

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

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Press Release

CBDT rolls out e-DRS Scheme, 2022

In pursuance of section 245MA in the Income-tax Act, 1961 (hereinafter referred to as “the Act”), the Central Board of Direct Taxes (hereinafter referred to as “CBDT”) had notified the e-Dispute Resolution Scheme, 2022 (hereinafter referred to as “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 (hereinafter referred to as “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 minimizing litigation.

(Surabhi Ahluwalia)

Pr. Commissioner of Income Tax
(Media and Technical Policy) &
Official Spokesperson, CBDT

FAQ - e-Dispute Resolution Committee and Form 34BC

1. What is 'e-Dispute Resolution Committee'?

Dispute Resolution Committee ('DRC') is a committee constituted by the Central Government in accordance with provisions of section 245MA of the Income-tax Act,1961, read with rule 44DAA of Income-tax Rules,1962. e-DRC is an alternative to regular appellate proceedings provided under the Income-tax Act e.g. CIT(A), Tribunal etc.

2. Who can approach e-DRC?

A 'specified person' (as defined in the answer to Q.No. 3 below) may approach the e-DRC, in respect of a dispute arising from any variation in the specified order (specified order is defined in answer to Q.No. 8), as specified by the CBDT.

3. Who is a 'specified person'?

(I) 'Specified Person' means a person who fulfils the conditions mentioned as per section 245MA(5) of Income Tax Act, 1961 read with rule 44DAD of Income Tax Rules, 1962, which are as under:

A. he is not a person in respect of whom an order of detention has been made under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974.

Provided that—

(i) such order of detention, being an order to which the provisions of section-9 or section-12A of the said Act do not apply, has been revoked on the report of the Advisory Board under section-8 of the said Act or before the receipt of the report of the Advisory Board; or

(ii) such order of detention being an order to which the provisions of section-9 of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the review under sub-section (3) of section-9, or on the report of the Advisory Board under section-8, read with sub-section (2) of section-9, of the said Act; or

(iii) such order of detention, being an order to which the provisions of section-12A of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the first review under sub-section (3) of the said section, or on the basis of the report of the Advisory Board under section-8, read with sub-section (6) of section-12A, of the said Act; or

(iv) such order of detention has not been set aside by a court of competent jurisdiction;

B. he is not a person in respect of whom prosecution has been instituted and has been convicted of any offence punishable under any of the following Acts:

- Indian Penal Code, (45 of 1860)
- Unlawful Activities (Prevention) Act, 1967(37 of 1967)
- Narcotic Drugs and Psychotropic Substances Act, 1985(61 of 1985)

- Prohibition of Benami Transactions Act, 1988 (45 of 1988)
- Prevention of Corruption Act, 1988 (49 of 1988) or
- Prevention of Money Laundering Act, 2002 (15 of 2003)

C. he is not a person in respect of whom prosecution has been initiated by an Income-tax authority for any offence punishable under the provisions of the Act or the Indian Penal Code (45 of 1860) or for the purpose of enforcement of any civil liability under any law for the time being in force, or such person has been convicted of any such offence consequent upon the prosecution initiated by an Income-tax Authority.

D. he is not a person who has been convicted of any such offence consequent to the prosecution initiated by an Income-tax authority;

E. he is not notified under Section 3 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992 (27 of 1992);

F. he is not a person in respect of whom proceedings under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 have been initiated for the assessment year for which resolution of dispute is sought as per rule 44DAD of Income Tax Rules, 1962.

(II) such other conditions, as may be prescribed.

4. What are additional conditions for an application to be filed before DRC against specified orders?

An assessee can approach the DRC against the specified orders, by filing Form 34BC, only when the following conditions are satisfied:

1. the aggregate amount of variations proposed or made in such order does not exceed Rs. 10 lakhs;
2. the return has been furnished by the assessee for the assessment year relevant to such order, and the total income as per such return does not exceed Rs. 50 lakhs; and
3. the order is not based on a search initiated under Section 132, requisition under Section 132A, survey under Section 133A, or
4. the order is not based on information received under an agreement referred to in Section 90 or Section 90A.

