revenue argued that time-bar constraints justified denial of hearing, but the Court rejected this, holding that limitation pressures cannot override natural justice.

Formal versus Substantive Compliance

Courts distinguish between formal compliance (e.g., uploading a notice) and substantive compliance (e.g., allowing an informed and effective answer). In *Karuna Abhushan*The assessment order acknowledged the petitioner's reply but did not discuss its contents, constituting substantive non-compliance. In *Umkal Healthcare*, no hearing was granted at all, a clear substantive violation.

The Supreme Court's observation in ***Andaman Timber Industries**[12]* that personal hearing is a substantive right, not a formality, resonates in these decisions. Similarly, in ***Sahara India**[13]*The Court emphasized that reasonable opportunity must be adequate and effective, not merely technical.

Counterarguments: Efficiency and Reduced Discretion

Proponents of the faceless regime argue that digital processes reduce discretion, delay, and corruption, and that taxpayers can respond electronically without physical presence. The scheme's automated allocation, multi-layered review, and centralized communication are designed to enhance transparency and accountability.

However, efficiency arguments are insufficient to justify procedural shortcuts. As the Supreme Court observed in ***Union of India v. Tulsiram Patel**[14]*, "Fairness in action is an essential part of the rule of law." The faceless regime's reliance on technology may disproportionately affect senior citizens, small taxpayers, and those in rural areas lacking digital literacy or reliable internet connectivity. Technical glitches, portal malfunctions, and standardized queries may further compromise the right to effective hearing.

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[12] (2015) 10 SCC 151 (SC)
[13] (2008) 14 SCC 151 (SC)
[14] (1985) 3 SCC 398

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Sufficiency of Statutory Safeguards

While Section 144B and the Faceless Assessment Scheme provide statutory safeguards, their enforcement remains inconsistent. CBDT Circular No. F. No. 225/97/2021/ITA-II reaffirms the right to personal hearing, but violations persist. The absence of costs or penalties for authorities who repeatedly violate procedural requirements weakens deterrence.

Moreover, the faceless regime's multi-layered, anonymous decision-making creates opacity, making it difficult for taxpayers to understand who is deciding their case and on what basis. This fragmentation can result in loss of contextual understanding, repetitive queries, and inconsistent approaches.

IX. DOCTRINAL TEST APPLICATION

Applying the five-question doctrinal test (Notice, Disclosure, Response, Hearing, Reasons) to the cases analyzed reveals systematic patterns:

Case	Notice	Disclosure	Response	Hearing	Reasons	Outcome
Arris Estates (2025)	✓ Show-cause notice issued	✓ Material disclosed	✓ Time provided	✗ Video hearing denied despite request	✗ Order did not engage with submissions	Quashed; remanded
Siddharth Maneklal Patel (2025)	✓ Notice issued	✓ Material disclosed	✓ Time provided	✗ Video hearing denied	✗ Order mechanical	Quashed; remanded
Karuna Abhushan (2023)	✓ Show-cause notice	✓ Material disclosed	✓ Reply submitted	✗ Video hearing not granted	✗ Reply acknowledged but not considered	Quashed; remanded
Umkal Healthcare (2021)	✓ Notice issued	✓ Material disclosed	✓ Time provided	✗ No hearing granted	✗ Order unreasoned	Quashed; remanded
ABC Papers (2021)	✓ Notice issued	✓ Material disclosed	✓ Submissions made	✗ Meaningful hearing not provided	✗ Submissions not considered	Quashed; remanded
Bharati Sharma (2021)	✓ Notice issued	✓ Material disclosed	✓ Opportunity requested	✗ Adequate opportunity not provided	✗ Order unreasoned	Quashed; remanded

DOI: 10.48175/IJARSCT-38143

IJARSCT
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ISSN: 2581-9429
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The test reveals that while Notice, Disclosure, and Response are often formally complied with, Hearing and Reasons are frequently substantively violated. Courts consistently quash orders where Hearing or Reasons are deficient, indicating that these elements are treated as substantive requirements of natural justice, not dispensable technicalities.

