SUPREME AUDIT INSTITUTION OF INDIA
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Report of the
Comptroller and Auditor General of India

Subject Specific Compliance Audit on Direct Tax Vivad se Vishwas Scheme, 2020

Union Government
Department of Revenue – Direct Taxes
Report No. 8 of 2026
(Compliance Audit – Civil)

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Comptroller and Auditor General of India

for the year ended March 2024

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Laid on the table of Lok Sabha and Rajya Sabha on ……………………….

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Preface

This Report for the year ended March 2024 has been prepared for submission to the President under Article 151 of the Constitution of India.

The Report contains significant results of the Subject Specific Compliance Audit of the Direct Tax Vivad se Vishwas Scheme, 2020 of the Department of Revenue - Union Government.

The instances mentioned in this Report are those that came to notice in the course of the test audit of cases processed by the Income Tax Department under the Direct Tax Vivad se Vishwas Scheme, 2020. This audit was conducted from July 2023 to February 2024. Further, the issues relating to Information Technology (IT) with respect to the implementation of the aforesaid Scheme were examined during March 2024 to September 2024.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Executive Summary

The Direct Tax Vivad se Vishwas (DTVsV) Scheme, 2020, a resolution mechanism, was implemented with the intent to reduce pending income tax litigation, generate timely revenue for the Government, and benefit taxpayers by providing peace of mind, certainty, and savings on account of time and resources and granting them immunity from penalty prosecution. Thus, this Scheme was intended to benefit the Government as well as the taxpayer.

As of 31 January 2020, the amount of disputed direct tax arrears locked in 4.15 lakh appeals cases was ₹ 10.09 lakh crore, i.e. 88.7 *per cent* of the direct tax collection of ₹ 11.37 lakh crore during FY 2018-19. This resolution mechanism was brought by taking into consideration the pendency of litigation cases at different appellate fora *viz.* Commissioner of Income Tax (Appeals), Income tax Appellate Tribunal, High Court or Supreme Court as on the 31st day of January, 2020, irrespective of whether the demand in such cases was pending or had been paid.

Under this scheme, the eligible assessee was required to pay only the amount of the disputed taxes, and there was a complete waiver of interest and penalty provided the payment was made within the specified date. Further, if the appeal was related to the disputed penalty/interest/fee, the assessee was required to pay 25 *per cent* of the disputed penalty/interest/fee, subject to the fulfilment of the prescribed conditions of the DTVsV Act, 2020.

The Subject Specific Compliance Audit (SSCA) was conducted to assess the extent to which the Direct Tax Vivad se Vishwas Scheme achieved its intended objectives and to ascertain whether it was effectively implemented; whether the rules, regulations, notifications, and circulars/instructions governing the implementation of the Direct Tax Vivad se Vishwas Scheme (DTVsV Scheme) were adequate; whether the internal control system, monitoring, and co-ordination mechanism were effective; and whether the IT system, controls, and validation were sufficient to ensure accuracy, data integrity, timeliness, and adherence to relevant tax laws and regulations.

We examined a total of 5,212 cases relating to different categories *viz.* cases where Form-5 was issued, Form-4 was awaited, Assessees application was rejected by the Designated Authority (DA), cases, where the assessees have made payment (vide Form-4) in excess/short in respect of disputed tax/TDS/TCS/Penalty/Interest as against the payable computed by the Designated Authority (DA) in Form-3; cases which were pending in the Hon'ble Supreme Court and where disputed tax/TDS/TCS/ Penalty/Interest was one crore and above; and high-value cases where disputed amount payable was more than ₹ 10 crore, pertaining to 174 DA.

In the course of the SSCA, Audit found issues relating to systemic deficiencies and IT infrastructure, control and validation, monitoring and internal control by the Department. We also noticed 389 cases involving ₹ 1,675.65 crore relating to non-compliance of provisions of DTVsV Act/Rules etc. by the DA. Certain significant audit findings are mentioned below:

- Audit noticed in 63 *per cent* of audited sample cases in 24 States that Form-3 was issued after the prescribed time limit of 15 days, and the delays ranged up to 868 days; in 55.8 *per cent* cases, delays ranged upto 50 days; in 15.6 *per cent* cases, delays ranged between 51 days and 100 days; in 14.7 *per cent* cases, between 101 days and 200 days; and in 14.0 *per cent* cases, between 201 days to 868 days. The delayed issuance of Form-3 by the DA, might result in delayed demand collection by the Department, which might not be in confirmity with the intended objective of the DTVsV Scheme.

  In addition, Audit noted in certain cases that delay in issuance of Form-3 caused excess payment of 10 *per cent* (applicable in case of payment made after prescribed date) of the amount payable by the assessee.

(Paragraph 4.1)

- Out of the total 4,558 cases from the audited sample, where Form-5 was issued, Audit noticed in 2,044 (45 *per cent)* cases pertaining to 149 PCsIT of 22 States, Form-5 was issued with a time gap ranged upto 954 days (in 39.1 *per cent* cases, gap ranged between 151 days and 300 days, in 39.0 *per cent* cases, between 61 days to 150 days; in 20.3 *per cent* cases, between 301 days and 600 days; and in remaining 1.6 *per cent* cases, between 601 days to 954 days). We also noticed that in 21 cases, Form-5 was not issued after the assessee submitted Form-4. Delay in the issue of Form-5 by the DA results in delay in the issue of Consequential Effect Order (CEO) by the Jurisdictional Assessing Officer, which would eventually result in the delayed issue of refund to the assessee, thereby causing inconvenience to the assessee and also defeating the purpose of the scheme.

(Paragraph 4.2)

  Out of the finalised 4,558 cases, the Department did not provide the details of CEOs in 2,521 cases in 23 States. Further, out of 2,037 cases where CEOs were made available to Audit, in 1,546 cases of 23 States, the CEOs were issued with a time gap ranged upto 1,398 days (in 36.1 *per cent* cases, gap ranged between 301 days to 600 days; in 29.2 *per cent* cases, between 151 days and 300 days; in 16.5 *per cent* cases, between 61 days and 150 days; in 14.5 *per cent* cases, between

601 days and 900 days; and in remaining 3.7 *per cent* cases, between 901 days to 1,398 days). Substantial delays/non-issue of Consequential Effect Order after issue of Form-5 may result in non-updation of Assessee's tax and other related details on ITBA, which may have a consequential incorrect financial impact.

(Paragraph 4.3)

- Out of 5,212 audited cases under the DTVsV Scheme, in 1,676 cases of 22 States, one or more essential documents were not found in the DTVsV Scheme files/ documents provided to Audit, which inferred that the veracity of the amount payable by the assessee was not ensured.

(Paragraph 4.4.1)

- Audit noticed in 10 cases in three States, out of the total audited 327 cases pertaining to the category of 'Rejected', the DA had rejected valid declarations filed by the assessee. Audit observed that these assessees were eligible to avail the benefit of the scheme but were denied by the DA without exercising due diligence/verifying the veracity of the facts stated by the assessees. The incorrect rejection resulted in not only a loss to the exchequer but also defeated the intended objective of the scheme.

(Paragraph 4.7)

- Audit noticed in 11 cases in three PCsIT of Gujarat charge that due to delay in issuance of consequential effect orders (CEOs) after final settlement of disputed demand under DTVsV Scheme, refunds of other assessment years were adjusted against these disputed demands by the ITD system.

(Paragraph 4.13.1)

- Audit noticed in three cases in one PCIT of Gujarat charge that even after final settlement of disputed demand under DTVsV Scheme and issuance of consequential effect orders (CEOs) through ITD system, refunds of other assessment years were adjusted against these disputed demands by the ITD system. Thus, while adjusting refunds against existing demand, there was no check and validation available in the ITD system.

(Paragraph 4.13.2)

- Audit noticed that there was no mechanism for sending notifications in the DTVsV Scheme functionality system to remind the Designated Authority of the timely issue of Form-3, causing difficulty in monitoring the timely processing of the cases by the concerned authority(ies).

(Paragraph 4.14)

- Audit noticed that in 208 cases involving tax effect of ₹ 423.47 crore in 21 States, the DA had incorrectly determined the amount payable under the DTVsV Act.

(Paragraph 5.1)

- Audit noticed that in 55 cases involving tax effect of ₹ 1,168.27 crore in 13 States, the Department had not withdrawn the amount of Interest paid to the assessee under Section 244A of the Income Tax Act while processing the case under the DTVsV Scheme, resulting in loss of revenue to the exchequer.

(Paragraph 5.2)

- Audit noticed that in 34 cases involving tax effect of ₹ 6.17 crore in 13 States, the Department had calculated the disputed tax at the rate of 100 *per cent* instead of 125 *per cent* despite being search case(s).

(Paragraph 5.3)

- Audit noticed that in eight cases involving tax effect of ₹ 37.89 crore in three States, the Department incorrectly allowed the carry forward of loss or unabsorbed depreciation.

(Paragraph 5.7)

- With regard to the internal audit of cases of the DTVsV Scheme, the audit received responses from 91 PCsIT out of 169 audited PCsIT. Out of these 91 PCsIT, internal audit was conducted by the Department only with respect to two PCsITs in Tamil Nadu charge.

(Paragraph 6.1)

- Out of 169 audited PCsIT, 83 PCsIT had responded to the Audit's enquiry relating to the existence of SOP for disposal of cases under DTVsV Scheme. Out of these 83 PCsIT, 63 PCsIT stated that they had SOP for disposal of cases relating to the DTVsV Scheme, whereas 20 PCsIT stated that they had not received any such SOP from the Department. Response from the remaining 86 PCsIT is still awaited. In the absence of broad circulation of guidelines/SOP, the DA did not take a uniform stand in disposing of the cases under the DTVsV Scheme 2020, which eventually resulted in the loss of revenue to the exchequer**,** which the CBDT could have avoided by issuing SOP/a set of instructions/guidelines to all DAs/PCsIT for maintaining uniformity and achieving the intended objective of the scheme.

(Paragraph 6.2)

- Out of total 4.15 lakh cases, with revenue locked of ₹ 10.09 lakh crore, pending at different appellate fora as on 31 January 2020, applications in respect of 1.32 lakh cases (31.8 *per cent*) involving revenue of ₹ 0.99 lakh crore (9.8 *per cent*) received under this Scheme for settlement.

  Furhter, the CBDT could not furnish details of eligible cases and revenue locked therein stating that the details of such cases were not available because the eligibility depends upon several conditions outlined in the provisions of the DTVsV Act, 2020. As a result, Audit could not determine settlement of cases *vis-a-vis* total number of eligible cases and revenue recovered *vis-a-vis* total amount locked in these eligible cases, under the Scheme.

  Under this scheme, as on 22 July 2022, 1.06 lakh cases (89.1 *per cent* of total applications received) were settled and revenue of ₹ 71,924 crore (72.3 *per cent* of the total application amount) was collected after waiving of interest/penalty as per the provisions of the Scheme.

  In more than 13,000 cases, despite payment of the requisite amount and submission of Form-4 by the assessees, the Department was not able to settle these cases in a timely manner, which might result in inconvenience to the assessees. Further, non/ inadequate pursuance by the Departement in 12,327 cases, where Form-4 were not submitted by the assessees, might result in loss to the Government exchequer.

(Paragraph 6.6)

Summary of Recommendations

Audit recommends that:

- *CBDT may fix a specific timeline to issue the form(s) and Consequential Effect Order in order to achieve the stated objectives of such a scheme in future.*

(Paragraph 4.3)

- *CBDT may ensure the auto-population of relevant data from the legacy data available in the ITD systems so as to reduce the scope of errors due to manual intervention, while implementing such a scheme in future.*

(Paragraph 4.9)

- *CBDT may consider taking appropriate measures for ensuring the correctness of the computation of the amount payable by the concerned authority to achieve the objective of such a scheme in future.*

(Paragraph 5.1)

- *CBDT may issue clarification to the competent Authority to rectify the apparent mistakes noticed in their order to open the case within specific timelines, remove any ambiguity, and ensure uniform interpretation and implementation of the provisions as per the intent of the scheme.*

(Paragraph 5.2)

- *CBDT may examine the reasons for the inconsistent approach in the applicability of provisions of the relevant ACT/Rules and take appropriate remedial action to ensure uniformity in the treatment of cases, especially in search cases, in similar circumstances across all charges of ITD.*

(Paragraph 5.3)

- *CBDT may ensure the correctness of the computation of tax by streamlining and strengthening controls in the Department's IT systems so as to prevent any loss of revenue while implementing such a scheme in future.*

(Paragraph 5.4)

- *CBDT may*
  - *ensure the capture/depiction of essential/vital information in the relevant form(s) in order to facilitate the AO/concerned authority for the disposal of cases in an effective and transparent manner in future.*

  - *identify such cases, where undue losses were already claimed and allowed to the assessee by the Department and initiate timely action to rectify these cases so as to recover the revenue for the exchequer.*

(Paragraph 5.7)

- *CBDT may consider issuing instructions to the Jurisdictional Assessing Officer to verify all the relevant assessment records of the assessee before determining a refund so as to avoid loss of revenue to the exchequer.*

(Paragraph 5.8)

- *CBDT may conduct an internal audit covering cases of a certain threshold limit of Tax effects, to be decided by the CBDT, relating to the DTVsV Scheme, so as to provide reasonable assurance about the implementation and execution of the scheme.*

(Paragraph 6.1)

- *CBDT may consider issuing an SOP/Instructions/guidelines so as to ensure uniformity in the application of the relevant provisions under similar circumstances before implementing such a scheme.*

(Paragraph 6.2)

- *CBDT may devise MIS and maintain data to monitor the implementation of such scheme, determine its efficacy, and take remedial action for course correction.*

(Paragraph 6.6)

Chapter 1 Introduction

1.1 Introduction

The Direct Tax Vivad se Vishwas (DTVsV) Scheme, 2020, a resolution mechanism, was implemented under the Direct Tax Vivad se Vishwas Act 2020, with the intent to reduce pending income tax litigation, generate timely revenue for the Government, and benefit taxpayers by providing the peace of mind, certainty, and savings on account of time and resources and granting them immunity from penalty prosecution. Thus, this Scheme was intended to benefit the Government as well as the taxpayer.

As of 31 January 2020, the amount of disputed direct tax arrears locked in 4.15 lakh appeals cases was ₹ 10.09 lakh crore, i.e. 88.7 *per cent* of the direct tax collection of ₹ 11.37 lakh crore during FY 2018-19. This resolution mechanism was brought by taking into consideration the pendency of litigation cases at different appellate fora and significant tax revenue locked up therein.

Under this scheme, the eligible assessee was required to pay only the amount of the disputed taxes and there was complete waiver of interest and penalty provided the payment was made within the specified date. Further, if the appeal was related to disputed penalty/interest/fee, the assessee was required to pay 25 *per cent* of the disputed penalty/interest/fee, subject to fulfilment of prescribed conditions of the DTVsV Act, 2020.

The provision of the Act was applicable to-

i) appeals filed by taxpayers or the Government, which were pending with the Commissioner of Income Tax (Appeals), Income Tax Appellate Tribunal, High Court, or Supreme Court as on 31 January 2020, irrespective of whether the demand in such cases was pending or paid.

ii) The pending appeal might be against a disputed tax, interest, or penalty in relation to an assessment or reassessment order or against a disputed interest or disputed fees where there was no disputed tax. Further, the appeal might also be against the tax determined on defaults with respect to tax deducted at source or tax collected at source.

The necessary Acts and Rules relating to DTVsV Scheme 2020 were notified on 17 and 18 March 2020, respectively. Accordingly, declaration through e-filing was enabled on 19 March 2020 for assessees who wanted to opt for the DTVsV

Scheme. In view of the outbreak of the COVID-19 pandemic, the provisions of the DTVsV Scheme were amended by the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020, to relax certain provisions, including the extension of the time limit. Subsequently, on receipt of several queries from the stakeholders, the CBDT issued Circulars[1] to clarify certain provisions of the Direct Tax Vivad se Vishwas Act, 2020, by way of Frequently Asked Questions (FAQs). Thereafter, several other circulars were issued to address difficulties in implementing the above scheme.

On the introduction of the aforesaid scheme, the last date for filing a declaration by the eligible assessee was notified as 31 March 2020, which was extended several times and finally extended up to 31 March 2021. Similarly, the last date for payment of the amount under the scheme was initially fixed at 30 June 2020 without additional charge, and after 30 June 2020 with additional charge; it was finally extended up to 30 September 2021 and 31 October 2021, respectively. However, CBDT vide their instructions[2] dated 27 June 2024 issued directions to accept the delayed payment of requisite taxes in the cases wherein the assessee has made full payment of taxes (including amount payable after due date as prescribed in Form-3 of the DTVsV Rules) on or before 28 February 2022 under the DTVsV Act, and the appeal(s) mentioned in Form-1 of the DTVsV Rules has either been withdrawn or has not been decided as on date of full payment of taxes (including amount payable after due date as prescribed in Form-3 of the DTVsV Rules). It was further directed that processing of such cases may be completed by 30 September 2024.

1.2 Processing of cases under the DTVsV Scheme, 2020

For the processing of cases under the DTVsV Scheme, five forms were prescribed by the CBDT, wherein Form-1 was for filing a declaration by the applicant, Form-2 for furnishing an undertaking by the applicant, Form-3 for furnishing a certificate by the Designated Authority (DA)[3] determining the amount payable to settle the dispute; Form-4 for intimating the payment made and withdrawal of an appeal by the applicant; and Form-5 for issuing an order for full and final settlement of disputes by the DA. Details of information /documents to be furnished by the applicant or the DA in the respective form have been described below:

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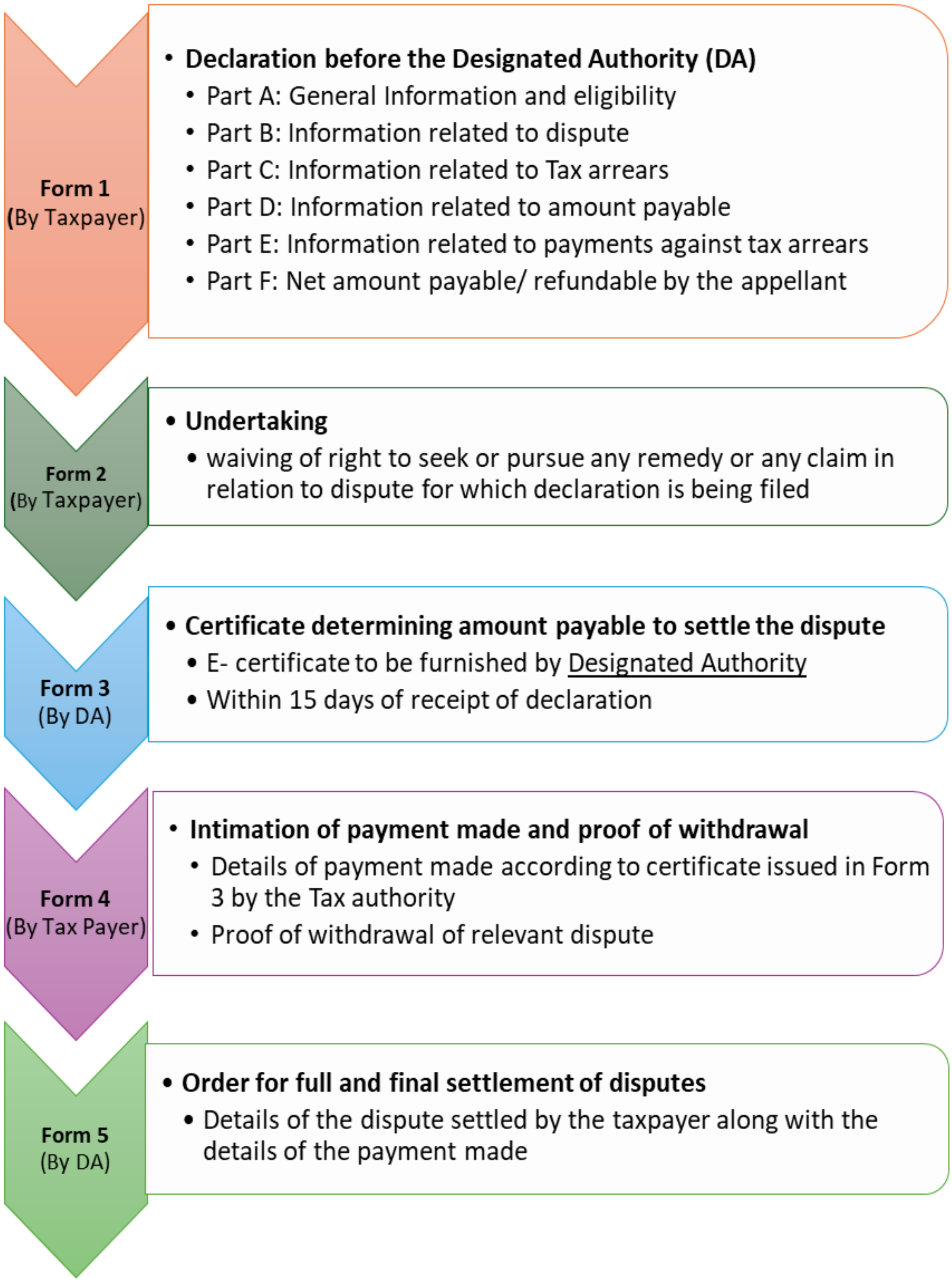
[1] Circulars No. 9/2020 dated 22/04/2020 and No. 21/2020 dated 04/12/2020