(Where the variation is relating to default in deduction or collection of tax at source, it shall refer to the amount on which tax has not been deducted or collected).

5. Why should one approach e-DRC?

One should approach e-DRC to get immunity from prosecution and waiver/reduction in penalty, after the payments of taxes as per the scheme notified by the CBDT vide notification No. S.O. 1642(E), Dated 05.04.2022.

6. What are the powers of e-DRC?

The powers of e-DRC are given in para 5(1) of the e-DRS, 2022 which are as under:

(1) The Dispute Resolution Committee shall have the power to waive penalty or grant immunity from the prosecution provisions of the Act on fulfilment of conditions specified in rule 44DAC.

(2) Any proceedings before the Dispute Resolution Committee shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 and for the purposes of section 196 of the Indian Penal Code (45 of 1860) and every income-tax authority shall be deemed to be a Civil Court for the purposes of section 195, but not for the purposes of Chapter XXVI of the Code of Criminal Procedure, 1973 (2 of 1974).

(3) If any difficulty arises in giving effect to any order of the Dispute Resolution Committee, it may, on its own motion or on an application made by the assessee or the assessing officer through the Principal Commissioner of Income-tax or the Commissioner of Income-tax, as the case may be, remove the difficulty insofar as it is not inconsistent with the provisions of the Act.

7. Can e-DRC terminate the proceedings?

e-DRC may at any stage during the proceedings, decide to terminate the proceedings, if:

(i) the appellant fails to cooperate during the course of proceedings.

(ii) the appellant fails to respond to, or submit any information in response to a notice.

(iii) committee is satisfied that assessee/appellant has concealed any particular material to the proceedings or had given false evidence.

(iv) the assessee fails to pay the demand as required in clause xviii of sub para (1) of paragraph 4 of the Scheme.

8. Which are the 'specified order' against which appellant can approach e-DRC?

An application can be filed to e-DRC in respect of the following orders ('specified orders').

A. Relating to the assessment orders

An assessee can approach the e-DRC against the following orders relating to the assessment:

- a draft assessment order as referred to in Section 144C(1);
- an intimation under Section 143(1), where the assessee objects to the adjustments made in the said order;
- an order of assessment or reassessment, except an order passed in pursuance of directions of the Dispute Resolution Panel; or
- an order made under Section 154 having the effect of enhancing the assessment or reducing the loss.

Alternatively, the assessee can also file an appeal against the order listed above with the Commissioner (Appeals) except against the draft assessment under as referred to in Section 144C(1).

B. Relating to the TDS/TCS matters

An assessee can approach the DRC against the following orders relating to the TDS/TCS matters:

- (a) an intimation under Section 200A(1), where the deductor objects to the adjustments made in the said order;
- (b) an intimation under Section 206CB(1), where the collector objects to the adjustments made in the said order;
- (c) an order made under Section 201 or an order made under Section 206C(6A)

9. **How to file application before DRC?**

An application to the DRC shall be made in Form No. 34BC electronically in respect of the dispute arising from any variation in the specified order. Such application shall be accompanied by a fee of Rs. 1,000 as per rule 44DAB of Income Tax Rules, 1962. The steps to file Form 34BC are as under:

Step 1: Click- Login on Income tax Portal www.eportal.incometax.gov.in

Step 2: Click- Using PAN / TAN as user ID

Step 3: Click- Navigate to e-file Income Tax Forms

Step 4: Click- File Income Tax Forms

Step 5: Click- Fill Form No. 34BC (provide attachment, as applicable) and the self-declaration available on e-filing portal & pay the requisite fee under Challan Major Head "Miscellaneous Receipts (0075)" and Minor head 'other miscellaneous receipts (800)' (Detailed procedure is defined in Q. No. 15 below)

Step 6: Review the details on the preview screen and proceed towards E-verifying the form whether all the details correctly filled.

