

Ministry of Finance

CBDT rolls out Dispute Resolution Scheme (e-DRS), 2022, to minimise litigation

Dispute Resolution Committees (DRCs) constituted in all 18 jurisdictional Pr. CCIT regions across the country

As per e-DRS, a taxpayer can opt for e-Dispute Resolution against the 'specified order' under certain conditions

e-DRS application must be filed within one month from the date of receipt of specified order

If appeal is pending, e-DRS application is to be filed on or before 30.09.2024

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In pursuance of section 245MA in the Income-tax Act, 1961 (hereinafter referred to as "the Act"), the Central Board of Direct Taxes (CBDT) had notified the e-Dispute Resolution Scheme, 2022 (e-DRS) with the aim to reduce litigation and provide relief to eligible taxpayers. Section 245MA of the Act also provides for the constitution of Dispute Resolution Committees (DRC).

The e-DRS enables the taxpayer, who fulfils certain specified conditions as stipulated in section 245MA of the Act, to file an application electronically for dispute resolution to the DRC designated for the region of Principal Chief Commissioner of Income-tax having jurisdiction over the taxpayer. To this end, DRCs have been constituted in all 18 jurisdictional Pr. CCIT regions across the country. The list of such DRCs along with their e-mail addresses is available on:

<https://www.incometax.gov.in/iec/foportal/help/all-topics/statutory-forms/file-statutory-form/popular-form/form-34-BC>.

As per e-DRS, a taxpayer can opt for e-Dispute Resolution against the 'specified order' as defined in clause (b) of the Explanation to section 245MA of the Act, which includes an order in which the aggregate sum of variations proposed or made does not exceed Rs.10 lakh and returned income for the relevant assessment year does not exceed Rs. 50 lakh. Further, such order should not be based on search/surveys or information received under an agreement referred to under section 90 or 90A of the Act.

According to e-DRS, a DRC may make modification to the variations in the specified order and decide to grant reduction/waiver of penalty and prosecution in accordance with the provision of rule 44DAC of the Income-tax Rules, 1962 (hereinafter referred to as "the Rules"). The DRC is mandated to pass its order within six months from the end of month in which application for dispute resolution is admitted by it.

The application for e-DRS is to be filed in Form No. 34BC referred in rule 44DAB of the Rules, on the e-filing portal of the Income Tax Department, within one month from the date of receipt of specified order. In cases where appeal has already been filed and is pending before the Commissioner of Income-tax (Appeals), the application for e-DRS, is to be filed on or before **30.09.2024**. In cases where the specified order has been passed on or before 31.08.2024 and the time for filing appeal against such order before CIT (Appeals) has not lapsed, the application for dispute resolution can be filed on or before 30.09.2024.

The Tax Payer can access e-DRS module by login on income tax portal <https://eportal.incometax.gov.in>. Login to your account using PAN / TAN as user ID ->Go to Dashboard ->e-File ->Income Tax Forms ->File Income Tax Forms -> under tab 'Persons not dependent on any source of Income (Source of Income not relevant)> Dispute Resolution Committee in Certain Cases (Form 34BC) -> Fill Form No. 34BC -> Review the details -> E-Verify the Form No. 34BC using Aadhar OTP, EVC or DSC.

This is another initiative by the Government towards minimising litigation.

NB/KMN

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