[2] [F.No.173/03/2021-ITA-I(Pt.2)] dated 27-06-2024

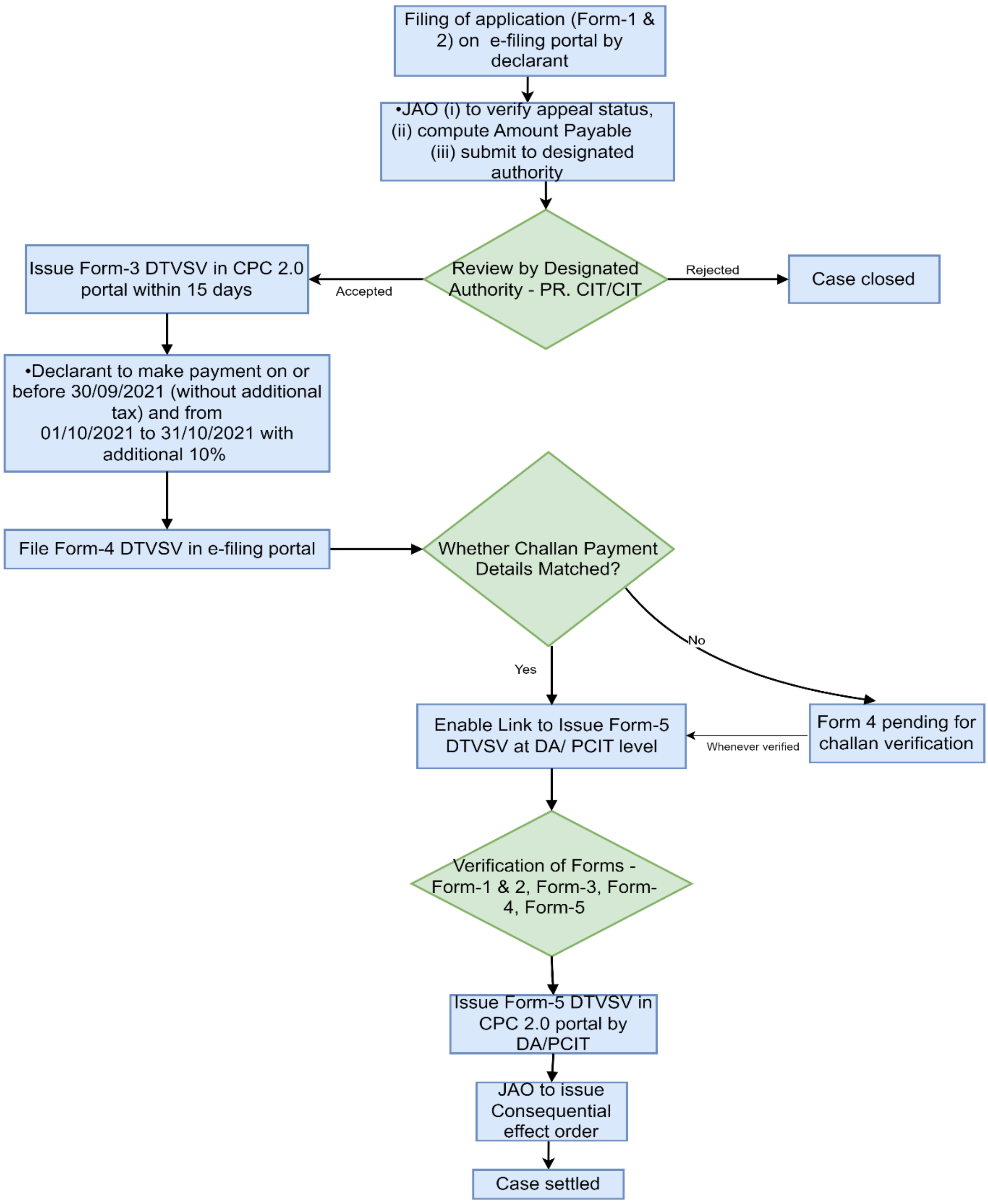
[3] Designated Authority (DA) means an officer not below the rank of the Commissioner of Income Tax notified by the Principal Chief Commissioner of Income Tax for the purpose of the DTVsV Act.

Chart 1.1: Processing of cases under the DTVsV Scheme, 2020



A flow-chart depicting steps involved in the processing of cases under the DTVsV Scheme, 2020, starting from submission of application by the Assessees (**Form-1**) till final settlement (**Form-5**), including Consequential Effect Order (CEO) by Jurisdictional Assessing Officer (JAO), is given below:

Chart 1.2: Processing of cases under DTVsV Scheme, 2020



Thus, when an assessee opts for this scheme by submitting Form-1 and Form-2, the DA computes the amount payable (Form-3) and asks the assessee for payment. After payment is made (Form-4) by the assessee, order for full and final settlement (Form-5) is issued by the DA. Consequently, CEO is issued by the respective JAO.

1.3 Distinction between the settlement of cases under CIT(A)/ITAT *vis-a-vis* DTVSV Scheme, 2020

Audit attempted to ascertain the reasons for introducing a new scheme for settlement of cases of disputed tax arrears locked up in appeals, though appellate forums, *viz.* CIT (A)/ITAT is already in place. The following Table depicts distinctions between processes involved in the settlement of cases under CIT (A)/ITAT *vis-a-vis* DTVsV Scheme, 2020:

<table>
<tr><th colspan="3">Table 1.1: Settlement of pending cases under CIT(A)/ ITAT vis-à-vis DTVsV Scheme 2020</th></tr>
<tr><th>Cases processed under CIT(A) and ITAT</th><th></th><th>Cases processed under DTVsV Scheme</th></tr>
<tr><td>The assessee is aggrieved by any order passed by JAO/CIT.</td><td>Eligibility Criteria</td><td>The appeal should be pending with the appellant forum as provided in DTVsV Act, 2020, or the time for filing the appeal has not expired on the specified date (31/01/2020).</td></tr>
<tr><td>An appeal can be filed in Form-35 before CIT(A) and Form 36 with ITAT, electronically.</td><td>Filing method</td><td>An application could be filed in Form-1 DTVSVS rules electronically.</td></tr>
<tr><td>With CIT (A) within 30 days of service of demand notice and with ITAT within 60 days of service of order of CIT(A), Dispute Resolution Panel, etc.</td><td>Filing Timeline</td><td>The last date for filing the application was 31-03-2021.</td></tr>
<tr><td>Pre-deposit 20 per cent of demand has to be paid on or after the appeal is filed.</td><td>Pre-payment</td><td>No such condition.</td></tr>
<tr><td><table>
<tr><th rowspan="2">Assessed Income</th><th colspan="2">Application Fees</th></tr>
<tr><th>CIT (Appeals)</th><th>ITAT</th></tr>
<tr><td>upto ₹ 1 lakh</td><td>₹ 250</td><td>₹ 500</td></tr>
<tr><td>>₹ 1 lakh and <= ₹ 2 lakh</td><td>₹ 500</td><td>₹ 1000</td></tr>
<tr><td>> 2 lakh</td><td>₹ 1000</td><td>One per cent of Assessed Income (Maximum ₹ 10,000)</td></tr>
</table></td><td>Fee</td><td>No application fee.</td></tr>
<tr><td>The case is processed as per the merit of the case.</td><td>Basis of processing</td><td>Application accepted as per the eligibility criteria of the DTVsV Act.</td></tr>
<tr><td>CIT(A), where it is possible, may hear and decide such an appeal within a period of one year from the end of the financial year in which such an appeal is filed before it.
However, there are no such provisions for ITAT.</td><td>Processing Time</td><td>Certain timelines for Form-1 to Form-4, and no timeline for Form-5.</td></tr>
<tr><td>The outcome depends on the merit of the case and the scope of filing further appeals to the next higher appellate authority.</td><td>Outcome</td><td>Outcome certain (depends on who's in appeal) and no further scope of appeal.</td></tr>
</table>

1.4 Legal Provisions

Legal provisions relating to the DTVsV Scheme 2020 are provided in the DTVsV Act 2020, DTVsV Rules 2020, and circulars/notifications/ Instructions issued by CBDT from time to time. The Central Board of Direct Taxes had also clarified certain provisions of the Direct Tax Vivad se Vishwas Act 2020 by circulars No. 9 of 2020, dated 22nd April, 2020, and No. 21 of 2020, dated 4th December 2020, in the form of answers to frequently asked questions (FAQs). Provisions relating to the identification of the nature of tax arrears *vis-a-vis* computation of the amount payable within the date(s) specified by the DTVsV Act 2020 are briefly discussed below:

1.4.1 Nature of Tax Arrear and Amount Payable as per DTVsV Scheme under Section 3 of DTVsV Act, 2020

The nature of tax arrears and the amount of the disputed tax payable as per Section 3 of the DTVsV Act and subsequent clarification issued vide Question no 28 of CBDT Circular no. 9 of 2020 are summarised in Table no. 1.2:

Table 1.2: Amount of disputed tax payable

Sl. No.	Nature of Tax Arrear	If the assessee was in appeal		If the Department was in appeal	
		on or before 30 September 2021	after 30th September 2021 and upto 31st October 2021	on or before 30 September 2021	after 30th September 2021 and upto 31st October 2021
1	Aggregate of disputed tax, interest charged or chargeable on disputed tax, and penalty levied or leviable on the disputed tax	100% of disputed tax	110% of the disputed tax (excess amount over 100 *per cent* limited to the amount of interest and penalty levied or leviable)	50% of Disputed Tax	55% of the disputed tax
2	Search cases involving disputes relating to tax, interest, penalty, etc. (if the disputed tax does not exceed ₹ five crore, the maximum limit fixed for search cases in DTVsV Scheme)	125% of disputed tax (excess amount over 100 *per cent* limited to the amount of interest and penalty levied or leviable)	135% of the disputed tax (excess amount over 100 *per cent* limited to the amount of interest and penalty levied or leviable)	62.5% of the disputed tax	67.5% of the disputed tax
3	Disputed Penalty or disputed interest or disputed fees	25% of disputed interest, penalty, or fees	30% of disputed interest, penalty, or fees	12.5% of disputed penalty, interest, or fee	15% of the disputed penalty, interest, or fee

1.5 Launching of another Direct Tax Vivad se Vishwas Scheme, 2024

Government of India has launched the Direct Tax Vivad se Vishwas Scheme, 2024 (hereinafter referred as DTVsV Scheme, 2024) vide Chapter IV of Finance (No.2) Act, 2024 to provide for dispute resolution in respect of pending income tax litigation with the same objective as of the earlier Scheme. The Rules and Forms for enabling the Scheme was notified on 20/09/2024 and the scheme was commenced with effect from 01/10/2024. After enactment of the DTVsV Scheme, 2024, Guidance Note in the form of answers to frequently asked questions (FAQs) were also issued vide Circular No. 12 of 2024 dated 15/10/2024 and Circular No. 19 of 2024 dated 16/12/2024. The last date for filing a declaration in respect of tax arrears was extended up to 30/04/2025 vide Notification dated 08/04/2025. The comparative study of both the DTVsV Scheme reveals that the Government while introducing a new scheme, carried out some modifications in rules/provisions and eligibility criteria for the scheme. Comparative statements of both schemes are summarised in the table below:

Table 1.3: DTVsV Scheme, 2020 *vis-a-vis* DTVsV Scheme, 2024

Sl. No.	Categories	DTVsV Scheme, 2020	DTVsV Scheme, 2024
1.	Specified Date on which the appeal is pending	31/01/2020	22/07/2024
2.	Eligibility	In addition to all other provisions, if the assessee has not filed any appeal against the order but the time for filing any appeal or SLP against such order by that person has not expired as on the specified date, **the case is eligible for DTVsVS.**	In addition to all other provisions, if the assessee has not filed any appeal against the order but the time for filing any appeal or SLP against such order by that person has not expired as on the specified date, **the case is not eligible for DTVsVS.** Only those appeals are eligible that are filed on or before the specified date.
3.	Search and seizure cases	The provisions of this Act shall not apply to Search and seizure cases involving disputed tax of more than ₹ 5.0 crore.	The provisions of this Act shall not apply to all search and seizure cases irrespective of the amount of disputed tax.
4.	Forms	Form-1 : Declaration Form-2 : Undertaking Form-3 : Certificate Form-4 : Intimation of payment Form-5: Order of Full and Final Settlement	Form-1: Declaration and Undertaking Form-2 : Certificate Form-3: Intimation of payment Form-4: Order of Full and Final Settlement

Table 1.3: DTVsV Scheme, 2020 *vis-a-vis* DTVsV Scheme, 2024			
Sl. No.	**Categories**	**DTVsV Scheme, 2020**	**DTVsV Scheme, 2024**
5.	Amount payable under the Act	**i. In case payment made till 30/09/2020**: 100% of disputed tax (125% of disputed tax in search cases) where the dispute relates to the disputed tax or 25% of the disputed penalty, interest or fee. **ii. In case payment is made after 30/09/2020 and up to 31/10/2020: 110% of the disputed tax (135% in search cases) where the dispute relates to the** disputed tax or 30% of the disputed penalty, interest or fee. **iii.** In a case where an appeal or writ petition or SLP is filed by the Income tax authority on any issue before the appellate forum, the amount payable shall be 50 *per cent* of the amount payable as specified above. **iv.** Further as per FAQ 28 issued vide circular no 9 of 2020 dated 22/04/2020, if in an appeal before Commissioner (Appeals) or in objections pending before DRP, there is an issue on which the appellant has got a favourable decision from ITAT (not reversed by HC or SC) or from the High Court (not reversed by SC) in earlier years then the amount payable shall be half or 50 *per cent* of above amount. Similarly, if in an appeal before ITAT, there is an issue on which the appellant has got a favourable decision from the High Court (not reversed by SC) in earlier years, then the amount payable shall be half or 50 per cent of the above amount.	**i. For New appellant** (declarant is an appellant after 31st January, but on or before the specified date)**:** **In case declaration made on or before 31/12/2024**: 100% of the disputed tax or 25% of the disputed penalty, interest or fee **In case declaration made on or after 01/01/2025 & before the last date: 110% of the** disputed tax or 30% of the disputed penalty, interest or fee. **ii. For Old appellant** (the declarant is an appellant on or before the 31st January 2020)**:** **In case declaration made on or before 31/12/2024**: 110% of the disputed tax or 30% of the disputed penalty, interest or fee **In case declaration made on or after 01/01/2025 & before the last date: 120% of the** disputed tax or 35% of the disputed penalty, interest or fee. **iii.** Where an appeal/ writ petition/ SLP is filed by the Income tax authority on any disputed issue, the amount payable shall be 50 *per cent* of the amount payable as specified above. **iv.** Further, as per FAQ No. 32 issued vide Circular No. 12 of 2024 dated 15/10/2024, if the appellant has got a decision in his favour from the Supreme Court on an issue, there is no dispute now with regard to that issue, and he need not settle that issue. If that issue is part of the multiple issues, the disputed tax may be calculated on other issues, considering **nil** tax on this issue.

In addition to that, the Government has also tried to cover those assessees who were eligible for the old scheme but could not opt for the scheme for any reason.

Chapter 2 Audit Approach

This chapter discusses the reasons for the selection of this topic, the objectives of this Subject Specific Compliance Audit (SSCA), Audit scope and coverage, Audit methodology and associated aspects.

2.1 Why we chose this topic

The Direct Tax Vivad se Vishwas Scheme, a significant initiative by the Government, was an amnesty scheme aimed at reducing litigation, realizing locked revenue in litigation to the exchequer, and providing peace of mind and certainty to the assessees by waiving of interest and penalties. Over the years, the pendency of appeals filed by taxpayers and the Government has increased, since the number of appeals that are filed is much higher than the number of appeals that are disposed of.

The Subject Specific Compliance Audit (SSCA) was conducted to assess the extent to which the Direct Tax Vivad se Vishwas Scheme achieved its intended objectives and to ascertain whether it was effectively implemented in accordance with the provisions of the DTVsV Act, 2020; Rules made there under and subsequent Circulars issued by CBDT time to time, in this regard.

2.2 Audit Objectives

The main audit objectives of conducting this SSCA are to assess whether:

- The rules, regulations, notifications, and circulars/instructions governing the implementation of the Direct Tax Vivad se Vishwas Scheme (DTVsV Scheme) were adequate, and the same was complied with during implementation;
- The internal control system, monitoring, and coordination mechanism were adequate and effective to implement the DTVsV Scheme;
- The objectives of the DTVsV Scheme were achieved as envisaged, and
- The IT system, controls, and validation were sufficient to ensure accuracy, data integrity, timeliness, and adherence to relevant tax laws and regulations.

2.3 Audit scope and coverage

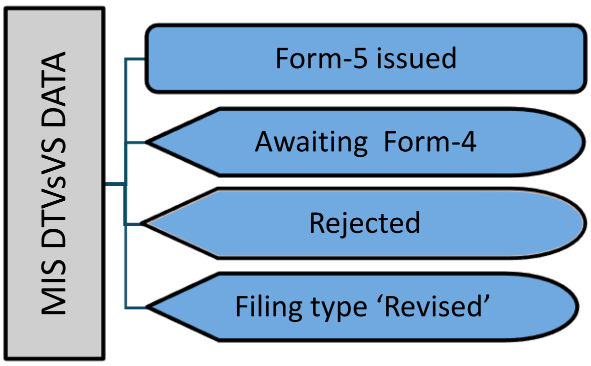
To address the aforesaid audit objectives for this SSCA, the audit scope encompassed the assessment cases in which the assessees had opted for the

Direct Tax Vivad se Vishwas Scheme, 2020, to settle disputes relating to tax, interest, and penalties, etc. Further, we attempted to cover those cases where the benefit of this scheme was denied to the assessee by rejecting their applications, along with the cases that had been processed/settled and the cases that are still awaiting settlement (February 2024).

2.4 Audit Sample

The data was initially requested from the Central Board of Direct Taxes (CBDT) in October 2022 to derive the sample case for audit examination for this SSCA. However, the same was inordinately delayed. Pending receipt of data from CBDT, an alternative approach was adopted to compile the MIS reports by visiting the PCIT office by the designated audit team for this SSCA. In the available MIS reports, limited details were available, *viz.* PAN/TAN, Form No., AY, Filing Date, Filing Type, Acknowledgement no. and Status. Based on these details, Audit sample methodology, given in ***Annexure 2.1***, was formulated, and 4,722 cases were selected for audit examination based on the status of the case, from 1,48,366 cases collected through MIS reports, as depicted in Chart 2.1 below.

Chart 2.1: Categories of the status of the application as per MIS Reports



Further, on receipt of data from CBDT on 14 August 2023, an additional 633 cases were selected by applying different risk parameters, *viz.* cases, where the assessees have made payment (vide Form-4) in excess/short in respect of disputed tax/TDS/TCS/ Penalty/Interest as against the payable computed by the Designated Authority (DA) in Form-3; cases which were pending in the Hon'ble Supreme Court and where disputed tax/TDS/TCS/ Penalty/Interest was one crore and above; and high-value cases where disputed amount payable was more than ₹ 10 crore. Thus, a total of 5,335 cases pertaining to 174 Designated Authority were selected for detailed examination in the audit for this SSCA.