Step 7: The taxpayer will E-Verify the Form No. 34BC using Aadhar OTP, EVC or DSC.

Step 8: After successfully filing of Form No. 34BC along with attachments and **self-declaration**, the applicant is required to download computer generated form 34BC along with attachments and mail to the designated email ID of respective e-DRC as per the jurisdiction of the applicant.

Please Note: The mail may be sent from the same e-mail ID on which the applicant would like to receive correspondences from e-DRC. (Pr. CCIT region)

10. **On which e-mail ID I have to send the downloaded Form 34BC along with annexures?**

18 e-Dispute Resolution committees have been constituted in all the jurisdictional regions of the country. These are as under:

S. No.	Pr. CCIT(CCA) Region	Designated Mail ID
1	Pr. CCIT, Gujarat	ahmedabad.dispute.rc1@incometax.gov.in
2	Pr. CCIT, Karnataka & Goa	bengaluru.dispute.rc1@incometax.gov.in
3	Pr. CCIT, MP & Chhattisgarh	bhopal.dispute.rc1@incometax.gov.in
4	Pr. CCIT, Odisha	bhubaneswar.dispute.rc1@incometax.gov.in
5	Pr. CCIT, NWR (Haryana, Punjab Himachal Pradesh, Jammu Kashmir & Ladakh)	chandigarh.dispute.rc1@incometax.gov.in
6	Pr. CCIT, Tamil Nadu & Puducherry	chennai.dispute.rc1@incometax.gov.in
7	Pr. CCIT, Delhi	delhi.dispute.rc1@incometax.gov.in
8	Pr. CCIT, NER (West Bengal, Sikkim, Assam, Manipur, Nagaland, Mizoram, Tripura, Arunachal Pradesh & Meghalaya)	guwahati.dispute.rc1@incometax.gov.in
9	Pr. CCIT, AP & Telangana	hyderabad.dispute.rc1@incometax.gov.in
10	Pr. CCIT, Rajasthan	jaipur.dispute.rc1@incometax.gov.in
11	Pr. CCIT, (UP West & Uttarakhand)	kanpur.dispute.rc1@incometax.gov.in
12	Pr. CCIT, Kerala	kochi.dispute.rc1@incometax.gov.in

13	Pr. CCIT, WB & Sikkim	kolkata.dispute.rc1@incometax.gov.in
14	Pr. CCIT, UP(East)	lucknow.dispute.rc1@incometax.gov.in
15	Pr. CCIT, Mumbai	mumbai.dispute.rc1@incometax.gov.in
16	Pr. CCIT, Nagpur	nagpur.dispute.rc1@incometax.gov.in
17	Pr. CCIT, Bihar & Jharkhand	patna.dispute.rc1@incometax.gov.in
18	Pr. CCIT, Pune	pune.dispute.rc1@incometax.gov.in

11. Who can file Form 34BC?

Any assessee who fulfils the specified conditions may, in respect of any specified order, can file an application to the Dispute Resolution Committee. (Similar to Q 2)

12. What are the modes in which Form 34BC can be filed?

Form 34BC can only be filed online on the e-Filing portal.

13. How can Form 34BC be e-verified?

The taxpayer can E-Verify the form 34BC using Aadhaar OTP, EVC or DSC. You can refer to “How to E-Verify” user manual to learn more.

