

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA UNSTARRED QUESTION NO. 182

TO BE ANSWERED ON MONDAY, THE 22nd JULY, 2024/31 ASHADHA, 1946 (SAKA)

VIVAD SE VISHWAS SCHEME

182. Shri P V Midhun Reddy:

Will the Minister of FINANCE be pleased to state: -

- (a) the details and the features of the direct tax dispute resolution Vivad se Vishwas Scheme launched in 2020;
- (b) the benefits realised out of the same in terms of reducing pending income tax litigation and generating timely revenues for the Government; and
- (c) the details of other such measures being taken by the Government to end tax litigation and legacy disputes?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(**SHRI PANKAJ CHAUDHARY**)

Answer (a)

DIRECT TAX VIVAD SE VISHWAS SCHEME, 2020

- (i) The scheme was announced by the Hon'ble FM in Budget Speech of 2020. For the purpose of the scheme, the Direct Tax Vivad Se Vishwas Act, 2020 (the Act) received the assent of the Hon'ble President on the 17th March, 2020 and it was notified. The Act was introduced to provide for resolution of disputed tax and for matters connected therewith or incidental thereto.
- (ii) The objective of the Act was to reduce pending income tax litigation, generate timely revenue for the Government and benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the litigation process.
- (iii) The scheme covers disputes related to tax arrear. The "tax arrear" under the scheme means the aggregate amount of disputed tax, interest chargeable or charged on such disputed tax, and penalty leviable or levied on such disputed tax; or disputed interest; or disputed penalty; or disputed fee.
- (iv) The tax payer eligible under the Act, will have a conclusive determination of tax payable which is lower than the disputed tax arrears and there is no re-opening of the matter. Further, the Act provides immunity from initiation of proceedings in respect of offence and imposition of penalty in certain cases.
- (v) The scheme can be availed by the eligible tax payers who are in dispute and the matter is pending before the Supreme Court or the High Court or the ITAT or CIT(Appeals) etc.
- (vi) To be eligible under the scheme, the taxpayer shall withdraw the pending appeals. Further, no appellate forum shall proceed to decide any issue.

- (vii) The scheme is not applicable in respect of tax arrears in certain class of cases, including search, prosecution, etc. under the Income-tax Act or where prosecution has been initiated/instituted under certain other laws.

Answer (b)

Summary of Vivad Se Vishwas Scheme as on 04/07/2024		
(1)	(2)	(3)
Count of Form -1 Filed (Pending income tax litigations where settlement sought by the declarant)	Count of Form -5 issued (Number settled finally out of numbers mentioned in column 1)	Payments made against Disputed Tax (Rs. Crore)
1,31,714	1,13,894	75,788.25

Answer (c)

- (i) As a step towards reducing litigation and tax disputes of the Income-tax Department, CBDT has issued Circular directing field Officers not to file appeal before appellate authorities having tax effect below the monetary limits as under, except in certain specified class of cases:

Forum	Tax Effect more than Rs.
ITAT	50 Lakhs
High Court	1 Crore
Supreme Court	2 Crore

- (ii) Finance Act, 2022 has inserted a new section 158AB in Income Tax Act to avoid repetitive appeals by the Department. The section provides that, if a question of law in the case of an assessee is identical to a question of law which is pending in appeal before the jurisdictional High Court or the Supreme Court in any case, the filing of further appeal in the case of this assessee by the department, before the ITAT or the High Court as the case may be, shall be deferred till such question of law is decided by the jurisdictional High Court or the Supreme Court.
- (iii) In order to reduce litigation, appeal before High Court is filed only after the approval of a committee of Chief Commissioners of Income Tax. Proposal of SLP to Supreme Court is further examined by Directorate of Legal & Research to ensure that only deserving cases are brought before the Apex Court.
