

Dispute Resolution Scheme

September 1, 2024 • vajiramandravi.com



About Dispute Resolution Scheme:

- The scheme aims to reduce litigation and provide a faster and more **cost-effective resolution for taxpayers.**
- This initiative, established under **section 245MA of the Income-tax Act, 1961**, will allow taxpayers to resolve disputes electronically through Dispute Resolution Committees (DRCs).
- **Eligibility:**
 - Taxpayers who meet certain conditions specified in section 245MA can apply for dispute resolution.
 - This includes cases where the disputed amount does not exceed **Rs. 10 lakh** and the taxpayer's income for the relevant year **is below Rs. 50 lakh.**
 - The dispute must not involve information from searches or international agreements.
- The DRC, established in all 18 regions across the country, can modify orders, reduce penalties, or waive prosecution. They are required to decide within six months of receiving the application.

Q1: What is Income tax?

It is a financial and legal obligation in India. All individuals earning above a certain amount are required to pay income tax on their earned income. The income tax rates, income slabs, and rules are regulated by the government and are subject to change from time to time.

Source: [CBDT rolls out Dispute Resolution Scheme \(e-DRS\), 2022, to minimise litigation](#)

Source: <https://vajiramandravi.com/current-affairs/dispute-resolution-scheme/>

© Vajiram & Ravi. For personal use only.