14. How to pay application fee through e-Pay tax functionality?

The application fees shall be paid through e-Pay tax functionality available on E-filing portal using:

- For PAN User: E-Pay -----> 'Fee/Other payment' tile -----> Major head - 'Miscellaneous Receipts (0075) -----> Minor head - 'other miscellaneous receipts (800)' -----> Subtype of Payment - "14-Application Fee u/s 245MA
- For TAN User: E-Pay -----> 'Miscellaneous Receipts' tile -----> Major head - 'Miscellaneous Receipts (0075) -----> Minor head - 'other miscellaneous receipts (800)' -----> Subtype of Payment - "14-Application Fee u/s 245MA

15. Does Form 34BC require any mandatory attachment?

Yes, Form 34BC requires to mandatorily attach 'documentary evidence relied upon by applicant' and 'Grounds of application'. Further, the applicant has to attach the followings documents along with Form 34BC:

- Copy of order/Intimation by A.O/ Draft Order
- Demand Notice, if any
- Proof of payment of application fee
- Proof of payment of tax paid on returned income.
- Grounds of application

16. What should the applicant do if submission of Form 34BC fails showing error message, "Invalid Input" or "Submission Failed"?

Before filing Form 34BC profile details such as "Contact Details" (or "Key Person Details" in case of other than individual assessee) under "My Profile", are to be updated and to ensure that all mandatory fields are filled.

17. Is Revision functionality available for Form 34BC?

No, Form 34BC once filed cannot be revised.

18. Where to view/download the filed form details after filing of Form 34BC?

Filed Form 34BC details can be viewed/ downloaded under e-file tab----> Income Tax Forms---->View filed forms ----> 34BC.

19. Will the applicant get any communication after filing of Form 34BC?

Yes, SMS and e-mail communication will be sent to taxpayer after successful filing of Form 34BC.

20. What should the applicant do if not able to view the filed form details or receive any communication regarding filing of form 34BC?

For any such issue, grievance may be raised under "Grievances" tab along with relevant ARN Receipt, Acknowledgement number or any other relevant attachment.

21. What is the Time limit to apply before e-DRC?

The application shall be filed to the DRC as per the scheme:

1. within such time from the date of constitution of the DRC, as may be specified by the Board, for cases where an appeal has already been filed and is pending before Commissioner (Appeals); or
2. within 1 month from the date of receipt of specified order, in any other case.

22. How will the applicant know whether his application under Form 34BC is accepted or rejected?

After successful submission of Form 34BC before the designated Dispute Resolution Committee, the applicant will receive, on his registered e-mail address as well the chosen e-mail at point 12 of the Form 34BC, any of the following types of communications:

1. If after screening some deficiency is found in the application then a Deficiency Letter will be issued asking applicant to remove the deficiency
2. A letter from Dispute Resolution Committee that the application is in order and is to be proceeded with shall be communicated to the assessee
3. A letter asking the appellant to show cause why his application be not rejected, giving reasons for the proposed rejection.

23. How will the applicant remove the deficiency in his application?

Applicant may send the required documents/information to e-DRC on its designated e-mail. Also, he can ask for a hearing through video telephony or video-conferencing facility. Video hearing can be conducted through Webex, Google meet etc.

24. What will happen to pending appeal of applicant before CIT(A) after rejection of application by the e-DRC OR if no appeal has been filed before the CIT(A) before coming to e-DRC?

If the applicant has already filed appeal before CIT(A) then in event of you applying in form 34BC before e-DRC, the proceedings before CIT(A) will be suspended/abated. If the application is rejected, applicant can pursue his appeal already filed before CIT(A) OR file a fresh appeal before CIT(A), if already not filed, then the time taken by e-DRC to reject your application will be reduced from the time actually allowed to file before CIT(A)

25. What should applicant do after the receipt of communication from e-DRC that his application is accepted by e-DRC to be proceeded with?

The appellant, within thirty days of receipt of the communication from e-DRC that the application is admitted, is required to submit a proof of withdrawal of appeal filed under section 246A of the Act or withdrawal of application before the Dispute Resolution Panel, if any, to Dispute Resolution Committee or to convey that there is no aforesaid proceeding pending in his case. Failing which the Dispute Resolution Committee may reject the application.

26. What is the proof of withdrawal of appeal filed under section 246A of the Act or withdrawal of application before the Dispute Resolution Panel?