The State-wise audit sample is indicated in Table 2.1.

Table 2.1: State-wise population of applications under DTVsV Scheme *vis-à-vis* Audit Sample			
State	**Population**	**Audit Sample**	
		No. of cases	**Percentage**
Andhra Pradesh	2,300	154	6.7
Assam	457	114	25.0
Bihar	2,182	210	9.6
Chandigarh	2,555	83	3.3
Chhattisgarh	3,323	74	2.2
Delhi	15,209	526	3.5
Goa	1,316	39	3.0
Gujarat	13,626	304	2.2
Haryana	3,539	134	3.8
Jammu & Kashmir	585	9	1.5
Jharkhand	898	185	20.6
Karnataka	7,466	388	5.2
Kerala	5,028	231	4.6
Madhya Pradesh	8,806	156	1.8
Maharashtra	31,193	627	2.0
Meghalaya	187	46	24.6
Odisha	1,145	195	17.0
Punjab	2,498	93	3.7
Rajasthan	9,388	243	2.6
Tamil Nadu	10,226	516	5.1
Telangana	3,550	275	7.8
Uttar Pradesh	7,864	231	2.9
Uttarakhand	702	21	3.0
West Bengal	14,323	481	3.4
Grand Total	**1,48,366**	**5,335**	**3.6**

2.5 Audit Methodology

- An entry conference was held on 20 July 2023 with the CBDT, wherein the audit objectives, scope and methodology were explained. Further, the Field Audit Offices held entry conferences with the respective jurisdictional PCCIT/CCsITs.
- Compliance with the provisions of the Act, Rules, relevant judicial decisions, and Circulars/Instructions issued from time to time by the CBDT was checked, and data was captured in the prescribed checklist during the course of the field audit.
- The draft SSCA report was issued to the respective Pr.CsCIT/CCsIT by the Jurisdictional Field Audit Offices.
- All the Field Audit Offices held an exit conference at the end of SSCA with the respective PCsIT, wherein audit findings were discussed, and the need for replies to pending Audit observations was also impressed

upon them. The replies, wherever received from respective PCsIT, were also suitably incorporated in the SSCA report.

- The draft report was issued to the Ministry in May 2025 for their comments. An exit conference was held with the CBDT on 10 September 2025, during which audit findings/recommendations were discussed. The replies, wherever received from CBDT, were suitably incorporated in the SSCA report.

2.6 Constraints/Non- production of records

2.6.1 Non-production of records

Of the total sample of 5,335 cases requisitioned, the Department produced 5,212 cases; the remaining 123 cases were not produced for audit despite repeated requests. Thus, the non-production of records represents 2.30 *per cent* of total sampled cases across various charges of ITD, as detailed in Table 2.2 below:

Table-2.2-State-wise summary of Cases not produced *vis-à-vis* cases requisitioned	
Name of State	**Number of cases not produced**
Andhra Pradesh	1
Bihar	2
Chandigarh	1
Goa	2
Haryana	3
Jharkhand	6
Karnataka	33
Madhya Pradesh	6
Maharashtra	22
Odisha	12
Tamil Nadu	31
Telangana	2
Uttar Pradesh	2
Grand Total	**123**

The details of non-production are given in ***Annexure 2.2***.

2.6.2 Inadequacy of documents

Audit work was constrained due to inadequate maintenance of records by the ITD (Refer to para no. 4.4 of Chapter 4 of this report). Out of the sample of 5,335 cases, basic documents, *viz.* ITR were not provided in 791 cases (14.83 *per cent*), order under Section 143(1) was not provided in 1,528 cases (28.64 *per cent*) and assessment order was not provided in 539 cases ITR (10.10 *per cent*), Intimation order under Section 143(1), relevant Assessment order and its ITNS, Consequential effect order under Section 5(2) of the DTVsV ACT, withdrawal of appeal order etc., were not found mostly in all the DTVsV Scheme files**.**

Chapter 3 Statistical Analysis of Population and Audit Sample

This chapter discusses the profile of the total population under the Direct Tax Vivad se Vishwas (DTVsV) Scheme, 2020, the disposal of applications under the Scheme and the profile of the audit sample.

3.1 Profiling of Total Population under DTVsV Scheme, 2020

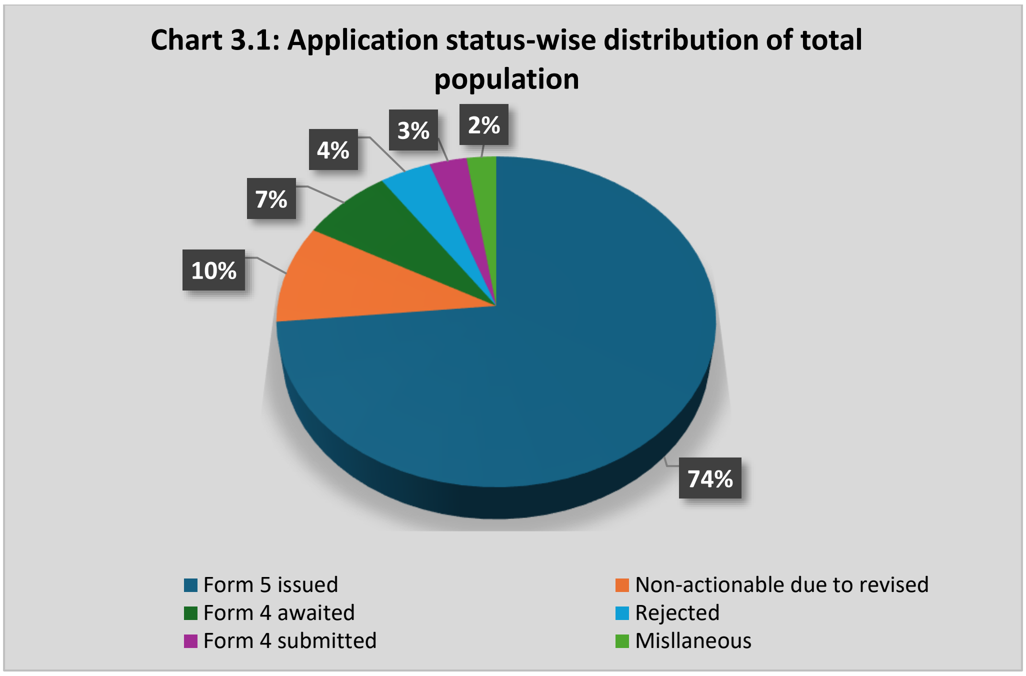
Due to delay in receipt of aggregated data/information of cases processed under DTVsV Scheme, 2020 from the Central Board of Direct Taxes (CBDT), as an alternative approach Audit collected and compiled such data/information available in MIS reports available at PCIT (Designated Authority) level offices of the ITD, for arriving at a sample selection (refer para 2.4 in Chapter 2 of this report). The data so collected from 174 PCsIT offices and compiled contained details of 1,48,366 cases[4] received under DTVsV Scheme, 2020 by the ITD. Profiling of total population is given in succeeding paragraphs.

3.1.1 Application status-wise distribution of total population

While analysing the total population of 1,48,366 cases, Audit noted that Form-5 was issued for 1,09,017 cases[5]; 14,184 cases had status "Non-actionable due to revised application", status for 10,996 cases was shown as "Form-4 awaited"; against 6,183 cases status was shown as "Rejected", against 4,472 cases status was shown as "Form-4 submitted", and in the remaining 3,514 cases miscellaneous status, *viz.* pending, status not available, etc. was shown. Status-wise cases are shown in the following chart:

4 As per CBDT letter dated 16/05/2024, number of applications received under DTVsV Scheme 2020 was 1,31,925.

5 As per data furnished by CBDT dated 16/08/2023, number of cases where Form-5 issued was 1,11,396

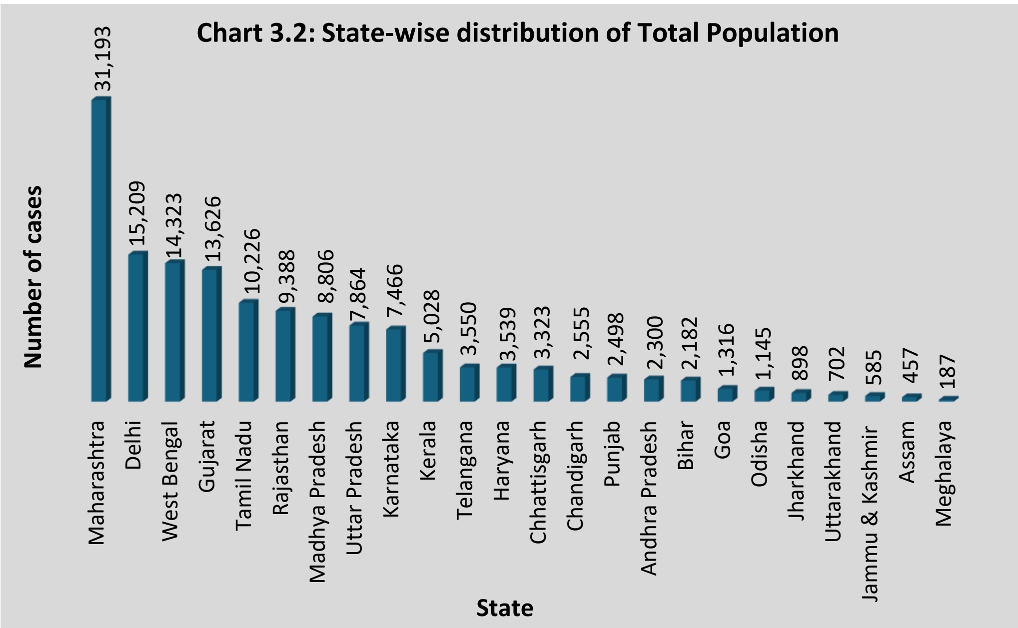


Source: Data/information collected from field formation of the ITD.

It can be seen from the Chart 3.1 above that in respect to 74 *per cent* cases of total population 'Form-5 were issued', 10 *per cent* cases were 'non-actionable cases due to revised application' and four *per cent* cases of total population were cases which were rejected.

3.1.2 State-wise distribution of total population

With a view to ascertain state-wise distribution of cases under DTVsV Scheme, 2020, Audit segregated state-wise cases out of the total population of 1,48,366. The State-wise distribution of cases is depicted in Chart 3.2 below:

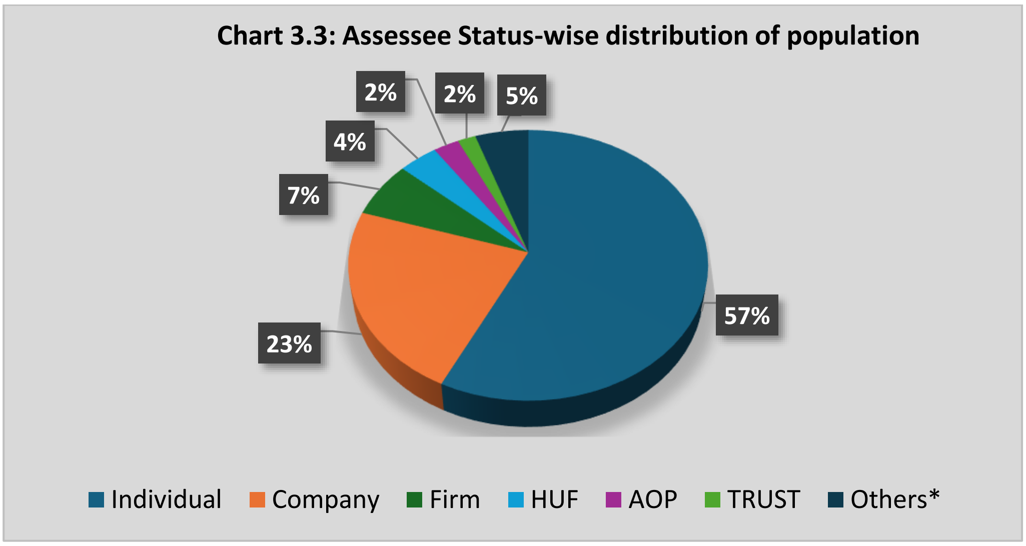


Source: Data/information collected from field formation of the ITD.

It can be seen from the above Chart 3.2 that Maharashtra had the highest number of cases (21.02 *per cent*) under the DTVsV Scheme, followed by Delhi (10.25 *per cent*), West Bengal (9.65 *per cent*) and Gujarat (9.18 *per cent*). Further, Meghalaya had the lowest number of cases (0.13 per cent), after Assam (0.31 *per cent*) and Jammu & Kashmir (0.39 *per cent*).

3.1.3 Assessee category-wise distribution of total population

Audit analysed the total population with a view to seeing Assessee category-wise distribution of the total population 1,48,366 cases under the DTVsV Scheme, 2020. Assessee category-wise distribution of cases under the scheme is depicted in Chart 3.4 below:



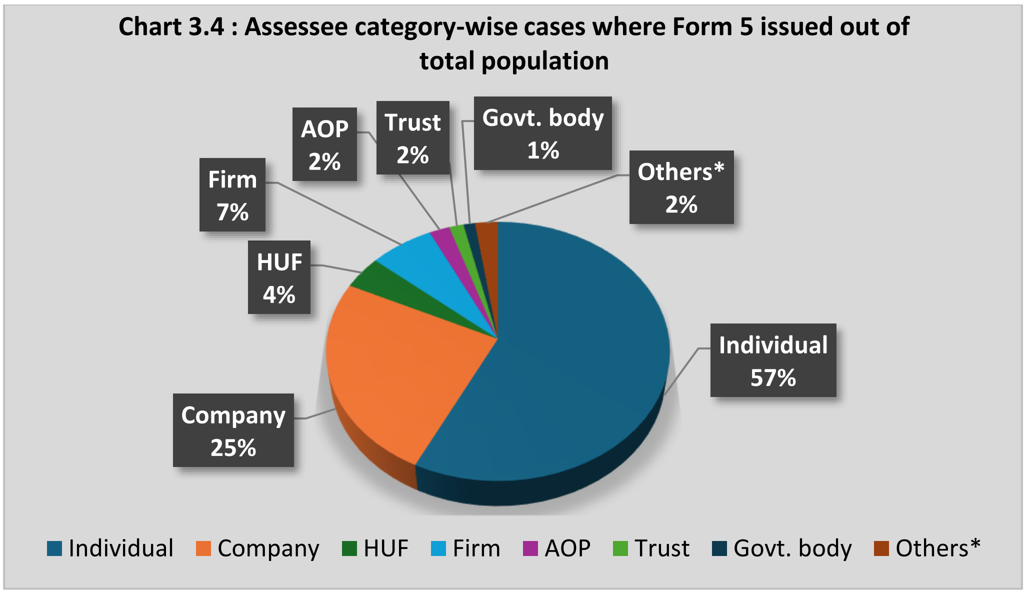
Source: Data/information collected from the field formation of the ITD.
***** Others include cases assessee categories *viz,* Govt. body, BOI, AJP etc., as well as cases where the assessee category was not available with Audit

It can be seen from the above chart 3.3 that the highest number of assessees who opted for DTVsV Scheme, 2020 was for Individual (57 *per cent*) followed by Company (23 *per cent*) and Firm (7 *per cent*).

3.1.4 Assessee category-wise distribution of cases where Form-5 issued, out of the total population

With a view to ascertain assessee category-wise distribution of cases in which Form-5 was issued by the Designated Authority, Audit analysed 1,11,396 cases[6]. Assessee category-wise distribution of cases where Form-5 issued is depicted in Chart 3.4 below:

[6] As per data furnished by CBDT dated 16/08/2023, number of cases where Form-5 issued was 1,11,396



Source: CBDT
* Others include cases assessee categories *viz,* BOI, AJP etc. as well cases where assessee category was not available with Audit

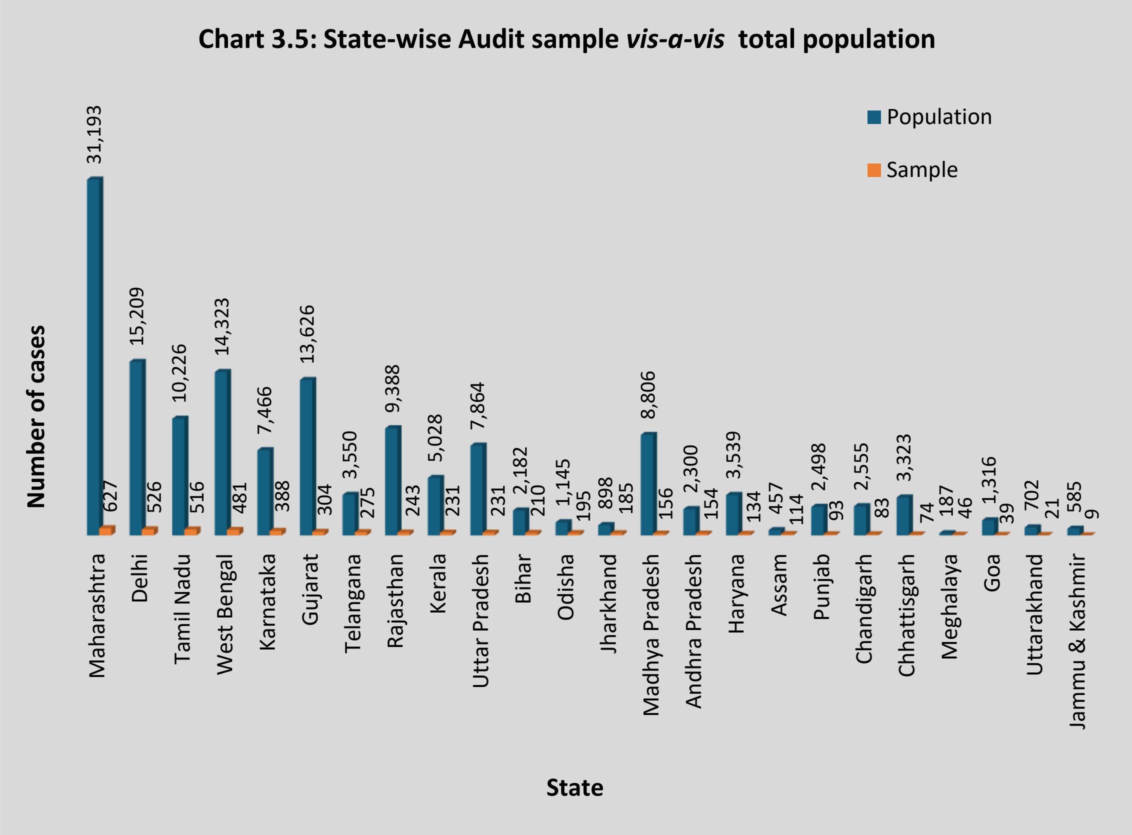
It can be seen from the above Chart 3.4 that the highest number of cases where Form-5 was issued was related to Individual (57 *per cent*), followed by Company (25 *per cent*) and Firm (7 *per cent*).

3.2 Profiling of cases falling under Audit sample

A total of 5,335 cases pertaining to 174 Designated Authorities were selected for detailed examination in audit for this SSCA (refer to para 2.4 in Chapter 2 of this report). Profiling of the Audit Sample is given in the succeeding paragraphs.