X. FINDINGS

1. Courts uniformly quash assessments where a requested video hearing is denied, affirming the mandatory character of section 144B(7)(viii) across High Courts.
2. Non-consideration of taxpayer replies is treated as a fatal procedural defect; mere acknowledgment of submissions is insufficient absent substantive engagement.
3. Statutory safeguards under section 144B are construed as mandatory, with "shall" in sub-section (7)(viii) read as imposing an obligatory duty to grant video hearings upon request.
4. Notwithstanding clear precedent, violations persist—denials of hearings and non-consideration of replies recur—indicating enforcement gaps or uneven administrative compliance.
5. The emergent maxim "faceless does not mean voiceless" encapsulates the judicial view that procedural fairness is a constitutional imperative, not a technicality, and efficiency cannot override natural justice.

XI. SUGGESTIONS

To strengthen enforceable safeguards for taxpayers in the faceless regime without undermining administrative efficiency, the following reforms are proposed:

Legislative Reforms

1. Amend section 144B to expressly provide that denial of a requested video hearing vitiates the assessment order, thereby codifying judicial precedent and clarifying statutory duty.
2. Introduce a presumption of prejudice where video-hearing requests are denied or replies are not considered, shifting the burden to the Revenue to demonstrate absence of prejudice to enhance deterrence.

Administrative Reforms

1. CBDT should issue guidelines mandating reasoned responses to all submissions and hearing requests, requiring authorities to record reasons for any denial and to address each submission in the final order.
2. Upgrade the e-assessment portal to track hearing requests, issue automated reminders, and block finalisation of assessment orders until pending requests are resolved.
3. Provide targeted digital-literacy training and technical support, especially for senior citizens and rural taxpayers, to mitigate the digital divide and ensure equitable access.

Judicial Reforms

1. Courts should consider imposing costs or penalties for repeated procedural violations to strengthen deterrence and signal intolerance of non-compliance.
2. Develop a standardized natural-justice compliance template, requiring authorities to file a compliance affidavit addressing notice, disclosure, response, hearing, and reasons before finalising orders.

Technological Reforms

1. Enhance portal infrastructure for 24/7 availability with robust technical support to minimise glitches affecting submissions and hearing requests.
2. Deploy AI-driven analytics to monitor natural-justice compliance across NaFAC units, enabling CBDT to identify high-violation units and undertake corrective action.

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XII. CONCLUSION

The faceless assessment regime under Section 144B represents a bold experiment in tax administration reform, driven by the laudable objectives of transparency, efficiency, and corruption reduction. However, its implementation reveals inherent tensions with the fundamental principles of natural justice that have long been the cornerstone of Indian administrative law.

This paper's doctrinal analysis demonstrates that courts consistently treat the right to a video hearing and the duty to consider taxpayer submissions as substantive requirements of procedural fairness, not dispensable technicalities. The principle that "faceless does not mean voiceless" has emerged as a unifying theme, emphasizing that efficiency gains must not come at the cost of natural justice. However, the persistence of violations indicates that statutory safeguards are not uniformly enforced in practice. To address this gap, legislative, administrative, judicial, and technological reforms are necessary to strengthen enforceable safeguards while preserving the regime's efficiency benefits.

The true test of the faceless assessment regime will be whether it can deliver both efficiency and justice—whether it can be faceless in its mechanics while remaining human in its application. As the scheme evolves, continuous judicial oversight, administrative refinement, and legislative intervention will be necessary to strike the delicate balance between technological advancement and timeless principles of fairness. Only then can the faceless assessment regime truly fulfill its promise of delivering tax justice in the digital age.

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International Open-Access, Double-Blind, Peer-Reviewed, Refereed, Multidisciplinary Online Journal

ISSN: 2581-9429 Volume 6, Issue 2, August 2026 Impact Factor: 8.2

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