Copy of the request letter written to CIT(A) is a sufficient proof.

27. What if application of appellant is rejected by e-DRC?

In the event of rejection of application by e-DRC the appellant can file appeal before CIT(A) and the time taken by e-DRC to convey the rejection of application, shall be reduced from the time allowed to file an appeal before CIT(A). In case appeal is already filed before filing application to e-DRC, the appellant can pursue his appeal already filed before the CIT(A)

28. What will happen to the original appeal filed before CIT(A), in the event of application being accepted by e-DRC?

The CIT(A) will pass an order in pending appeal as 'Dismissed as Withdrawn' after the conclusion of e-DRC proceedings.

29. How the proceedings before e-DRC will proceed?

The applicant will receive all the communications from e-DRC on his registered e-mail ID and the e-mail ID mentioned by him in the point 12 of Form 34BC. Applicant has to respond on the registered e-mail ID of his jurisdictional e-DRC.

30. Can applicant furnish additional documentary evidence during the e-DRC proceedings?

Yes, he can file additional documentary evidence during the e-DRC proceedings also.

31. Can applicant avail opportunity of personal hearing before e-DRC?

No personal hearing will be given. Applicant may submit his response through email only but he can ask for a hearing through video telephony or video-conferencing facility. Video hearing can be conducted through Webex, Google meet etc.

32. Is there any time limit for completion of proceedings by e-DRC?

Yes, e-DRC will pass order [para4(1)(xv) of the e-DRS,2022] within six months from the end of the month in which application was admitted by e-DRC.

33. What are the orders e-DRC can pass?

e-DRC can pass three types of orders. They are as under:

- (i) make modifications in variations in specified order and decide for waiver/reduction of penalty and immunity from prosecution in accordance with Rule 44DAC
- (ii) not to make modifications in variations in specified order and decide for waiver/reduction of penalty and immunity from prosecution in accordance with Rule 44DAC
- (iii) not to make modifications in variations in specified order

34. How will applicant know that the proceedings before Dispute Resolution Committee are over?

Dispute Resolution Committee shall send the copy of the of resolution or order disposing off the application, as the case may be, to the mail of the assessee and also to the jurisdictional assessing officer for giving effect to the same.

35. What are the steps after the applicant receive copy of order of resolution from e-DRC?

The Jurisdictional Assessing Officer (JAO) shall serve a copy of the modified order along with notice of demand upon to the applicant, specifying the date by which payment is to be made.

36. What will applicant do after the payment of demand?

The applicant shall furnish the proof of payment of demand to e-DRC and also to the Jurisdictional Assessing Officer. The e-DRC on receipt of confirmation of payment of demand, by an order in writing, grant immunity from prosecution and waiver/reduction of penalty, if applicable.

37. Whether Appeal or Revision against modified order is allowed?

No appeal or revision shall lie against the order passed by the Assessing Officer to give effect to the order of resolution of the DRC.

Further, where the specified order is an order of the eligible assessee as referred to in section 144C(1), the assessee shall not be eligible to file any reference to the Dispute Resolution Panel against the modified order passed by the AO to give an effect to the order of resolution of the DRC.

38. Can applicant go back to CIT(A), if not satisfied with order of e-DRC?

No, he cannot go back to CIT(A) once your application is accepted by the e-DRC.

39. Can applicant add an Authorized Representative to file Form 34BC on his behalf?

Yes, applicant can add an Authorized Representative to file Form 34BC on his behalf. Kindly refer to 'Authorize / Register as Representative User Manual' to learn more.

40. What would happen if e-DRC grants waiver/reduction of penalty?

In such a case the penalty lying pending with Faceless Penalty Unit would be transferred to Jurisdictional Assessing Officer. After transfer of penalty proceedings, the Jurisdictional Assessing Officer will pass an appropriate order giving effect to e-DRC order granting waiver/reduction of penalty.