3.2.1 State-wise distribution of Audit sample cases and Audit sample *vis-à-vis* total population

With a view to ascertaining the state-wise distribution of cases selected for the Audit sample for SSCA (refer para 2.4 and ***Annexure 2.1***), the Audit segregated the state-wise sample of 5,335 cases. The State-wise distribution of Audit sample and Audit sample *vis-à-vis* total population is depicted in Chart 3.5 below:

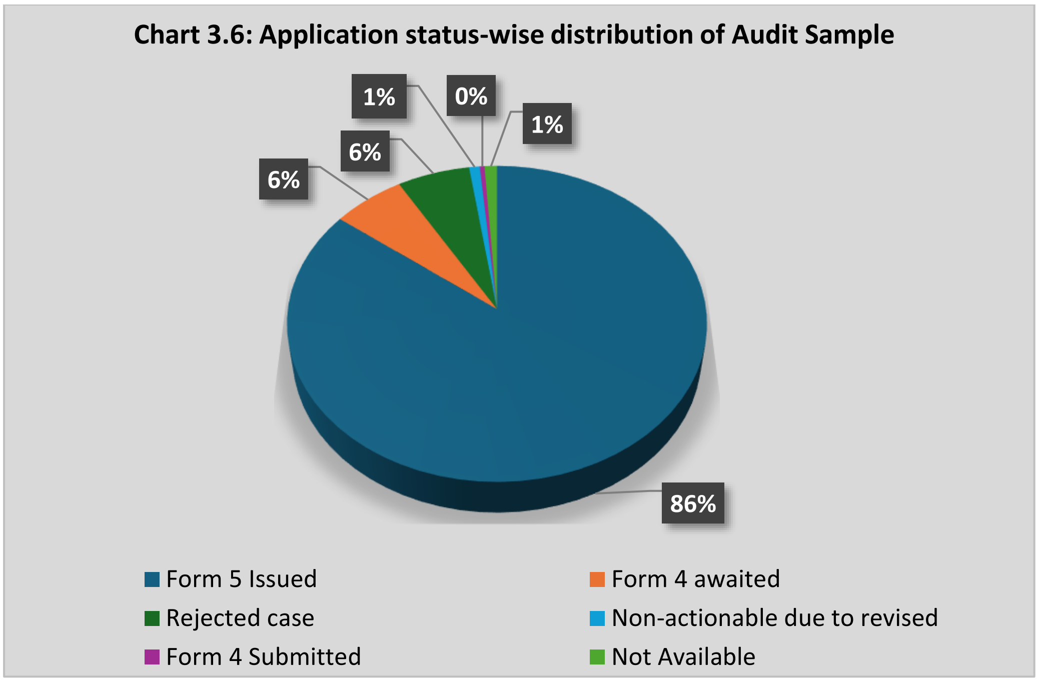


Source: Data/information collected from field formation of the ITD.

It can be seen from the above Chart 3.5 that in terms of the number of cases selected as the audit sample, the highest number was for Maharashtra (627 cases), followed by Delhi (526 cases), Tamil Nadu (516 cases) and West Bengal (481 cases).

3.2.2 Application status-wise distribution of Audit Sample

While analysing audit sample of 5,335 cases, Audit noted that Form-5 was issued for 4,558 cases; status for 329 cases were shown as "Form-4 awaited"; 327 cases were having status "Rejected"; 44 cases were non-actionable due to revised application; against 21 cases status were shown as "Form 4 submitted" and for 56 cases application status was not available with Audit due to the reason these cases were not produced to Audit. Share of cases based on the status of the application is shown in the following chart:



Source: Data/information collected from field formation of the ITD.

It can be seen from Chart 3.6 above that in respect to 86 *per cent* of Audit Sampled cases, 'Form-5' were issued, six *per cent* of audit sample were cases where Form-4 were awaited, and six *per cent* of audit sample were cases which were rejected.

Chapter 4

Systemic Issues and Information Technology (IT) Systems - Infrastructure, Process and Data Security

This chapter is divided into two sections, i.e. Section A and Section B. Section A discusses systemic issues comprising delay in issue of Form-3 (Certificate determining amount payable by the assessee to settle the dispute), absence of a timeline for Form-5 (Order for full and final settlement of disputes) and Consequential Effect Order, settlement of DTVsV cases in the absence of requisite documents *viz.* Assessment order, ITR, order under Section 143(1), withdrawal order, while Section B discusses the issues relating to the effectiveness of the online portal for taxpayers to avail benefits of the scheme, adequacy of IT infrastructure, data security and mechanism for redressal of Grievances raised by the assessee/the declarants, controls and validation, timeliness and adherence to relevant tax laws and regulations etc.

Section A: Systemic issues

Audit noticed several issues relating to the implementation of the DTVsV Scheme 2020 during the audit of 5,212 sample cases, which the CBDT was required to address for the successful implementation of the scheme.

The issues noticed in the audit are broadly categorised below:-

Table 4.1: Summary of category-wise audit findings

Sl. No.	Para No.	Category of audit findings	Number of incidences
1.	4.1	Delay in issue of Form-3 as per DTVsV Act, 2020	3,285
2.	4.2	Non-provision for a timeline to issue Form-5 under the DTVsV Act	
3.	4.2.1	Form-5 issued with a considerable time gap	2,044
4.	4.2.2	Form-5 not issued after submission of Form-4	21
5.	4.3	Absence of provisions of a timeline for the issue of Consequential Effect Order (CEO) to the Designated Authority (DA)'s order under Section 5(2) of DTVsV Act	1,549
6.	4.4	Settlement of cases under DTVsV Scheme in the absence of requisite documents	
7.	4.4.1	Assessment order/ITNS against which appeal filed, Order under Section 143(1), ITR/Acknowledgement	1,676
8.	4.4.2	Decision of Income Tax Authority/appellate forum, proof of appeal filed, withdrawal of appeal, etc.	1,004
9.	4.5	Incorrect tax determination of the amount payable in Form-3 where Form-4 was not submitted/finalized.	2
10.	4.6	Admitting an assessee to the DTVsV Scheme without verification of eligibility	4
11.	4.7	Incorrect rejection of an eligible declaration	9
Total number of incidences			**9,594**

These systemic and co-ordination issues have been discussed in detail in the succeeding paragraphs:

4.1 Delay in issue of Form-3 as per DTVsV Act, 2020

As per Section 5(1) of DTVsV Act 2020, the designated authority shall, within a period of fifteen days from the date of receipt of the declaration by order, determine the amount payable by the declarant in accordance with the provisions of this Act and grant a certificate to the declarant containing particulars of the tax arrears and the amount payable after such determination, in such Form-3. Thus, the Act provides a timeline of 15 days for the issue of Form-3 after receipt of the applicant's declaration.

Out of 5,212 audited cases, it was noticed that in 3,285 cases of 24 States[7], the Department had issued Form-3 after the prescribed time limit of 15 days, and the delay ranged upto 868 days, as depicted in Table 4.2 below.

Table 4.2: Cases where Form-3 were issued after the prescribed time limit of 15 days

Range of delay	No. of cases	Cases in *per cent*
One day to 50 days	1,833	55.8
51 days to 100 days	510	15.5
101 days to 200 days	484	14.7
201 days to 868 days	458	14.0
Total	**3,285**	**100.0**

Audit observed that in 15.5 *per cent* cases, delays ranged between 51 days and 100 days; in 14.6 *per cent* cases, delays ranged between 101 days and 200 days and in 14.0 *per cent* cases, there was a delay between 201 days to 868 days.

As regards delay in PCsIT, Audit observed the delay occurred in 155 PCsIT (89.02 *per cent*) out of the total sampled cases covering 174 PCsIT jurisdictions in 24 States **(Refer *Annexure 4.1*)**. Two such cases are illustrated below, and one more illustration is given in ***Annexure 4.2***:

(i) In Tamil Nadu, under PCIT-3 Chennai charge, in the case of a company, M/s S12 Pvt. Ltd., for the AY 1995-96, the Department was in appeal before the Hon'ble High Court against the relief given to the assessee. The assessee opted for the DTVsV Scheme on 21/12/2020 to settle the case. The DA computed the amount payable and issued Form-3 on 23/05/2023. Thus, Form-3 was issued after 883 days of receipt of the declaration of the assessee, as against the prescribed time limit of 15 days. As a result, Form-3 was issued after an inordinate delay of 868 days. The observation was issued to the Department in February 2024.

[7] Andhra Pradesh (105), Assam (56), Bihar (91), Chhattisgarh (49), Chandigarh (48), Delhi (351), Goa (29), Gujarat (211), Haryana (91), J&K (3), Jharkhand (140), Karnataka (261), Kerala (183), Madhya Pradesh (88), Maharashtra (334), Meghalaya (25), Odisha (76), Punjab (71), Rajasthan (151), Tamil Nadu (348), Telangana (180), Uttar Pradesh (132), Uttarakhand (14), West Bengal (248)

Reply of the Ministry is awaited (June 2026)

(ii) In Karnataka, under PCIT Hubbali charge, in the case of an AOP, M/s S38 Ltd., for the AY 2012-13, the assessee was in appeal before the Hon'ble High Court against the additions made by the Assessing Officer. The assessee opted for the DTVsV Scheme on 24/12/2020 to settle the case. The DA computed the amount payable and issued Form-3 on 28/04/2023 i.e. after 855 days from the receipt of the declaration from the assessee, as against the prescribed time limit of 15 days. Thus, there was an inordinate delay of 844 days. The observation was issued to the Department in March 2024.

The Ministry, in its reply (August 2025), stated that in this case, Form-1 & Form-2 were filed on 24/12/2020, and the original Form-3 was issued on 19/02/2021. There was technical issue in issuance of Form-5 due to invisibility of Form-4 and tax adjustment not reflected in Form-4. In order to enable the assessee to file revised Form-4 as resolution suggested by CPC/ITBA, original Form 3 dated 19/02/2021 was cancelled and Form-3 was re-issued on 28/04/2023. Audit has taken the later date of 28/04/2023 of revised Form-3 as the original issuance date and reported a delay of 840 days.

The audit is of the opinion that though the Department has cited technical glitches as the reason for the delay in issuing the revised Form-3, such a prolonged delay (more than two years) was not justifiable. Moreover, the delay defeats the very objective of the scheme, that is, to resolve long-standing tax disputes in a timely manner and to provide taxpayers with peace of mind.

The delayed issuance of Form-3 by the DA, might result in delayed demand collection by the Department, which might not be in confirmity with the intended objective of the DTVsV Scheme.

In addition, Audit noted in certain cases[8] that delay in issuance of Form-3 caused excess payment of 10 *per cent* (applicable in case of payment made after prescribed date) of the amount payable by the assessee.

Reply of the Ministry is awaited (June 2026).

4.2 Non-provision of a timeline to issue Form-5 under the DTVsV Act

The CBDT, while implementing the DTVsV Scheme 2020, stipulated a timeline for filing of declaration (Form-1 & 2), issuing of Certificate (Form-3), and

[8] *viz*. 1. S83, PAN: xxxxxxxxxx, AY: 2017-18, PCIT Charge: PCIT, International Taxation-1, Delhi
2. M/s D23 Pvt. Ltd., PAN: xxxxxxxxxx, AY: 2007-08, PCIT Charge: PCIT-1, Delhi

submission of intimation of payment (Form-4). However, no timeline was given for the issue of Form-5 (Order for full and final settlement for tax arrears) by the DA after submission of evidence of tax payment in Form-4 by the assessee.

4.2.1 Form-5 issued with a considerable time gap

The audit noted that Form-5 was issued in 4,558 cases out of a total selected sample of 5,335 cases. Out of these 4,558 cases, in 2,514 cases (55.16 *per cent*), Form-5 was issued within 60 days. In remaining 2,044 cases (44.84 *per cent*) **(Refer *Annexure 4.3*)**, Form-5 was issued after a time gap ranging from 60 days to 954 days in 149 PCsIT of 22 States[9] as depicted in Table 4.3 below.

Table 4.3: Time gap range in issuing Form-5

Range of time gap	No. of cases	Cases in *per cent*
61 days to 150 days	797	39.0
151 days to 300 days	799	39.1
301 days to 600 days	415	20.3
601 days to 954 days	33	1.6
Total	**2,044**	**100.0**

Audit observed that in 39.1 *per cent* cases, time gap in issuing Form-5 ranged between 151 days and 300 days, in 39.0 *per cent* cases, time gap ranged between 61 days to 150 days; in 20.3 *per cent* cases, time gap ranged between 301 days and 600 days and in remaining 1.6 *per cent* cases time gap was between 601 days to 954 days.

Two such cases are illustrated below and one more illustration is given in ***Annexure 4.4***:

(i) In Maharashtra, under PCIT-5, Mumbai charge, in the case of a company, M/s R30 Ltd., for the AY 2011-12, the assessee was in appeal before the CIT(A) against the additions made by the Assessing Officer. The assessee opted for the DTVsV Scheme on 28/01/2021 to settle the case. The DA computed a 'nil' amount payable and issued Form-3 on 12/04/2021. The Form-4 was submitted by the assessee on 18/02/2021. The DA issued Form 5 on 01/09/2023 as a full and final settlement after a gap period of 925 days. The observation was issued to the Department in January 2024.

Reply of the Ministry is awaited (June 2026).

[9] Andhra Pradesh (45), Assam (36), Bihar (83), Chhattisgarh (23), Chandigarh (22), Delhi (221), Goa (15), Gujarat (150), Haryana (47), Jharkhand (92), Karnataka (111), Kerala (87), Madhya Pradesh (55), Maharashtra (251), Meghalaya (13), Odisha (101), Punjab (13), Rajasthan (84), Tamil Nadu (142), Telangana (61), Uttar Pradesh (54), West Bengal (338).

(ii) In Jharkhand, PCIT-Dhanbad charge, in the case of an individual, K16 for the AY 2011-12, the assessee was in appeal before the CIT(A) against the additions made by the Assessing Officer. The assessee opted for the DTVsV Scheme on 23/12/2020 to settle the case. The DA computed the amount payable and issued Form-3 on 02/02/2021. The assessee paid the requisite amount and submitted Form-4 on 30/09/2021. The DA issued Form-5 on 29/01/2024 as a full and final settlement after a gap period of 851 days. The observation was issued to the Department in July 2023.

Reply of the Ministry is awaited (June 2026).

4.2.2 Form-5 not issued after submission of Form-4

Audit noticed that out of the 5,212 audited cases under DTVsV Scheme, in 21 cases **(Refer *Annexure 4.3*)**, Form-5 was not issued after submission of Form-4 by the assessee. Two such cases are illustrated below:

(i) In Jharkhand, PCIT Ranchi charge, in the case of a company, M/s M20 Pvt. Ltd., for the AY 2011-12, the assessee was in appeal before the CIT(A) against the additions made by the Assessing Officer. The assessee opted for the DTVsV Scheme on 29/12/2020 to settle the case. The DA computed the amount payable and issued Form-3 on 08/01/2021. Form-4 was submitted by the assessee on 30/04/2021. Audit noticed that Form-5 was not issued after the submission of Form-4 in this case. The observation was issued to the Department in October 2023.

Reply of the Ministry is awaited (June 2026).

(ii) In Telangana, PCIT-1, Hyderabad charge, in the case of a company, M/s B5 Pvt. Ltd., for the AY 2017-18, the assessee was in appeal before the CIT(A) against the additions made by the Assessing Officer. The assessee opted for the DTVsV Scheme on 31/12/2020 to settle the case. The DA computed the amount payable and issued Form-3 on 04/02/2021. Form-4 was submitted by the assessee on 02/09/2021. It was noticed that Form-5 was not issued after submission of Form-4 by the assessee. The observation was issued to the Department in August 2023.

Reply of the Ministry is awaited (June 2026).

Delay in the issue of Form-5 by the DA results in delay in the issue of Consequential Effect Order by the Jurisdictional Assessing Officer, which would eventually result in the delayed issue of refund to the assessee, thereby causing inconvenience to the assessee and also defeat the purpose of the scheme.

4.3 No fixed timeline for the issue of Consequential Effect Order under Section 5(2) of DTVsV Act.

CBDT, vide Circular no. 3 of 2021 dated 04 March 2021, clarified that where the DA has passed orders under sub-sections (1) and (2) of Section 5 of DTVsV Act 2020, the Assessing Officer shall pass a consequential order under the Act. However, no timeline was fixed for the Assessing Officer to issue a Consequential Effect Order (CEO) under Section 5(2) of the DTVsV Act.

Audit sought the details of the CEO from the Department in respect of all the finalised 4,558 cases. However, the Department did not provide the details of CEOs in 2,521 cases (55.31 *per cent*) of the 23 States[10] despite issuing several reminders and follow-ups. In the absence of a response from the Department, Audit could not ascertain whether the CEO had been issued in these cases to date (March 2025).

Further, in 2,037 cases where CEOs were made available to Audit, the CEOs were issued within a period of 60 days in 491 cases (24.1 *per cent*). In remaining 1,546 cases (75.9 *per cent*) **(Refer *Annexure 4.5*)** of 23 States[11], the CEOs were issued after a time gap ranging from 61 days to 1,398 days, as depicted in Table 4.4 below.

Table 4.4: Time gap range in issuing Consequential Effect Orders (CEOs)		
Range of time gap	**No. of cases**	**Cases in *per cent***
61 days to 150 days	255	16.5
151 days to 300 days	451	29.2
301 days to 600 days	559	36.1
601 days to 900 days	224	14.5
901 days to 1,398 days	57	3.7
Total	**1,546**	**100.0**

Audit observed that in 36.1 *per cent* cases, time gap in issuing CEOs ranged between 301 days to 600 days; in 29.2 *per cent* cases, time gap ranged between 151 days and 300 days; in 16.5 *per cent* cases, time gap ranged between 60 days and 150 days; in 14.5 *per cent* cases, time gap ranged between 601 days and 900 days; and in remaining 3.7 *per cent* cases time gap ranged between 901 days to 1,398 days.

10 Andhra Pradesh (56), Assam (45), Bihar (70), Chhatisgarh (32), Chandigarh (53), Delhi (327), Goa (4), Gujarat (134), Haryana (109), Jharkhand (61), Karnataka (140), Kerala (29), Madhya Pradesh (34), Maharashtra (524), Meghalaya (23), Odisha (50), Punjab (41), Rajasthan (101), Tamil Nadu (198), Telangana (108), Uttar Pradesh (102), Uttarakhand (1), West Bengal (263).

11 Andhra Pradesh (62), Assam (26), Bihar (36), Chhattisgarh (22), Chandigarh (8), Delhi (113), Goa (17), Gujarat (117), Haryana (6), Jharkhand (53), Karnataka (153), Kerala (110), Madhya Pradesh (81), Maharashtra (6), Meghalaya (3), Odisha (82), Punjab (38), Rajasthan (82), Tamil Nadu (193), Telangana (99), Uttar Pradesh (63), Uttarakhand (21), West Bengal (155).

Two such cases are illustrated below, and two more illustrations are given in ***Annexure 4.6***:

(i) In Rajasthan, under PCIT (Central), Jaipur charge, in the case of a company, M/s B15 Pvt. Ltd., for the AY 2010-11, Audit noted that Form-5 was issued on 04/09/2020 whereas Consequential Effect order under Section 5(2) of DTVsV Act, 2020 was issued on 03/07/2024. This showed that the consequential effect order was issued after a gap period of 1,398 days from the date of issuing of Form-5. Reasons for such a huge gap between issuance of Form-5 and Consequential order thereon, by the Department, could not be ascertained in audit.

The Ministry in its reply (August 2025) accepted the audit observation. However, the Ministry stated that there may be various reasons for delay such as period of Covid Pandemic, time taken in tracing of relevant records, change of officers and possibility of pendency of this case not being mentioned in charge handing over report, technical issues faced while giving effect on ITBA portal, etc. It may however be added that there was no revenue loss because of delay in passing of consequential effect order.

Audit is of the opinion that the reasons, stated by the Ministry for such a huge gap in issuance of CEO, may not be justifiable. Further, substantial time taken in issuing CEO might result in withholding of refund of other AYs which in turn might result in avoidable payment of interest on refund by the Department or hardship to the assessee. Therefore, the Ministry may examine the issue in detail and make concerted efforts to avoid such delay in future.

(ii) In Karnataka, under PCIT-3, Bengaluru charge, in the case of a company, M/s N8 Pvt Ltd., for the AY 2010-11, Audit noted that Form-5 was issued on 18/02/2021 and Consequential Effect order under Section 5(2) of DTVsV Act, 2020 was issued on 26/06/2024. This showed that the consequential effect order was issued after a gap period of 1,224 days from the date of issuing of Form-5. Reasons for such a huge gap between issuance of Form-5 and Consequential order thereon, by the Department, could not be ascertained in audit. The observation was issued to the Department in May 2024.

Reply of the Ministry is awaited (June 2026).

Substantial delays/non-issue of Consequential Effect Order after issue of Form-5 may result in non-updation of Assessee's tax and other related details on ITBA, which in certain cases may have a consequential incorrect financial impact, especially due to excess depiction of the balance of unabsorbed

Loss/Unabsorbed Depreciation/MAT credit where assessee opted not to pay tax, adversely affecting the efficacy of the scheme.

Recommendation 1:

CBDT may fix a specific timeline to issue the form(s) and Consequential Effect Order in order to achieve the stated objectives of such a scheme in future.

