



GARV & Associates



IN THIS ISSUE

VIVAD SE VISHWAS

Currently, there are 4,83,000 direct tax cases pending in various appellate forums. A No Dispute but Trust Scheme – 'Vivad Se Vishwas' Scheme is proposed to be introduced in the Union Budget, 2020.

Under the proposed 'Vivad Se Vishwas' scheme, a taxpayer would be required to pay only the amount of the disputed taxes and will get complete waiver of interest and penalty provided he pays by 31st March, 2020. Those who avail this scheme after 31st March, 2020 will have to pay some additional amount. The scheme will remain open till 30th June, 2020.

This newsletter summarises the important provisions of the proposed scheme. The rules of scheme are yet to be stipulated, which once made available will provide further clarity regarding the procedure of implementation of the scheme.

Applicability Applicability of the Scheme	Page 2
Definitions Relevant Definitions under the Scheme	Page 3
Tax Arrear Definition	Page 4
Relief Manner of Computation of Relief under the Scheme	Page 4
Filing process Detailed Flowchart	Page 5
Scheme not Available Cases of Non Applicability	Page 6
Contact Us	Page 7

FOR MORE INFORMATION

Visit us at

GARV & ASSOCIATES
www.garvca.com

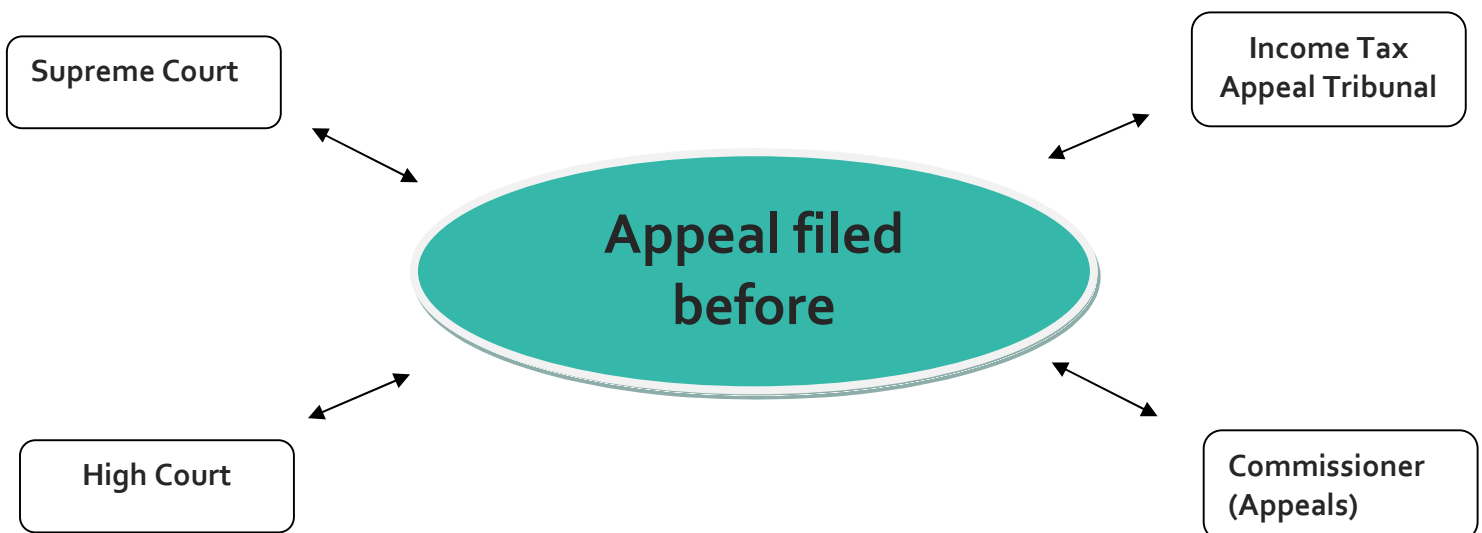
Applicability

In respect of all disputed tax against which appeal has been filed before the-

1. Supreme Court
2. High Court
3. Income Tax Appeal Tribunal
4. Commissioner (Appeals)



Appellate Forum



FOR MORE INFORMATION

Visit us at

GARV & ASSOCIATES
www.garvca.com

BASIC FACTS

**Disputed Income**

So much of Total Income which is related to the Disputed Tax

**Disputed Interest**

Interest not chargeable or chargeable on the disputed tax against which appeal has been filed

**Disputed Penalty**

Penalty not chargeable or chargeable on the disputed penalty against which appeal has been filed.

Disputed Tax

$$\text{Disputed Tax} = (A-B) + (C-D)$$

A = Tax on Total Income assessed under normal provision of Income Tax Act (other than MAT)

B = Tax on (Total Income assessed under A above - Income Appeal against)

C = Tax on Income assessed under MAT provision

D = Tax on (Income assessed under MAT provision – Income appealed against)

- Where the amount appealed against has been considered both under normal provisions and MAT, this amount will not be reduced while computing the income under item D
- Where MAT is not applicable (C-D) is to be ignored
- If the income declared in the Return was a loss then disputed tax shall be calculated directly on the income in respect of which appeal has been filed, and the formula (A-B) shall not be applicable
- Disputed Tax shall also include TDS & TCS default in respect of which appeal has been filed

Tax Arrear

BASIC FACTS

- Disputed Tax + Interest on Disputed Tax + Penalty on Disputed Tax
- Disputed Interest OR
- Disputed Penalty OR
- Disputed Fee

Order under the Scheme is conclusive

It is proposed that the matter covered by the order issued under the scheme shall not be reopened in any other proceedings under the I.T. Act or any other law