The Ministry stated (August 2025) that as per sub-section 5(1) and 5(2) of the Direct Tax Vivad Se Vishwas Scheme, 2020, 15 days time-line is specified, both for issuing certificate by the Designated Authority for amount payable (viz. Form-3) and for paying determined amount by the applicant along with intimating details thereof (viz. Form-4). It was also stated that Circular No. 4 of 2021, provides that where Designated Authority has passed the Final Order (Form-5), Assessing Officer shall pass a consequential order.

The Ministry, thus, concluded that time-lines had been provided in the said scheme for the smooth implementation. However, time-line for the consequential order giving effect was not prescribed, considering the limitation of manpower and system related challenges. It was further stated that CBDT has regularly carried out campaigns to ensure that these Order Giving Effect shall be disposed on priority. Thus, the aforementioned issue of Order Giving Effect to DTVsVS orders is an administrative matter and providing strict time-lines in any future scheme for order giving effect in the legislation could be difficult from the perspective of implementation.

The reply of the Ministry is not tenable as there are no timelines for issuing Form 5 and the CEO. However, both orders are very crucial under DTVsV Scheme, 2020. The case is treated as finally settled only when the Form-5 is issued. Further, the benefit of this amnesty scheme would actually be effected or reflected in the assessee's accounts, only after the consequential effect order (CEO) is passed by the jurisdictional AO. Thus, non-issuance/delayed issuance of these orders might defeat the very objective of the scheme. Further, instances were also noticed, where refunds of other AYs were adjusted against the disputed demand by the system despite the case was settled under DTVsV Scheme 2020. The consequential effect order was issued after a long gap of time in this case (refer to para 4.13.1 of this Report). Therefore, the Ministry may reconsider its reply.

4.4 Settlement of cases under the DTVsV Scheme in the absence of requisite documents

Section 3 of the Direct Tax Vivad se Vishwas Act, 2020 describes the determination of tax arrears, disputed tax/interest/penalty/fee and the amount payable under the Direct Tax Vivad se Vishwas Scheme.

Thus, there were prerequisite documents *viz.*, Assessment order/ ITNS against which the appeal was filed, Order under Section 143(1), ITR/Acknowledgment for Designated authority to arrive at the correct amount payable under DTVsV Scheme 2020.

4.4.1 Documents required to check the veracity of the amount payable determined under the DTVsV Scheme 2020

Audit observed that out of 5,212 audited cases under the DTVsV Scheme, in 1,676 cases **(Refer *Annexure 4.7*)** of 22 States[12], one or more essential documents, as mentioned above, were not found in the DTVsV Scheme files/ documents provided to Audit. In the absence of these documents, the Audit mainly relied on the facts accepted and consequential tax liability determined by the DA and therefore, any discrepancies thereon could not be reported in these cases. Two such illustrations are given below:

(i) In Kerala, under PCIT, Kochi-1 charge, in the case of a company, G1 Pvt. Ltd, for the AY 2006-07, the Department had not provided an assessment order and consequential effect order. In the absence of these requisite documents, the audit was unable to verify the correctness of the disputed tax and amount payable under the DTVsV Scheme. The observation was issued to the Department in March 2024. The Department replied that this case pertains to AY 2006-07, and as the requisite documents were not maintained electronically in the CPC 2.0 portal, it would not be practically possible to trail these documents manually. The reply of the Department is not tenable as these documents were essential to arrive at the amount payable by the assessee. Further, in the absence of these documents, Audit could not ascertain whether the DA ensured the correctness of the amount payable under the DTVsV Scheme.

Reply of the Ministry is awaited (June 2026).

(ii) In Delhi, under PCIT-15 charge, in the case of an individual, S16, for the AY 2009-10, the Department had not provided ITR, and 143(1) order. In the absence of these requisite documents, the audit was unable to verify the correctness of the disputed tax and amount payable under the DTVsV Scheme. The observation was issued to the Department in February 2024. The Department replied that records are not traceable and will be provided once traced. The reply of the Department is not tenable as these documents were essential to arrive at the amount payable by the assessee. Further, in

[12] Andhra Pradesh (73), Assam (11), Bihar (42), Chhattisgarh (31), Chandigarh (48), Delhi (124), Goa (8), Gujarat (3), Haryana (87), Jharkhand (51), Karnataka (284), Kerala (13), Madhya Pradesh (44), Maharashtra (474), Meghalaya (1), Odisha (80), Punjab (47), Rajasthan (8), Telangana (195), Uttar Pradesh (32), Uttarakhand (1), West Bengal (19).

the absence of these documents, Audit could not ascertain whether the DA ensured the correctness of the amount payable under the DTVsV Scheme.

Reply of the Ministry is awaited (June 2026).

It could be seen that the DA had processed the cases in the absence of the requisite documents, which inferred that the veracity of the amount payable by the assessee was not ensured. This could lead to non-fulfilment of the intended objective of the scheme.

4.4.2 Documents required for processing the case under the DTVsV Scheme 2020

As per Rule 5 of DTVsV Scheme Rules 2020, the details of payments made pursuant to the certificate issued by the Designated Authority shall be furnished along with proof of withdrawal of appeal, objection, application, writ petition, special leave petition, arbitration, conciliation, mediation or claim filed by the declarant to the designated authority in Form-4.

Thus, documents such as the decision of the Income Tax authority/ appellate forum (in case where the time limit for filing an appeal not expired), proof of appeal filed, withdrawal of appeal, etc., are required for the concerned Designated Authority for the process of the cases under the DTVsV Scheme.

Audit noticed that out of 5,212 audited cases, in 1,004 cases **(Refer *Annexure 4.7*)** of 15 States[13] the documents mentioned above were not found in the DTVSV Scheme files/ documents provided to audit, which were required to process the case under the DTVsV Scheme 2020. In the absence of these documents, Audit could not ascertain how the DA ensured that the case was fit for the process under this scheme and also to determine the correct amount payable by the assessee. Two such illustrations are given below:

(i) In Meghalaya, under PCIT Shillong charge, in the case of a firm, A27, for the AY 2017-18, the assessee was in appeal before CIT(Appeals). The assessee opted for DTVsV Scheme 2020 on 04/06/2020 to settle the case. The case was settled by issuing Form-5 on 30/11/2021. Audit called for relevant documents from the Department. However, the Department did not provide a copy of the withdrawal of appeal from the Appellate Forum, which was mandatory to file along with Form-4 by the assessee. Thus, in the absence of the aforesaid document, Audit could not ensure that the case was correctly processed under this scheme. The observation was issued to the Department in March 2024.

[13] Assam (61), Bihar (74), Chandigarh (4), Delhi (155), Goa (23), Haryana (40), Jharkhand (29), Karnataka (243), Maharashtra (237), Meghalaya (15), Punjab (5), Rajasthan (3), Uttar Pradesh (99) and Uttarakhand (14) and West Bengal (2).

Reply of the Ministry is awaited (June 2026).

(ii) In Punjab, under PCIT-1 Ludhiana charge, in the case of a company, M/s H6 Pvt Ltd., for the AY 2009-10, the assessee was in appeal before Hon'ble High Court and opted for DTVsV Scheme on 02/12/2020. The case was settled by issuing Form-5 on 17/02/2021. Audit called for relevant documents from the Department. However, the Department did not provide a copy of the withdrawal of appeal from the Appellate Forum, which was mandatory to file along with Form-4 by the assessee. Thus, in the absence of the aforesaid document, Audit could not ensure that the case was correctly processed under this scheme. The observation was issued to the Department in March 2024.

Reply of the Ministry is awaited (June 2026).

Thus, in the absence of requisite documents, *viz.* decision of Income Tax authority/ appellate forum (in case the time limit for filing appeal not expired), proof of appeal filed, withdrawal of appeal, etc., Audit could not ascertain that these cases were processed correctly and after satisfying all the conditions enumerated under DTVsV Act 2020.

4.5 Incorrect tax determination of the amount payable in Form-3, where Form-4 not submitted/finalized

As per Section 5(1) of the DTVsV Act 2020, the designated authority shall, within a period of fifteen days from the date of receipt of the declaration by order, determine the amount payable by the declarant in accordance with the provisions of this Act and grant a certificate to the declarant containing particulars of the tax arrears and the amount payable after such determination, in such form as may be prescribed.

Audit noticed in two cases **(Refer *Annexure 4.8*)** where Form-3 was issued out of 320 cases audited pertaining to the category "Form-4 awaiting cases", the DA incorrectly computed the amount payable in Form-3. However, the assessees did not submit Form-4. Therefore, these cases were not settled under the DTVsV Scheme 2020 and are shown in the category of Form-4 awaiting cases. Both cases are illustrated below:

(i) In Delhi, under PCIT-1 charge, in the case of a company, M/s A14 Pvt. Ltd., for the AY 2016-17, the assessee was in appeal before ITAT against the sustained addition of ₹ 13.64 lakh. The assessee opted for the DTVsV Scheme on 20/03/2020. The DA issued Form-3 on 24/12/2020, determining the amount payable of ₹ 4.47 lakh. Audit noticed that the amount payable of ₹ 4.21 lakh, as computed and shown by the assessee in Form-1, was correct, instead of ₹ 4.47 lakh determined by the DA. Further, Audit noted that Form-4 was not submitted by the assessee, and the reason for the same was not made available to Audit. Audit observation was communicated to the Department in February 2024. The Department replied (February 2024) that the issue raised by the Audit was addressed by revising Form-3 on 31/01/2024.

Reply of the Ministry is awaited (June 2026).

(ii) In Gujarat, under PCIT 1, Vadodara charge, in the case of an individual, H5, for the AY 2017-18, the assessee was in appeal before CIT(A) against the addition of ₹ 11.91 lakh. The assesse opted for the DTVsV Scheme on 29/01/2021. The DA issued Form-3 on 05/02/2021, determining the amount payable of ₹ 5.07 lakh. The audit noticed that the DA determined the amount payable of ₹ 5.07 lakh by the assessee under this scheme, instead of the correct amount of ₹ 5.84 lakh. Reason for the non-submission of Form-4 was not known to Audit. Audit observation was communicated to the Department in August 2023.

The Ministry, while accepting the audit observation, stated (August 2025) that no revenue loss has occurred in this case as the assessee did not submit Form-4 and, therefore, the assessee did not get the benefit of the DTVSV Scheme, 2020.

The reply of the Ministry was not tenable, as the above mistake indicated that due diligence was not exercised by the concerned authority or there was flaws in the computation process. Further, in the instant case, though there was no revenue loss due to non-payment by the assessee, the incorrect determination of the amount payable in Form-3 might have resulted in a loss to the exchequer. As such, corrective measures are warranted in such schemes in future, by way of adopting system-based computation/devising SOP in this regard, in order to avoid inconvenience to the assessee and possible loss to the exchequer.

4.6 Admitting case under DTVsV Scheme without verification of the eligibility of the assessee

Section 3 of the DTVsV Act provides that a declaration can be filed, subject to other provisions of the DTVsV Act, only when any amount is payable to the government towards tax arrears relating to disputed tax, interest, and penalty. Thus, the Act does not envisage declarations claiming any amount as receivable from the Government.

Section 2(*h*) of the DTVsV Act stipulates that "disputed interest" means the interest determined in any case under the provisions of the Income-tax Act, 1961, where— (*i*) such interest is not charged or chargeable on disputed tax; (*ii*) an appeal has been filed by the appellant in respect of such interest.

As per section 9(a) in respect of tax arrears-(i) relating to an assessment year in respect of which an assessment has been made under sub-section (3) of section 143 or section 144 or section 153A or section 153C of the Income Tax Act on the basis of search initiated under section 132 or section 132A of the Income Tax Act if the amount of disputed tax exceeds five crores rupees, the provisions of this Act shall not apply.

It was noticed that in four cases, despite the decision on appeals that had already been given, the Department had incorrectly admitted declarations of the appellants without verifying the particulars furnished in Form-1 & 2 and Form-3 under the DTVSV Act. In one case, the declaration was to claim against the tax authority and was therefore not eligible for settlement under the scheme. The state-wise summary is detailed in ***Annexure 4.9***. One instance is illustrated below:-

(i) In Andhra Pradesh, under CIT (Intl. Taxn. &TP), Hyderabad charge, in the case of a company, M/s S46 Ltd., for the AY 1994-95, the assessee was in appeal before the Hon'ble High Court against not granting of interest under section 244A of the Income Tax Act, 1961. The assesse opted for the DTVsV Scheme on 17/12/2020. The DA issued Form-3 on 01/04/2021, determining the amount payable of ₹ Nil. Audit noted that the declaration was not eligible to be accepted under the DTVsV Act, as the declaration was for refund of payment of interest under section 244A on a refund of ₹ 94.55 lakh. The DTVsV Act provides for the settlement of disputed tax arrears, whereas in the instant case, the declaration was in respect of a claim of the assessee against the department. The issue of Form-3 accepting the declaration of the assessee was not in order. The observation was issued (February 2024).

Reply of the Ministry is awaited (June 2026).

It could be seen that assessee was not eligible to avail the benefit of the scheme.

Thus, the Department has not devised any co-ordination mechanism with the appellate authority to identify eligible cases.

4.7 Incorrect rejection of an eligible declaration

As per section 2(*1*)(a) of the DTVsV Act, "appellant" *inter alia* means a person in whose case an order has been passed by the Assessing Officer, or an order has been passed by the Commissioner (Appeals) or the Income Tax Appellate Tribunal in an appeal, or by the High Court in a writ petition, on or before the specified date or the time for filing any appeal or special leave petition against such order by that person has not expired as on that date.

Audit noticed in nine cases in three States[14] **(Refer *Annexure 4.10*)** out of the total audited 327 cases pertaining to the category of 'Rejected', the DA rejected valid declarations filed by the assessee. Two such cases are illustrated below:

(i) In West Bengal, under PCIT Central-2 Kolkata charge, in the case of an individual, S15, for the AY 2015-16, the assessee filed an appeal before CIT(A) on 19/01/2018 against the addition of ₹ 20.00 lakh. The assessee opted for the DTVsV Scheme 2020 by filing a declaration on 20/03/2020 mentioning the interest on disputed tax amounting to ₹ 1.82 lakh and a penalty ₹ 2.00 lakh levied on disputed tax to settle the case. The DA issued Form-3 on 10/12/2020, raising a demand of ₹ 7.73 lakh (@125 *per cent* of disputed tax, being a search case). Further, the assessee filed a revised declaration on 20/02/2021, which was rejected by the DA on 24/02/2021 with the remarks, "the assessee has merely disputed the calculation of interest. Hence, there is no disputed interest in this count too". Audit examination revealed that the assessment order under Section 153A read with Section 143(3) was made on 30/12/2017 with the addition of ₹ 20 lakh, and the assessee filed an appeal within the time frame. Hence, as on the specified date (31/01/2020), the assessee was in appeal against the addition. Further, the assessee should not have been allowed to revise the declaration form as Form-3 was already issued by the DA. Furthermore, the DA should have asked the assessee to deposit the amount payable as shown in the Form-3, which was not done. Thus, the assessee was deprived of the benefit of the scheme. Further, the objective to generate timely revenue for the Government and reduce income tax litigation was also not fulfilled. The audit observation was communicated to the Department in December 2023.

Reply of the Ministry is awaited (June 2026).

(ii) In Odisha, under PCIT, Sambalpur charge, in the case of a company, M/s J10 Ltd., for the AY 2016-17, the assessee was in appeal before CIT(A) against the addition of ₹ 11.09 lakh with disputed tax of ₹ 3.43 lakh. The assessee opted for the DTVsV Scheme on 10/12/2020. The DA issued Form-3 on 15/12/2020, determining the amount payable of ₹ 3.58 lakh after giving credit of ₹ 0.96 lakh. The assessee paid ₹ 2.62 lakh and filed Form-4 on 13/02/2021. Subsequently, the DA rejected the case on the ground that the assessee had not paid the entire amount as determined in Form-3. The audit examination revealed that the DA incorrectly determined the amount payable of ₹ 3.58 lakh in Form-3, instead of the correct amount payable of

14 Odisha (1), Andhra Pradesh and Telangana (1), and West Bengal (7).

₹ 2.62 lakh. Therefore, the assessee correctly paid the amount payable and filed Form-4. The incorrect rejection resulted in inappropriate denial of the benefit of the scheme and inconvenience to the bona fide assessee. The audit observation was communicated to the Department in November 2023.

The Ministry, while accepting the audit observation, stated (August 2025) that necessary remedial action was taken by issuing manual Form-3 and Form-5 on 27/08/2024.

As evident from the above, these assessees were eligible to avail the benefit of the scheme but were denied by the DA without exercising due diligence/verifying the veracity of the facts stated by the assessees. The incorrect rejection resulted in not only a loss to the exchequer but also defeated the intended objective of the scheme.

Section B - Information Technology (IT) Infrastructure, systems, processes, and data security measures involved in the implementation of the scheme

The audit attempted to ascertain whether the IT system, controls, and validation were sufficient to ensure the accuracy of calculations, data integrity, timeliness, and adherence to relevant tax laws and regulations with respect to the implementation of the Direct Tax Vivad se Vishwas Scheme, 2020. Audit also attempted to assess the effectiveness of the online portal for taxpayers to avail the benefits of the scheme, the adequacy of IT infrastructure, data security, and a mechanism for redressal of Grievances raised by the assessee/the declarants, etc.

Audit noticed several incidences during the course of audit, which have been categorized into five broad categories as summarised below:

Table 4.5: Broad category of audit findings

Sl. No.	Para No.	Broad category of audit findings
1.	4.8	Adequacy of IT infrastructure, processing of DTVsV Scheme case using IT systems and Data security
2.	4.9	Non-provision of auto-population of data
3.	4.10	Non-provision of the computation of amount payable/tax payable by the system
4.	4.11	Non-provision of updated information relating to brought forward loss/unabsorbed depreciation and MAT credit in the DTVsV functionality system
5.	4.12	Control/validation in the processing of data in the system
6.	4.13	Effectiveness of the online portal for taxpayers to avail the benefit of the scheme

Table 4.5: Broad category of audit findings		
Sl. No.	**Para No.**	**Broad category of audit findings**
7.	4.14	Non-provision for sending notification to the concerned authority for the delay in issue of Form-3

Category-wise audit findings have been discussed in detail in subsequent paragraphs:

4.8 Adequacy of IT infrastructure, processing of cases under DTVsV Scheme using IT systems and Data security

The DGIT(Systems) under rule 8 of DTVsV Scheme rules 2020 was mandated to (i) lay down procedures, formats and standards for furnishing and verifying the declaration in Form-1 under sub-rule (1) of Rule 3, (ii) furnishing and verifying the undertaking in Form-2 under sub-rule (2) of Rule 3, (iii) granting of certificate in Form-3 under Rule 4, intimation of payment and proof of withdrawal in Form-4 under Rule 5 and (iv) issuance of order in Form-5 under Rule 7 along with evolving and implementing appropriate security, archival and retrieval policies in relation to the said declaration, undertaking, certificate, intimation and order.

With a view to assessing the adequacy and effectiveness of the IT infrastructure, systems, and processes involved in implementing the scheme, requisite document/information was sought from CBDT in April 2024. The CBDT furnished point-wise response which are tabulated below:

Table 4.6: Information sought and CBDT's response		
Sl. No.	**Information sought**	**CBDT's response (October 2024)**
1.	IT process involved in the implementation of the scheme.	CBDT stated that: (i) Form-1&2 filed by the assessee on the e-filing portal (ii) After its acceptance by the DA, Form-3 is issued, determining the amount payable. (iii) Thereafter, the assessee files Form-4, mentioning payment details. (iv) If the challan payment details match the matching logic, the system automatically enables the link to issue Form-5. (v) If deemed fit, on verification of facts and figures in Forms-1&2, Form-3, Form-4, and Form-5, the DA may issue Form-5.

Table 4.6: Information sought and CBDT's response		
Sl. No.	**Information sought**	**CBDT's response (October 2024)**
2.	PAN India IT infrastructure procured for implementation of the DTVsV scheme and the cost of its procurement.	The *e-filing project* is a transaction-based pricing project, where ₹ 6.60 is given for each form filed to the Managed service provider (MSP) (M/s Infosys Ltd). MSP manages IT infrastructure for the whole project, which involves filing and processing all returns and forms, as there is no separate cost for DTVsV Scheme 2020. The DTVsV functionality is deployed on the current IT infrastructure. CBDT further stated that the functionality was deployed on the current e-filing portal which took care of filing and processing of all returns and forms notified by the CBDT.
3.	Name and cost of IT Application/software procured/ created for the DTVsV Scheme 2020, along with documentation on its Input, Processing, and output controls.	
4.	Number of complaint tickets raised on this online portal/application by Assesse, Department, or other stakeholder(s).	CBDT stated that based on E-filing Webmail DTVsV report from 07 June 2021 to 07 August 2024, CBDT stated that the complaint ticket raised were 6,808, and out of this, 6,795 complaint ticket were resolved, leaving a closing balance of 13.
5.	Number of cases reported for breach of security or hacking of this system.	CBDT stated that the breach of security caused by the hacking of the system is reported as Nil.
6.	Whether the calculation and regulation involved in the system were automatic or manual?	CBDT stated that the calculation in Forms 1 and 2 was automatic as coded. The issuance of Forms 3 and 5 through e-filing portal by DA involved manual processes.
7.	Whether the DTVsV Scheme portal/ application was interlinked with the data of the existing ITBA portal to fetch tax-related details, *viz.* tax arrears, tax credit, etc.	CBDT stated that there is no direct linkage with the ITBA portal. However, the data of DTVsV Forms in the database are transferred to ITBA on a daily basis, and concerned PCsIT can view DTVsV Forms from the ITBA portal after logging in.

As evident from Table no. 4.6, that

A. The Department did not provide document/ information relating to input, processing, and output controls. As a result, the audit could not ascertain whether the requisite control was inbuilt in the IT system for smooth and seamless processing of the case(s) under DTVsV Scheme 2020.

B. Complaint ticket information was not available from the commencement of the scheme, i.e., 19 March 2020 to 06 June 2021. Reasons for non-furnishing of data for the aforesaid period were not known to Audit. Audit also could not ascertain whether the system for raising complaint tickets was put in place during the aforesaid period which was almost 15 months from inception of the scheme.

C. The calculation and regulation involved in the system for issuance of Form-3 and Form-5 were not automatic. Further, the DTVsV portal/ application was not inter-linked with the data of the existing ITBA portal to fetch tax-related details, viz., tax arrears, tax credit, etc. As a result, leakage of revenue in the form of incorrect computation of amount payable by the DA was not plugged in.

In addition to above, Audit also requested ITD/CBDT in March/April 2024 to facilitate/access to carry out IT Audit of DTVsV Scheme 2020, comprising aforementioned issues. However, CBDT did not facilitate carrying out the IT Audit of the DTVS Scheme despite repeated requests and several follow-ups. Audit, therefore, could not examine relating to input, processing, and output controls etc., with respect to DTVsV Scheme 2020.

Reply of the Ministry is awaited (June 2026).

4.9 Non-provision of auto-population of data

The assessee under DTVsV Scheme 2020 has to file a declaration (Form-1 and Form-2) in the e-filing portal of the Department. Audit noted that the assessee, while filing the declaration, was required to input details *viz.* serial number of the challan, BSR code, date of payment, etc., among other details in Form-1, regarding payments made against tax arrears prior to the filing of the declaration, which was used to determine the amount payable by the assessee under DTVsV Scheme 2020.

One such illustration is detailed below:

(i) In Tamil Nadu, under PCIT-4, Chennai Charge, in the case of an Individual, S57, for AY 2015-16, the assessee was in appeal before CIT(A) against the addition of ₹ 1.94 crore made during assessment under Section 143(3) in December, 2017. The assesee opted for DTVsV Scheme on 28/12/2020 to settle the case. The DA issued Form-3 on 20/01/2021, determining a refundable amount of ₹ 1.96 lakh. The assessee filed Form-4 on 13/01/2022, and thereafter, the DA issued Form-5 on 17/01/2022 as a full and final settlement. Audit examination revealed that the assessee wrongly claimed a total payment of ₹ 38.50 lakh against tax arrears in Form-1, and the same was accepted by the DA while computing the amount payable/ refundable in Form-3 issued on 20/01/2021. However, on a later date, the DA revised Form-3, rectifying errors relating to the payment of tax arrears and subsequently, Form-5 was issued correctly on 14/02/2023. If the details of the payment of tax had been auto-populated, such errors would have been avoided, which could have saved manpower and time.

The Ministry, while not accepting the audit objection, stated (August 2025) that the mistake noticed by the Audit was already in the knowledge of the Department and remedial action had already been taken. Further, the issue of auto-population of tax details mentioned by Audit is covered by Recommendation in Para 4.9 of the draft Report, and a response to this Recommendation Para will be sent separately.

The intention of the Audit is to stress the importance of auto-population of legacy data, available in the ITD system, by which such mistakes and consequent loss, if any, to the exchequer/inconvenience to the assessee, while implementing such scheme in future.

DGIT (Systems) replied (October 2024) that the assesse was made to fill the aforementioned details due to (i) the non-availability of all challans/ tax payment details with e-filing portals as the Department involved much earlier assessment years, (ii) the non-availability of bifurcation of tax paid challans/challan payments pertaining to disputed tax and undisputed tax on e-filing portal.

The reply of the DGIT (Systems) is not tenable as the non-provision of the auto-population of payment/refund details from legacy data and manual intervention might result in incorrect determination of the amount payable by the assessee, which ultimately could defeat the purpose of the introduction of the scheme.

Recommendation 2:

CBDT may ensure the auto-population of relevant data from the legacy data available in the ITD systems so as to reduce the scope of errors due to manual intervention, while implementing such a scheme in future.

Reply of the Ministry is awaited (June 2026).

4.10 Non-provision of computation of the amount payable/tax payable by the system

Audit noted that on receipt of the declaration (Form-1 and Form-2) from the assessee, the DA was to check the veracity of data *viz.* disputed income, disputed tax, interest, penalty, tax arrears and payment details provided by the assessee, manually, before issuing Form-3. This manual check included the correct application of the tax rate, the correct calculation of interest to be waived/charged, the correct account for prepaid taxes at credit, etc. Further, the amount payable by the assessee was computed manually in Form-3.

Audit noticed 209 cases out of 5,212 audited cases where manual computation of amount payable was done by the DA, which resulted in incorrect computation of amount payable by the assessee (**Refer *Annexure 5.1***). These cases have been discussed in detail in Chapter-5 of this Report. However, two such illustrations are given below:

(i) In Delhi, under PCIT (Central)-2 charge, in the case of a company, M/s M23 Pvt. Ltd., for the AY 2005-06, the Department was in appeal before ITAT against the relief of ₹ 3.55 crore to the assessee. The assessee opted for the DTVsV Scheme on 14/12/2020 to settle the case. The DA, while computing the amount payable by the assessee under DTVsVS 2020, accepted the assessee's calculation and raised the demand of ₹ 0.60 crore being 50 *per cent* of the disputed tax of ₹ 1.19 crore in Form-3 on 02/01/2021. The assessee paid the requisite amount, and accordingly, Form-5 was issued on 15/03/2022 by the Department. Audit examination revealed that the assessee, while arriving at the disputed tax, applied a rate of tax of 30 *per cent* and a surcharge of 10 *per cent*. However, the applicable rate of tax was 35 *per cent*, and the surcharge was 2.5 *per cent*. This resulted in the under-assessment of disputed tax by ₹ 5.20 lakh. The audit observation was issued to the Department in August 2024.

Reply of the Ministry is awaited (June 2026).

(ii) In Jharkhand, under PCIT Ranchi charge, in the case of an individual, S18, for AY 2017-18, the assessee was in appeal before CIT(A) against the addition of ₹ 79.69 lakh made during assessment under Section 143(3) in December 2019. The assessee opted for DTVsV Scheme on 22/01/2021 to settle the case. While computing the amount payable by the assessee under DTVsV Scheme 2020, the DA accepted the assessee's calculation and raised the demand of ₹ 17.95 lakh in Form-3 on 02/02/2021. The assessee paid the requisite amount, and accordingly, Form-5 was issued on 11/03/2022 by the Department. Audit examination revealed that the assessee, while arriving at the disputed tax, applied a normal rate of tax. However, the special rate of tax was 60 *per cent* under Section 115BBE of the Income Tax Act, 1961. This resulted in a short computation of tax of ₹ 37.22 lakh. The audit observation was issued to the Department in August 2023.

Reply of the Ministry is awaited (June 2026).

DGIT (Systems) replied (October 2024) that the total income, disputed income, disputed tax and interest, and penalty could not be auto-populated, as the disputes were pending before different appellate forums, so the details of the *same are not available with the e-filing units. The designated authority is responsible for checking and verifying the details in Forms-1& 2 before issuing Form-3, as the information is with them.*

The DGIT (Systems)'s reply is not tenable as the Department is finally responsible for giving effect to the orders of the appellate authority, and the data relating to disputed income or disputed tax was available only with the Department. Further, if the tax computation had been done by the system, the computation error could have been avoided.

4.11 Non-provision of updated information relating to brought forward loss/unabsorbed depreciation and MAT credit in the DTVsV Scheme functionality system

Rule 9(2) of the DTVsV Rules provides that "where the declarant exercises the option as per clause (ii) of sub-rule (1) (carry forward the reduced amount of loss or unabsorbed depreciation), he shall be liable to pay tax, including surcharge and cess, along with interest, if any, as a consequence of carrying forward the reduced amount of loss or unabsorbed deprecation in subsequent years.

Audit noted that the DA was to verify manually the data/information relating to brought forward business loss/unabsorbed depreciation, MAT credit, etc., provided by the assessee in Form-1 while processing the case under DTVsV Scheme 2020. However, there was no provision for providing updated information relating to brought forward loss/unabsorbed depreciation and MAT credit in the DTVsV Scheme functionality system by the DA. Further, Audit also noted that there was no provision to mention in Form-3/Form-5 about the payment due, as a consequence of carry forward of the reduced loss/unabsorbed depreciation for the subsequent assessment year, where the assessee had already set off of this loss/unabsorbed depreciation in full or in portion.

Audit observed in 60 cases **(Refer *Annexure* 4.11**) in 16 PCsIT charges that the assessee opted to pay/not to pay the tax on reduced losses under DTVsV Scheme 2020, and the assessee mentioned the available loss to be carried forward on exercising the above option wherever required. On the other hand, the DA did not mention anything about the available loss to be carried forward in Form-3/Form-5, as there was no such provision in the DTVsV Scheme functionality system. Thus, in the absence of an updated status of brought forward losses/unabsorbed depreciation, it was not ascertainable that the assessee had already availed such losses/ unabsorbed depreciation in the subsequent assessment year prior to the settlement of the case under DTVsV Scheme 2020.

Audit further observed that in one case, where relevant documents were available, pursuant to the DTVsV Scheme, the assessee's loss was reduced. However, the assessee had already availed of enhanced losses in the subsequent assessment year. Audit could not find any evidence/documents in the file that could suggest that the Department initiated the remedial action to this effect. As a result, possibility of undue benefit to the assessee and loss of revenue to the exchequer cannot be ruled out. The case is illustrated below:

In Maharashtra, under PCIT (Central)-I, Mumbai charge, in the case of a company, M/s T4 Ltd., for the AY 2011-12, the assessee was in appeal before ITAT against addition of ₹ 24.14 crore. The assessee was also having a business loss of ₹ 19.80 crore. The assesse opted not to pay tax on disputed income as per Rule-9(1) while filing for the DTVsV Scheme on 18/12/2020. The DA computed the amount payable of ₹ 1.68 crore at 125 *per cent* of the disputed tax, being a search case, and after adjustment of prepaid taxes, a refund of ₹ 26.53 lakh was determined in Form-3 on 22/02/2021. Accordingly, the Form-5 was also issued on 09/03/2021. Audit examination revealed that out of total losses of ₹ 19.80 crore, the assessee was already allowed to set off of losses to the extent of ₹ 5.15 crore against the income of subsequent AY 2012-13 and the remaining loss of ₹ 14.64 crore was allowed to be carried forward for future years. Thus, due to the exercise of the option of not paying tax on the reduction of losses by the assessee, as per Rule 9(2) of DTVsV Rules, the assessee was eligible to avail of reduced losses only in subsequent assessment years. The audit observation was issued to the Department in November 2023. Reply of the Ministry is awaited (June 2026).

DGIT (Systems) replied (October 2024) that the total income, disputed income, disputed tax and interest, and penalty cannot be auto-populated, as the disputes were pending before different appellate forums, so the details of the same are not available with the e-filing units. It is the responsibility of the designated authority to check and verify the details in Forms-1 & 2 before issuing Form-3 as the information of the same is with them.

The reply of the DGIT (Systems) is not in line with the audit observation as there was no provision in Form-3/Form-5 to mention details of the payment due, as a consequence of carry forward of the reduced loss/unabsorbed depreciation for the subsequent assessment year, where the assessee had already set off of this loss/unabsorbed depreciation in full or in portion.

Reply of the Ministry is awaited (June 2026).

4.12 Control/validation in the processing of data in the system

4.12.1 Audit noted that there were no checks/validation of the data with respect to the amount paid against the respective challan number. It was noticed in two cases in two States that the assessee had paid the requisite amount as per Form-3, however, while submitting Form-4, mentioned a different amount against the same challan number, and it was accepted by the system. Hence, it is clear that there were no checks and validation in the system in such cases. These cases are illustrated below:

(i) In Delhi, under PCIT-20 charge, in the case of an individual, K22 for the AY 2012-13, the assessee was in appeal before CIT(Appeals) against the addition of ₹ 5.15 lakh. The assessee opted for the DTVsV Scheme by filing a declaration on 29/01/2021 to settle the case. The DA, while computing the amount payable by the assessee under DTVsV Scheme 2020, raised the demand of ₹ 0.94 lakh in Form-3 on 02/02/2021. The assessee paid the requisite amount vide challan dated 27/03/2021. However, the assessee, while submitting Form-4 on 07/04/2022, incorrectly showed ₹ 941.33 crore. In Form-5 also, the Department mentioned the same amount as appeared in Form-4 and issued it on 21/04/2022 towards a full and final settlement of tax arrears, which was factually incorrect.

On being pointed out by Audit, PCIT-20, Delhi stated (November 2023) that the amount of ₹ 94,132 had been inadvertently written twice by the assessee, i.e. 9413294132. The same thing was also observed in Form-5, issued by the Department. It is nothing but a typographical mistake, as evident from the challan submitted by the assessee. The PCIT further stated that while giving effect under Section 5(2) to the Form-5 issued by the Department, the disputed tax amount had been considered as ₹ 94,132, not ₹ 9,41,32,94,132.

Further on the issue of control, DGIT (Systems) replied (October 2024), that details of payment have to be verified by the DA before issuing the Form-5.

Further, before submitting the Form-5 in the system, the DA may check whether the generated Form-5 has the correct details or not. Hence the subject matter pertained to concerned Designated Authority.

Reply of the Department is not tenable as the DTVsV Scheme functionality system should have an inbuilt facility to check the veracity of the amount against the particular challan number, and in the case of a mismatch, the system should not allow incorrect entry against that challan number. Further, discrepancies in Form-5 would also result in an incorrect representation of money recovered pursuant to DTVsV Scheme 2020.

Reply of the Ministry is awaited (June 2026).

(ii) In Kerala, under PCIT (Central) Kochi charge, in the case of an individual, R23, for the AY 2013-14, the assessee was in appeal before CIT(A) against a disputed income of ₹ 7.70 crore. The assessee opted for the DTVsV Scheme by filing a declaration on 21/12/2020, to settle the case. The DA, while computing the amount payable by the assessee under DTVsV Scheme 2020, raised the demand of ₹ 1.53 crore in Form-3 on 30/01/2021. The assessee paid the requisite amount vide challan dated 30/03/2021. However, while submitting Form-4 on 03/04/2021, the assessee incorrectly showed ₹ 11.53 crore. In Form-5 also, the Department mentioned the same amount as appeared in Form-4 and issued it on 07/04/2021 towards a full and final settlement of tax arrears, which was factually incorrect. On being pointed out by Audit, the Department stated (December *2023) that though Form-5 was erroneously issued showing the amount paid by the assessee as ₹ 11.53 crore, the order giving effect to the Direct Tax Vivad se Vishwas Scheme under Section 5(2) read with Section 6 of DTVsV Act, 2020 was passed by the Jurisdictional Assessing Officer with the correct figure of ₹ 1.53 crore. Therefore, there is no loss to the revenue due to the above mentioned error.*

The Ministry, while accepting the audit observation, stated (August 2025), that the no remedial action was required because the give effect order was passed by the AO at the correct figure of ₹ 1.53 crore. The systemic issue cited by the Audit is covered by Recommendation Para 4.9 and will be responded separately.

Reply of the Ministry was not tenable as the DTVsV functionality system should have an inbuilt facility to check the veracity of the amount entered against a particular challan number. Further, in case of a mismatch, the system should not allow incorrect entry against that challan number. Furthermore, discrepancies in Form-5 would also result in incorrect representation of money recovered pursuant to the DTVsV Scheme 2020.

4.12.2 As per FAQ 89 of CBDT circular no 21/2020 dated 04/12/2020, the declaration can be revised any number of times before the Designated Authority issues a certificate (Form-3) under Section 5(1) of the DTVsV Act 2020.

Audit noticed in CIT Exemption Hyderabad charge that the assessee was allowed to revise its declaration (Form 1) even after the issuance of Form-3 by the DA, which suggested that adequate checks and controls were not available to restrict the assessee to file revised declarations where Form-3 was already issued under Section 5(1) of the DTVsV Act 2020. The case is illustrated below:

In Telangana, under CIT Exemption Hyderabad charge, in the case of a trust, M/s R13 Trust, for the assessment year 2007-08, the assessee was in appeal before Hon'ble High Court against disputed income of ₹ 20.65 lakh. The assessee opted for the DTVsV Scheme by filing a declaration on 19/12/2020 to settle the case. The DA issued Form-3, determining the refundable amount to be ₹ 6.78 lakh, on 28/12/2020. Audit examination revealed that the assessee was allowed to revise its declaration on 29/12/2020 and thereafter on 08/02/2021, which was after the issuance of Form-3. After accepting the assessee's revised declaration, the DA issued revised Form-3 on 22/02/2021, determining the refundable amount of ₹ 11.26 lakh. On receipt of Form-4 by the assessee, the DA issued Form-5 on 17/11/2021 as a full final settlement of tax arrears. Thus, the DTVsV functionality system did not have control over restricting the assessee to file revised declarations, where Form-3 was already issued under Section 5(1) of the DTVsV Act 2020, which was not in conformity with the CBDT's clarifications.

The Department while not accepting the audit observation, stating that though there was mention in the clarifications, DTVsV Act did not bar the assessee in filing revised Form-1. Similarly, the said Act did not bar the DA from disposing such revised applications.

Reply of the Department is not tenable as it is clearly mentioned in FAQ 89 vide CBDT's circular 21/2020 dated 04/12/2020 that a declaration (Form-1) can be revised any number of times before the DA issues a certificate under Section 5(1) of DTVsV Act 2020. In view of the aforesaid circular, the DA should not have allowed the assessee to revise Form-1 after issuance of Form-3, and accordingly, there should have been an inbuilt provision in the DTVsV functionality system to restrict the assessee from filing revised declarations, where Form-3 was already issued under Section 5(1) of the DTVsV Act 2020. The same was communicated to the Department in April 2024.

Reply of the Ministry is awaited (June 2026).

4.12.3 In one case in PCIT (Central-2) Delhi charge, the audit noticed that Form-5 was incorrectly issued for AY 2013-14. The case is illustrated below:

In Delhi, under PCIT Central-2, Delhi charge, in the case of a company, A2 Pvt. Ltd., for the AY 2013-14, the Department was in appeal before ITAT against the relief of ₹ 5.41 crore to the assessee. The assessee opted for the DTVsV Scheme by filing a declaration on 21/03/2020 to settle the case. The DA computed the amount payable and raised a demand of ₹ 1.10 crore, being

62.5% of the disputed tax of ₹ 1.75 crore in Form-3 on 04/12/2020. The assessee paid the requisite amount and submitted Form-4 on 09/04/2021. Accordingly, Form-5 was also to be issued for ₹ 1.10 crore as full and final settlement of tax arrears. Audit observed that Form-5 was issued for ₹ 1.36 crore, mentioning AY 2012-13 instead of ₹ 1.10 crore pertaining to AY 2013-14. The Department did not provide the CEO to the Audit. As a result, Audit could not ascertain whether the CEO was issued under Section 5(2) of the DTVsV Act 2020 in this case. This indicated that the DTVsV functionality system did not have proper checks and validations while issuing Form-5.