No Refund

Any amount paid on the declaration shall not be refundable under any circumstances



FOR MORE INFORMATION

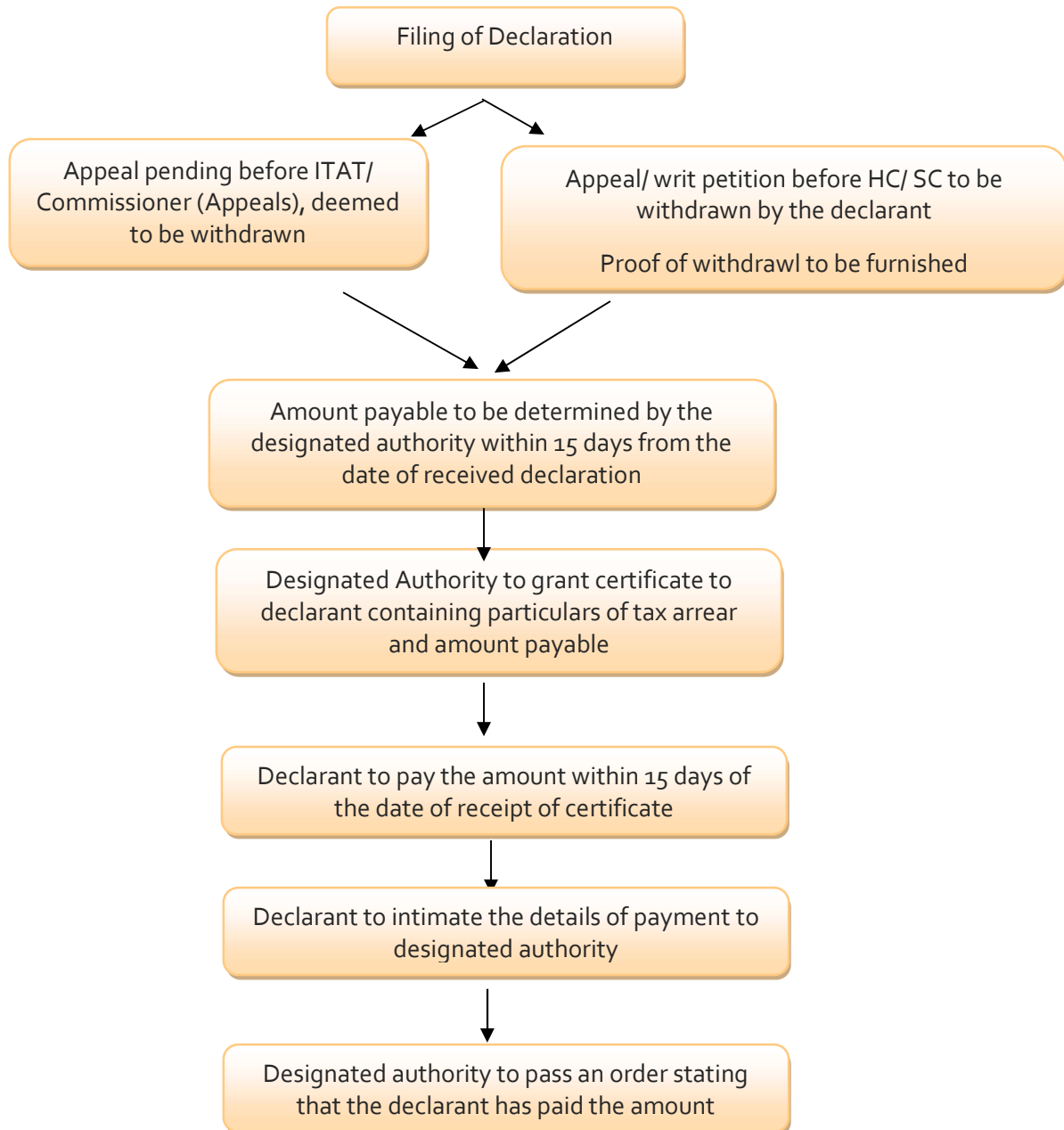
Visit us at

GARV & ASSOCIATES
www.garvca.com

Relief

Nature of Tax Arrear	Amount to Pay	
	Scheme opted for before 31 st March, 2020	Scheme opted for on/before 1 st April, 2020
Tax + Interest + Penalty	Disputed Tax (Penalty & Interest completely waved)	110% of Disputed Tax (Limited to Tax + Interest + Penalty)
Disputed Interest OR Disputed Penalty OR Disputed Fee	25% of Disputed Interest or Disputed Penalty or Disputed Fee	30% of Disputed Interest or Disputed Penalty or Disputed Fee

Filing Process



Scheme not available

in respect of following Tax Arrears

- Search & Seizure
- Prosecution
- Undisclosed income from a source outside India
- Assessment on the basis of the information received under DTAA
- Notice of enhancement issued u/s 251
- Order of detention under the provisions of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974
- Prosecution of the Indian Penal Code, the Unlawful Activities (Prevention) Act, 1967, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Prevention of Corruption Act, 1988, the Prevention of Money Laundering Act, 2002, the Prohibition of Benami Property Transactions Act, 1988 or for the purpose of enforcement of any civil liability has been instituted.
- Any person notified under section 3 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992.



Contact Us

GARV & ASSOCIATES

Unit No. 403, 4th Floor, Shantiniketan Building
8 Camac Street, Kolkata – 700017

19, R. N. Mukherjee Road, Eastern Building, 1st Floor
Kolkata - 700001

Email : info@garvca.com

Website : www.garvca.com

Call us:

+91 33 40404743 / 44

CA Ashish Rustagi

+91 93397 68131