On being pointed out by Audit, the DGIT (Systems) stated (October 2024) that as per DTVsV functionality, the DA was allowed to sign Form-5 either digitally or manually. In this case, the manually signed copy of Form-5 for AY 2012-13 of the same PAN had been uploaded in the system by the DA against the AY 2013-14. Hence, the subject matter pertained to the concerned DA.

Reply of the DGIT (Systems) is not tenable as the DTVsV functionality system should have an inbuilt facility to cross-verify the requisite details viz. PAN, AY, Amount, Challan number, etc., before printing Form-5 in case of manually signed Form-5.

Reply of the Ministry is awaited (June 2026).

As evident from the above illustrations, there was a lack of adequate controls and validations in the DTVsV functionality system. The ITD was required to address all these control issues to make the system streamlined, robust and transparent for seamless processing of the case under the said scheme.

4.13 Lack of validations and suboptimal utilisation of ITD Systems

Section 5 of the DTVsV Act 2020 provides for the payment of the balance amount payable, intimation of payment details in Form-4, and an order for final settlement in Form-5 after the issue of Form-3 by the Designated Authority. Further, CBDT vide circular 03/ 2021 dated 04-03-2021 clarifies that where DA has passed an order under sub-section (1) and (2) of Section 5 of the DTVsV Act 2020, the Assessing officer shall pass a consequential order under the Act.

4.13.1 Audit noticed 11 cases in three PCsIT of Gujarat charge, where refunds of other assessment years were adjusted against the disputed demand by the system, despite the case being settled under the DTVsV Scheme 2020. The consequential effect orders were issued on the ITBA system with inordinate delay (**Refer *Annexure* 4.12**).

The illustration of two such cases is as follows:

(i) In Gujarat, under PCIT Central Ahmedabad charge, in the case of a firm, R28 for the AY 2011-12, the assessee was in appeal before CIT (A) against disputed income of ₹ 30.55 lakh. The assessee opted for the DTVsV Scheme by filing a declaration on 15/10/2020 to settle the case. The DA issued Form-3, determining the amount payable of ₹ 4.76 lakh on 14/12/2020. Assessee submitted Form-4 on 15/01/2021, intimating that ₹ 4.76 lakh was paid on 25/12/2020. Thereafter, the Designated Authority issued Form-5 on 24/02/2021 toward a full and final settlement of tax arrears. A consequential effect order (CEO) under Section 5(2) of DTVsV Act 2020 was issued on 18/10/2022, i.e. after an inordinate gap of 601 days from the issue of Form-5. Audit observed from the ITBA 360-degree view of tax payment details that, during the intervening period, the system adjusted an additional amount of ₹ 4.03 lakh on 04/03/2022, vide challan no. 25631 towards the disputed demand, although the case was already settled under the DTVsV Scheme on 24/02/2021. This implied that there were no checks and validations in the ITD systems, which resulted in incorrect adjustment of refunds, causing inconvenience to the assessee. It would also result in avoidable liability of interest under Section 244A of the Income Tax Act to the Department. The audit observation in this regard was issued in October 2023.

Reply of the Ministry is awaited (June 2026).

(ii) In Gujarat, under PCIT-1 Vadodara charge, in the case of a company, A30 Pvt. Ltd., for the Assessment Year 2015-16, the assessee was in appeal before Hon’ble ITAT against disputed income of ₹ 34.25 lakh. The assessee opted for the DTVsV Scheme by filing a declaration on 13/01/2021 to settle the case. The DA issued Form-3, determining the amount payable of ₹ 5.99 lakh on 26/02/2021. Assessee submitted Form-4 on 24/03/2021, intimating that ₹ 5.99 lakh was paid on 23/03/2021. The Designated Authority issued Form-5 on 07/09/2021 towards a full and final settlement. The consequential effect order was issued in the system on 22/02/2022, i.e. after an inordinate gap of 168 days from the issue of Form-5. Audit observed from ITBA 360-degree view of tax payment details that during the intervening period, the system adjusted an additional amount of ₹ 2.13 lakh, and ₹ 6.06 lakh on 29/01/2022 vide challan no. 12723 and 6784, respectively, towards the disputed demand, although the case was already settled under the DTVsV Scheme on 07/09/2021. This implied that there were no checks and validations in the ITD systems, resulting in incorrect refund adjustment, causing inconvenience to the assessee. It would also result in avoidable liability of interest under Section 244A of the Income Tax

Act to the Department. An audit observation in this regard was issued in November 2023.

Reply of the Ministry is awaited (June 2026).

4.13.2 Audit noticed in three cases in one PCIT of Gujarat charge, where even after the issue of a consequential effect order on the ITBA system, refunds of other assessment years were adjusted against the disputed demand by the system, despite the case being settled under the DTVsV Scheme 2020. (**Refer *Annexure 4.12***).

In Gujarat, under PCIT-1 Surat charge, in the case of a company, T8 Ltd., for the Assessment Year 2014-15, the assessee was in appeal before ITAT against the disputed income of ₹ 4.30 crore. The assessee opted for the DTVsV Scheme by filing a declaration on 27/01/2021 to settle the case. The DA issued Form-3, determining the refundable amount of ₹ 69.10 lakh, on 28/04/2021. The assessee submitted Form-4 on 24/05/2021. Thereafter, the DA issued Form-5 on 02/02/2022 towards a full and final settlement of tax arrears. The CEO was issued on 22/08/2022 in this case. As per the 360-degree view of tax payment details, Audit noticed that the system adjusted additional amounts of ₹ 1.41 crore on 21/09/2022 vide challan No. 4087 and ₹ 5.14 lakh on 04/09/2022 vide challan No. 31009 after issuance of CEO. This implied that there were no checks or validations in the ITD system, which resulted in an incorrect refund adjustment, causing inconvenience to the assessee. It would also result in avoidable liability of interest under section 244A of the Income Tax Act to the Department. The audit observation in this regard was issued in January 2024.

Reply of the Ministry is awaited (June 2026).

Thus, while adjusting refunds against existing demand, there was no check and validation available in the ITD system. Audit noted that though a consequential effect order was issued through the ITD system, the refund of the other AY was incorrectly adjusted against the disputed demand, which was already settled under the DTVsV Scheme.

4.13.3 Audit noticed in nine cases in four PCsIT of Gujarat charge, where the assessees had tax credit prior to the date of issue of Form-3 or Form-5 but the DA did not take cognisance of it while computing tax liability in the Form-3 or issuing Form-5 as a full and final settlement of the tax arrears **(Refer *Annexure 4.12*)**.

In Gujarat, under PCIT-1 Surat charge, in the case of a company, M/s P15 Pvt. Ltd. for the Assessment Year 2010-11, the assessee was in appeal before CIT (A) against the disputed income of ₹ 35.70 lakh. The assessee opted for the DTVsV Scheme by filing a declaration on 29/12/2020 to settle the case. The DA issued Form-3, determining the amount payable of ₹ 6.42 lakh on 06/01/2021. The assessee submitted Form-4 on 06/05/2021, intimating that ₹ 6.42 lakh was paid on 28/04/2021. Thereafter, the DA issued Form-5 on 06/12/2021 toward a full and final settlement of tax arrears. As per the 360-degree view of tax payment details, Audit noticed that the DA, while arriving net amount payable in Form 3, deducted ₹0.34 lakh paid on 12/12/2012 against the demand raised on the addition made under Section 143(3) dated 29/11/2012. The assessee was in appeal against the reassessment order passed under Section 147 in November 2017, wherein the addition made under Section 143(3) dated 29/11/2012 was not included. This resulted in an under-computation of the amount payable in Form-3. Further, two more refunds, aggregating to ₹ 17.77 lakh, were credited on 01/07/2021 to the AY in question and were adjusted against the demand of AY 2010-11. However the demand raised under DTVsVS 2020 was already paid by the assessee vide Form-4 on 06/05/2021. The DA issued Form-5 (full and final settlement) on 06/12/2021 did not take cognizance of refund of other AY adjusted against the amount payable by the assessee under this Scheme for AY 2010-11. The audit observation in this regard was issued in September 2023.

The Ministry, in its reply (September 2025), while not accepting the audit observation, stated that refunds aggregating to ₹ 17.77 lakh were credited on 01/07/2021 for AY 2020-21, which were adjusted against the outstanding demand for AY 2010-11, remedial action was taken by passing an order under Section 154 on 25/01/2022 (before raising the audit observation), and refund of ₹ 18.40 lakh was issued.

Reply of the Ministry is not tenable as in the first instance, the DA incorrectly deducted the prepaid tax of ₹0.34 lakh in Form-3, paid on 12/12/20212 against the demand raised on the addition made under Section 143(3) dated 29/11/2012, which was undisputed and not included in the reassessment for which the assessee opted the DTVsVS 2020. Further, due to a delay in issuing Form-5/CEO in the system, the refund for the other AY was adjusted in the current AY, i.e., 2010-11, which resulted in the Department incurring an avoidable payment of interest under Section 244A while issuing a refund to the assessee vide order under Section 154 on 25/01/2022. The Ministry may take remedial action in this regard.

DGIT (Systems) replied (October 2024) that as per DTVsV Scheme 2020 functionality available in e-filing portal, once the Form-5 DTVsV is issued by the DA, the process becomes complete in e-filing portal. Hence no further comments are offered.

The reply of the Department is not tenable as it is not the question of completion of process in e-filing portal or by Designated Authority/JAO rather it is the matter of effective and hassle-free processing of the cases under DTVsV Scheme 2020. Audit is of the view that if any such scheme is implemented, all the Department's IT systems must be in sync and work in tandem.

4.14 Provision for sending notification to the concerned authority for the delay in issuing Form-3

Audit observed that there was no mechanism for sending notifications in the DTVsV functionality system to remind the Designated Authority of the timely issue of Form-3. The issue has already been discussed in detail in paragraph 4.1 of this Chapter. One such illustration is detailed below:-

In Maharashtra, under PCIT-4, Pune charge, in case of a company M/s K19 Pvt. Ltd. for the AY 2011-12, the assessee was in appeal before the Hon'ble High Court against a disputed income of ₹ 3.83 crore. The assessee opted for the DTVsV Scheme by filing a declaration on 23/03/2020. The DA issued Form-3, determining the amount payable of ₹ 21.17 lakh on 24/12/2020. The assessee deposited ₹ 21.17 lakh on 20/04/2021 and submitted Form 4 on 27/04/2021. Accordingly, Form-5 was issued by the DA on 24/09/2021. Audit examination revealed that there was a delay of 261 days in issuing Form-3, which was in contravention of the provisions of Section 5(1) of the DTVsV Act. Non-compliance with the prescribed time limit had resulted in delays in settlement of cases under the DTVsV Scheme, which inter alia delayed payments of tax determined under the scheme to the Government exchequer and settlement of litigations. An audit observation in this regard was issued in September 2023.

Reply of the Ministry is awaited (June 2026).

DGIT (Systems) replied (October 2024) that there is a mechanism to inform the JAO/FAO/PCIT once the CIT(Appeal) passes an Appellate order through SMS and email.

The reply of the DGIT (Systems) is silent on the audit observation regarding the specific provision for sending notifications in the DTVsV functionality, which was not found in place, causing difficulty in monitoring the timely processing of cases by the concerned authority(ies).

Chapter 5

Compliance to provisions of the Act/Rules/Circulars under DTVsV Scheme, 2020

This chapter discusses issues relating to compliance with the provisions of the DTVsV Act/Rules/Circulars/ instructions, etc., by the Designated Authority (DA) of the Income Tax Department (ITD).

Audit observed from test check of 5,212 cases that the DA did not comply with the provisions of the DTVsV Act/Rules, etc., in 389 cases involving revenue impact of ₹ 1,675.65 crore, which are shown in Table 5.1.

Table 5.1: Summary of category-wise audit findings

Sl. No.	Category of compliance issues	Number of Observations	Amount (₹ in crore)
1.	Incorrect determination of Disputed Tax/Amount Payable:	**208**	**423.47**
	Excess adjustment of tax credit	5	370.53
	Excess determination of refund	62	32.22
	Incorrect computation of Disputed Tax	141	20.72
2.	Interest paid by the Department under Section 244A of the Income Tax Act, 1961, not recovered in cases settled under the DTVsV Scheme	55	1,168.27
3.	Incorrect determination of tax payable in Search cases	34	6.17
4.	Undisputed tax/interest not included in the total tax payable under DTVsV Scheme	47	27.42
5.	Extending the benefit of the scheme to the ineligible assesses	17	6.96
6.	Incorrect adjustment of MAT credit	2	2.93
7.	Incorrect allowance of carry forward of loss or unabsorbed depreciation	8	37.89
8.	Incorrect refund paid to the assessee	8	2.01
9.	Incorrect imposition of Penalty	10	0.53
	Total	**389**	**1675.65**

The issues mentioned in Table 5.1 have been discussed in detail in the succeeding paragraphs.

5.1 Incorrect determination of Disputed Tax/Amount Payable

Section 5 of the Direct Tax Vivad se Vishwas (DTVsV) Act, 2020, provides that the DA shall determine the amount payable by the declarant in accordance with the provisions of this Act and grant a certificate to the declarant containing particulars of the tax arrears and the amount payable after such determination.

Audit noticed that in 208 cases involving tax effect of ₹ 423.47 crore in 21 States[15], the DA had incorrectly determined the amount payable under the DTVsV Act **(Refer *Annexure 5.1*).**

5.1.1 Excess adjustment of tax credit

Audit noticed that in five cases involving tax effect of ₹ 370.53 crore, the DA had made an excess adjustment of tax credit while computing the amount payable by the assessee under this scheme**.** Two such illustrations are given below:

(i) In Maharashtra, PCIT-6, Mumbai charge, in the case of a company, M/s I3 Ltd., for AYs 2006-07, 2007-08, 2008-09 and 2009-10, the Department and the assessee, both were in appeal before Hon'ble ITAT. The Department was in appeal against total relief of ₹ 3,551.26 crore (₹ 404.25 crore, ₹ 891.88 crore, ₹ 789.58 crore and ₹ 1,465.55 crore for AYs 2006-07, 2007-08, 2008-09 and 2009-10 respectively) given by CIT(A) to the assessee whereas, the assessee filed an appeal against the total addition of ₹ 1,567.49 crore (₹ 345.91 crore, ₹ 161.76 crore, ₹ 790.16 crore and ₹ 269.66 crore for Ays 2006-07 to 2009-10 respectively) upheld by the CIT(A). The assessee opted for the DTVsV Scheme on 15/03/2021 for AY 2006-07 and on 29/01/2021 for AYs 2007-08 to 2009-10 to settle the issues. The DA, while computing the total amount payable under the DTVsV Scheme, determined the total balance tax payable of ₹ 403.78 crore (₹ 25.64 crore, ₹ 141.48 crore, ₹ 124.17 crore and ₹ 112.49 crore for the AYs 2006-07 to 2009-10, respectively). The assessee paid the requisite amount, and accordingly, Form-5 was issued on 02/03/2022 by the Department for the aforementioned AYs. Audit examination revealed that the DA while arriving total amount payable by the assessee, adjusted tax credit of ₹ 685.83 crore (₹ 122.68, ₹ 64.85 crore, ₹ 270.18 crore and ₹ 228.12 crore for the AYs 2006-07 to 2009-10 respectively) instead of the available tax credit of ₹ 414.69 crore (₹ 42.94 crore, ₹ 14.06 crore, ₹ 221.74 crore and ₹ 135.95 crore for the Ays 2006-07 to 2009-10 respectively). This resulted in the short determination of the amount payable of ₹ 283.49 crore (₹ 80.37 crore, ₹ 50.80 crore, ₹ 48.43 crore, ₹ 103.89 crore for the AYs 2006-07 to 2009-10 respectively) including interest on undisputed tax. Further, Audit could not ascertain whether the Department has passed a consequential effect order under Section 5(2) of the DTVsV Act in this.

Reply of the Ministry is awaited (June 2026).

[15] Andhra Pradesh(6), Assam(10), Bihar(8), Chhattisgarh(4), Delhi(13), Gujarat(15), Goa(1), Haryana (6), Jharkhand(21), Karnataka (11), Madhya Pradesh (17), Maharashtra (21), Manipur(1), Meghalaya(2), Nagaland(2), Odisha(5), Rajasthan(4), Tamil Nadu(9), Telangana(15), Uttar Pradesh(5), and West Bengal(33)

(ii) In Maharashtra, under PCIT-1, Mumbai charge, in the case of a company, M/s H8 Ltd., for AY 2011-12, the Department was in appeal before Hon'ble ITAT against total relief of ₹ 25.98 crore given by CIT(A) to the assessee, whereas, the assessee was in appeal before Hon'ble ITAT against the addition of ₹ 260.95 crore. Further, the assessee was also in appeal before CIT(A) against a penalty of ₹ 2.90 lakh imposed under Section 272B on the assessee. The assessee opted for the DTVsV Scheme on 28/12/2020 to settle all the above issues. While computing the disputed tax and the total amount payable under the DTVsV Scheme, the DA deducted ₹ 86.68 crore on account of a refund from the total disputed tax. However, no such refund was available to the assessee as per the documents produced to Audit. Further, the DA, while finalizing the case did not consider outstanding demand of ₹ 36.21 lakh on undisputed income. These resulted in the short determination of the amount payable ₹ 87.04 crore (₹ 86.68 crore + ₹ 0.36 crore). Furthermore, Audit could not ascertain whether the Department has passed a consequential effect order under Section 5(2) of the DTVsV Act in this case.

Reply of the Ministry is awaited (June 2026).

5.1.2 Excess determination of refund

Audit noticed that in 62 cases involving tax effect of ₹ 32.22 crore, the DA had determined excess refund while computing the amount payable by the assessee under this scheme**.** One such illustration is given below, and one more illustration is given in ***Annexure 5.2***:

(i) In Karnataka, under PCIT-Bengaluru-3 charge, in the case of a company, M/s N8 Pvt. Ltd., for AYs 2006-07, 2008-09, 2009-10 and 2010-11, the assessee was in appeal before ITAT against the addition of ₹ 14.64 crore, ₹ 24.90 crore, ₹ 142.40 crore and ₹ 16.31 crore respectively whereas, the Department was in appeal for AY 2010-11 against the relief of ₹ 4.11 crore given by Dispute Resolution Panel (DRP). The assessee opted for the DTVsV Scheme in December 2020 to settle the case. Audit observed that the DA, while computing the total amount payable under DTVsV Scheme 2020, took assessed income of ₹ 21.58 crore, ₹ 57.20 crore, ₹ 165.61 crore and ₹ 137.65 crore for the aforementioned AYs, respectively and issued Form-3 in December 2020. The assessee made the requisite payment, and accordingly, Form-5 was issued by the Department in February 2021 as a full and final settlement in all the above AYs. Further, the Department passed consequential effect order under Section 5(2) of the DTVsV Act, 2020 by issuing a refund of ₹ 4.10 crore, ₹ 8.16 crore, ₹ 65.65 lakh and ₹ 8.84 crore for AYs 2006-07, 2008-09, 2009-10 and 2010-11 respectively in July 2021.

Audit examination revealed that the Department while taking assessed income for computation of the amount payable, reduced the transfer pricing relief of ₹ 7.03 crore, ₹ 10.05 crore, ₹ 12.16 crore and ₹ 6.57 crore as per Mutual Agreement Procedure (MAP) with the USA. It was further revealed that the order to this effect was passed under Section 295(h) of the IT Act 1961, read with rule 44G of the IT Rules, 1962, in November 2020, which was later than the specified date (31 January 2020) for this scheme. Thus, the DA should have taken the assessed income of ₹ 28.62 crore, ₹ 67.25 crore, ₹ 177.77 crore and ₹ 144.22 crore, respectively, as per the order passed under Section 154 in September 2019, i.e. prior to the specified date. These errors resulted in an excess refund of ₹ 2.37 crore, ₹ 1.33 crore, and ₹ 5.20 lakh for AYs 2006-07, 2008-09, and 2010-11, respectively, and a short levy of tax of ₹ 4.13 crore for AY 2009-10.

Reply of the Ministry is awaited (June 2026).

5.1.3 Incorrect computation of Disputed Tax

Audit noticed that in 141 cases involving tax effect of ₹ 20.72 crore, the DA had incorrectly computed the disputed tax while computing the amount payable by the assessee under this scheme**.** Two such illustrations are given below, and three more illustrations are given in ***Annexure 5.3***:

(i) In Karnataka, PCIT Hubballi charge, in the case of a cooperative society, K13, for AY 2011-12, the Department and the assessee, both were in appeal before Hon'ble ITAT as on the Specified Date, i.e. 31/01/2020 as per DTVsV Act. The Department was in appeal against the relief of ₹ 226.83 crore granted by CIT(A) to the assessee, and the assessee filed an appeal against the addition of ₹ 29.01 crore, which was upheld by CIT(A). The assessee opted for the DTVsV Scheme on 23/03/2021 to settle the issues. Audit observed that the DA determined ₹ 26.84 crore as the amount payable by the assessee and accordingly issued Form-3. Subsequently, the assessee paid the said demand vide challan dated 25/08/2021. Further, the Department issued Form-5 on 17/01/2023 for full and final settlement.

Audit noticed that DA, while determining the tax payable of ₹ 26.84 crore (after adjustment of tax credits and refunds issued), applied @50 *per cent* of the total assessed tax uniformly. However, DA was required to compute the tax payable of ₹ 29.09 crore (@50 *per cent* of the disputed tax where the Department was in appeal and @100 *per cent* of the disputed tax where the assessee was in appeal). This resulted in the short determination of the amount payable, ₹ 2.25 crore. Subsequently, while passing the consequential effect order under Section 5(2) of the DTVsV Act on 03/02/2023, the Jurisdictional Assessing Officer did not take cognisance of it. The observation was issued to the Department in June 2024.

Reply of the Ministry is awaited (June 2026).

(ii) In Delhi, PCIT-7 charge, in the case of a company, M/s S62 Ltd., for the AY 2010-11, the assessee and the Department, both were in appeal before the Hon'ble Supreme Court against the confirmation of the addition of ₹ 21.94 crore and the relief of ₹ 53.04 crore, respectively. The assessee opted for DTVsV Scheme on 09/11/2020 to settle the issues.

The DA, while computing the amount payable by the assessee under DTVsV Scheme 2020, a refund of ₹ 7.31 crore was determined after adjusting prepaid taxes with a disputed tax of ₹ 7.46 crore, and Form-3 was issued. The assessee uploaded Form-4 with nil payment being a refund case. Subsequently, the Department issued Form-5 on 26/11/2021 with a refund of ₹ 7.31 crore. Audit examination revealed that the DA, while determining a refund of ₹ 7.31 crore, took only the disputed tax for which the assessee was in appeal, instead of ₹ 16.47 crore pertaining to issues for which the Department and the assessee both were in appeal. The error resulted in the short determination of the amount payable of ₹ 9.02 crore. The Department accepted the audit observation (June 2024).

Reply of the Ministry is awaited (June 2026).

Thus, it is evident from the above that the Designated Authority did not exercise due diligence while computing the amount payable by the assessee under the DTVsV Scheme 2020. These errors and lack of due diligence may result in loss of revenue to the exchequer and also contribute to non-fulfilment of the objective of the scheme.

Recommendation 3:

CBDT may consider taking appropriate measures for ensuring the correctness of the computation of the amount payable by the concerned authority to achieve the objective of such a scheme in future.

The Ministry replied (August 2025) that Section 3 of the said scheme provides the computation to determine the amount payable. Further, Circular No. 9 of 2020 containing the Frequently Asked Questions of (FAQs) was issued for the clarification purposes which had specific questions from 25 to 40 on the topic of calculation and determination of amount payable or refundable. Further, Circular no. 21 was also issued to provide the clarification on the computation and determination of amount payable/refundable. These, circulars were issued to ensure the correct computation of amount payable by the assessee and Designated Authority. Thus, CBDT had issued the clarifications on time-to-time basis for the correct determination of the amount payable. The similar mechanism has been adopted in the DTVsV, 2024 where two FAQs in the nature of Guidance Notes have been issued for the correct determination of the amount payable. Therefore, the recommendation is taken care of.

The reply of the Minsitry is not tenable as audit observations on errors in computation, raised by Audit, clearly indicated that though instructions/ Guidance notes were available, they were either not sufficient or not complied with properly. Further, for effective implementation of such instructions/Guidance notes in future, suitable illustrative examples may also be included in these instructions/Guidance notes. Furthermore, the Department may consider devising a suitable IT application, in order to implement such schemes seamlessly in future.

5.2 Interest paid by the Department under Section 244A[16] of Income Tax Act, 1961, not recovered in cases settled under DTVsV Scheme

Section 5 of the Direct Tax Vivad se Vishwas Act, 2020 provides that the Designated Authority shall determine the amount payable by the declarant in accordance with the provisions of this Act and grant a certificate to the declarant containing particulars of the tax arrears and the amount payable after such determination, in such Form as may be prescribed.

Audit observed that in 55 cases involving tax effect of ₹ 1,168.27 crore in 13 States[17], the Department has not withdrawn the amount of Interest paid under Section 244A of the Income Tax Act while processing the case under the DTVsV Scheme **(Refer *Annexure 5.4*).** Six such cases are illustrated below:

(i) In Delhi, under PCIT-7, Delhi charge, in the case of a company, M/s S60 Ltd., for AY 2009-10, the Department as well as assessee were in appeal before the Hon’ble High Court and Supreme Court against the relief and addition of ₹ 23.01 crore and ₹ 43.03 crore respectively. The assessee opted for DTVsV Scheme on 24/10/2020 to settle the issues. While computing the amount payable under the DTVsV Scheme, the DA determined ₹ 3.91 crore and issued Form-3 under the DTVsV Act. The assessee deposited the requisite amount, and accordingly, Form-5 was issued under the DTVsV Act on 04/03/2021 by the Department. Audit examination revealed that the DA, while computing the amount payable by the assessee, didn't withdraw the

16 Section 244A of the IT Act provides that where a refund of any amount becomes due to the assessee, he shall, subject to the provisions of this section, be entitled to receive, in addition to the said amount, simple interest thereon.

17 Assam(5), Andhra Pradesh(1), Delhi(17), Goa(1), Haryana(1), Jharkhand(4), Karnataka(5), Madhya Pradesh(1), Maharashtra(1), Meghalaya(1), Rajasthan(3), Telangana(1) and West Bengal(14)

interest of ₹ 97.80 lakh paid under Section 244A to the extent of the disputed tax. This resulted in a short computation of tax of ₹ 97.80 lakh. The Department accepted the audit observation (June 2024).

Reply of the Ministry is awaited (June 2026).

(ii) In Delhi, PCIT-4 charge, in the case of a company, N18 Ltd., , for AYs 2005-06 and 2009-10, the Department was in appeal before Hon'ble High Court against relief of ₹ 1,552.79 crore given by ITAT for AY 2005-06 and before Hon'ble ITAT against relief of ₹ 2,352.41 crore given to assessee by Hon'ble CIT(A) for AY 2009-10, whereas, the assessee was in appeal before Hon'ble ITAT against confirmation of addition of ₹ 420.50 crore by CIT(A) for AY 2009-10 on 27/06/2014. The assessee opted for DTVsVS on 28/12/2020 and 21/01/2021 for AYs 2005-06 and 2009-10, respectively, to settle the case. The DA, while computing the amount payable under the DTVsV Scheme, determined ₹ 284.10 crore and ₹ 542.72 crore for AYs 2005-06 and 2009-10 and issued Form-3 under the DTVsV Act. The assessee deposited the requisite demand, and accordingly, Form-5 was issued under the DTVsV Act on 17/12/2021 and 20/12/2021 for AYs 2005-06 and 2009-10, respectively, by the Department. Audit examination revealed that the DA, while computing the amount payable by the assessee, didn't withdraw the interest of ₹ 423.32 crore and ₹ 228.02 crore paid under Section 244A for respective AYs 2005-06 and 2009-10. This resulted in a short computation of tax of ₹ 423.32 crore and ₹ 228.02 crore for respective AYs. *The Department stated (July 2024) by quoting the case law of M/s Cooperative Rabobank UA vs CIT(T) that there is no provision in the DTVsV Act that authorises recovery of interest paid earlier by the Department under section 244A*.

The reply of the Department is not tenable on the following grounds:

(a) No provision in the DTVsV Act prevents the Department from withdrawing interest paid to the assessee under Section 244A, which is the normal recourse as per the Income Tax Act. All the provisions of the Income Tax Act, 1961, regarding the charge of rate of tax, including surcharge, etc., are applied during the computation of the amount payable by the assessee under DTVsV Scheme in tandem with the DTVsV Act.

(b) Further, Hon'ble Bombay High Court, in the case of M/s Cooperative Rabobank UA vs CIT(T), also inter alia stated that "there is a complete prohibition from recovery may not be correct as the restraint to institute proceedings is only in respect of an offence but not for recovery of interest on refund concerned in the present matter. It is open for the Department to take recourse to Section 244A of the Income Tax Act".

(c) Furthermore, the Department itself has withdrawn interest paid to assessee under Section 244A while settling the case(s) under the DTVsV Scheme in the same charge in the case of M/s G17 Pvt. Ltd. for AY 2017-18 and various other charges. Therefore, the Department may reconsider its reply.

Meanwhile, the Department also passed a consequential effect order under Section 5(2) of the DTVsV Act, 2020 (November 2024), where the issue relating to the withdrawal of interest paid under Section 244A was not considered.

Reply of the Ministry is awaited (June 2026).

(iii) In Maharashtra, under PCIT -3, Mumbai charge, in the case of a company, M/s S43 Pvt. Ltd., for AY 2008-09, the Department was in appeal before the Hon'ble High Court against total relief of ₹ 34.27 crore given to the assessee by ITAT. The assessee opted for the DTVsV Scheme on 24/12/2020 to settle the case. Audit observed that the DA, while computing the amount payable under the DTVsV Scheme, determined ₹ 63.32 lakh and issued Form-3. The assessee deposited the requisite amount, and accordingly, Form-5 was issued under the DTVsV Act on 31/05/2021 by the Department. Audit further observed that the Department, while passing the order giving effect to the ITAT order in November 2021, i.e. after issuance of Form-5 under the DTVsV Act, incorrectly issued a refund of ₹ 2.71 crore, including interest of ₹ 1.99 crore under Section 244A of the Income Tax Act. However, an Audit examination of assessment records revealed that the assessee was entitled to a net refund of ₹ 64.74 lakh only. The error resulted in the issuance of an excess refund of ₹ 2.06 crore (₹ 2.71 crore - ₹ 64.74 lakh). Further, Audit could not ascertain whether the concerned Assessing Officer passed the consequential effect order, as a copy of the same was not provided to Audit. The audit observation was issued in August 2024.

Reply of the Ministry is awaited (June 2026).

(iv) In West Bengal, PCIT 1, Kolkata charge in a case of a company, M/s D1 Corporation for AY 2008-09, the Department was in appeal before Hon’ble High Court, against total relief of ₹ 1,107.34 crore by ITAT in January 2016. The assessee opted for the DTVsV Scheme on 05/09/2020 for aforesaid AY to settle the case. Audit noticed that as per order under Section 254 dated 06/05/2016 giving effect to the relief allowed by ITAT vide order ITA/1622/Kol/2011 dated: 13/01/2016, the Department issued interest of

₹ 84.78 crore under Section 244A on the basis of NIL tax. However, considering the disputed addition of ₹ 1,107.34 crore, the tax worked out to ₹ 125.46 crore and the interest under Section 244A ₹ 12.21 crore. The difference in interest under Section 244A amounting to ₹ 72.57 crore was required to be recovered while passing the order under the DTVsV Scheme. However, the Designated Authority, while computing the total amount payable under DTVsV Scheme, did not recover the excess interest under Section 244A of ₹ 72.57 crore. Further, the Designated Authority confirmed the same while issuing Form-5 under the DTVsV Scheme 2020. This resulted in the short determination of the amount payable of ₹ 72.57 crore. Further, Audit could not ascertain whether the Jurisdictional Assessing Officer passed the consequential effect order, as a copy of the order was not provided to Audit.

The Department, in its reply, stated that the audit observation is not acceptable for the following reasons:

(1) Interest under Section 244A was granted much before the introduction of DTVsV scheme.

(2) There is no provision in the DTVsV Act that authorises the recovery of interest paid earlier by the tax Department to the assessee.

(3) In case of Damodar Valley Corporation, Hon'ble High court in its order, dated 03/12/2021 has held that the provision of Section 115JB of the Act is not applicable to the assessee company.

The reply of Department is not tenable for the following reasons:

(a) No provision in the DTVsVS Act refrains the Department from withdrawing interest paid to assessee under Section 244A, which is the normal recourse as per the Income Tax Act. All the provisions of the Income Tax Act, 1961, regarding the charge of rate of tax, including surcharge, etc., are applied during the computation of the amount payable by the assessee under DTVsV Scheme in tandem with the DTVsV Act.

(b) Hon'ble Bombay High Court, in the case of M/s Co-operative Rabobank UA vs CIT(T), also *inter alia* stated that "there is a complete prohibition from recovery may not be correct as the restraint to institute proceedings is only in respect of an offence but not for recovery of interest on refund concerned in the present matter. It is open for the Department to take recourse to Section 244A of the Income Tax Act".

(c) In DTVsV cases, the Department is waiving off the interest liabilities under Sections 234A, 234B, 234C along with penalties on the one hand but on the other hand the Department had also paid interest on whole of the disputed tax under Section 244A that has given double benefit to the assessee entering DTVsV Scheme, in contrary of Section 8 of DTVsV Scheme.

(d) The judgement of Hon’ble High Court in case of D1 was passed after issue of Form-5 on 10/12/2020 i.e. after settlement of the case under DTVsVS.

Reply of the Ministry is awaited (June 2026).

(v) In Meghalaya, under PCIT-Shilong charge, in the case of a company, M/s O2 Ltd., for AYs 2004-05, 2005-06 and 2006-07, the Department preferred an appeal before Hon'ble High Court against relief of ₹ 2,904.78 crore given to assessee (₹ 557.26 crore, ₹ 794.82 crore and ₹ 1552.70 crore for Ays 2004-05, 2005-06 and 2006-07 respectively) by Hon’ble ITAT. The assessee opted for the DTVsV Scheme on 24/03/2020 to settle the case. The DA, while computing the amount payable under DTVsV Scheme in Form-3, did not withdraw interest of ₹ 393.26 crore (₹ 1.49 crore, ₹ 75.45 crore and ₹ 316.32 crore for the aforesaid AYs, respectively) under Section 244A of IT Act, 1961, already refunded to the assessee and determined refund of ₹ 38.32 crore and ₹ 28.63 crore for AYs 2004-05 and 2005-06 respectively and ₹ 132.45 crore amount payable for AY 2006-07. The assessee had deposited the same for AY 2006-07, and accordingly, Form-5 was issued under the DTVsV Act on 3/12/2020 for AYs 2004-05, 2005-06 and 07/01/2021 for AY 2006-07. The omissions resulted in a short computation of tax of ₹ 393.26 crore.

Further, the Jurisdictional Assessing officer also, while passing the consequential effect orders (CEO) for AYs 2004-05 and 2005-06 on 22/12/2020, did not withdraw the same. CEO for AY 2006-07 was awaited from the Department (February 2025).

The Department, while not accepting the audit observation, stated (May 2024) that the assesse has to pay 50 per cent of the disputed tax as per the DTVsV Act. The amount payable was specified in Form-3, and the payment made is evidenced in Form-4. The interest under Section 244A does not come under the purview of the Act, and there is no question of adding it to the amount of dispute tax as per Section 3 of the DTVsV Act. Moreover, as per Section 5(3) of the DTVsV Act 2020, the amount payable determined by *the DA shall be conclusive and cannot be re-opened in any other proceedings under the Act.*

The Department's reply is not tenable on the ground that, as per FAQ no. 5 of CBDT circular 9 of 2020 dated 22/04/2020, "Appeals in which appellant has already paid the disputed demand either partly or fully are also covered. If the amount of tax paid is more than the amount payable under the DTVsV Scheme, the appellant will be entitled to a refund without interest under Section 244A of the Act". Further, as per the clarification issued in FAQ no.46 of the aforesaid circular, "the DA shall be able to amend his order under Section 5 of DTVsV Act to rectify any apparent errors." Hence, the Department may re-consider its reply.

Reply of the Ministry is awaited (June 2026).

(vi) In Delhi PCIT-4 charge, in the case of a company, M/s G3 Ltd., for AYs 1998-99 and 1999-2000, the Department was in appeal before Hon'ble ITAT against relief of ₹ 77.55 crore and ₹ 122.22 crore given to assessee for respective AYs 1998-99 and 1999-2000, whereas, the assessee was in appeal before ITAT against the confirmation of addition of ₹ 41.60 crore and ₹ 54.22 crore by Hon'ble CIT(A) for AYs 1998-99 and 1999-2000 respectively. The assessee was also in appeal before the Hon'ble Supreme Court against the disallowance of deduction of ₹ 30.94 lakh as on the specified date, i.e. 31 January 2020, for eligibility of the DTVsV Scheme. The assessee opted for DTVsV Scheme on 22/12/2020 to settle all the issues. While computing the amount payable by the assessee under the DTVsV Scheme, the DA determined ₹ 28.24 crore and ₹ 40.37 crore for AYs 1998-99 and 1999-2000, respectively. The assessee paid the requisite amount, and accordingly, Form-5 was issued under the DTVsV Act on 01/11/2021 by the Department. Audit examination revealed that the DA, while arriving at the total amount payable by the assessee, did not withdraw the interest of ₹ 26.64 crore and ₹ 5.73 crore under Section 244A of the Income Tax Act for AYs 1998-99 and 1999-2000, respectively, to the extent of disputed tax refunded earlier to the assessee. This resulted in an aggregate short computation of tax of ₹ 32.37 crore (₹ 26.64 crore *plus* ₹ 5.73 crore). Audit could not ascertain whether the consequential effect order was passed in this case as the copy of the CEO was not provided to Audit (February 2025).

The Department did not accept the audit observation stating (June 2024) that *a declaration is filed in respect of tax arrears (which is defined in section 2(1)(o) of the DTVsVS Act), but the determination of the amount payable would be in accordance with section 3 which refers to the amount of the disputed tax. Disputed tax means the income tax, including surcharge and* *cess but an interest of penalty, as defined in section 2(1)(j)(A) of the DTVsV Act. The eligible assessee who files a declaration of tax arrears (which includes interest and penalty), but the determination by the Designated authority is of disputed tax only (which does not include interest or penalty). Therefore, the amount payable by a declarant would not include interest or penalty in the disputed tax. In fact, Section 6 of the DTVsV Act also does not permit charging of interest for tax arrears*.

Reply of the Department is not tenable as interest under Section 244A of the Income Tax Act is not charged to the assessee; instead, it is paid to the assessee on the amount of refund and Section 6 of DTVsV Act debars charging of interest in respect of tax arrears but does not debar "withdrawal of interest under Section 244A" paid to assessee by the Department on the amount of refund to the extent of total tax liability including disputed tax. Further, Section 2(1)(j)(A) or Section 2(1)(o) DTVsV Act doesn't prevent the Department from withdrawing interest paid to assessee under Section 244A to the extent of total tax liability, including disputed tax liability as their normal recourse.

Furthermore, the Department itself has withdrawn interest paid to assessee under Section 244A of the Income Tax Act while settling the case(s) under the DTVsV Scheme in the same charge in the case of M/s GAC Logistic Pvt. Ltd. for AY 2017-18 and various other charges. Therefore, the Department may reconsider its reply.

Reply of the Ministry is awaited (June 2026).

It could be seen from the above that non-withdrawal of undue interest under Section 244A paid to the assessee by the DA, while settling the case under the DTVsV Scheme resulted in the loss of revenue to the exchequer, which CBDT could have been avoided by issuing the instructions/ directions to the Designated Authority for its uniform interpretation and implementation as per the stated objectives of the scheme. As Audit noted, the DAs were not consistent in their interpretation of the instructions or the process to follow for rectification of apparent errors in their order issued under Section 5(2) of the DTVsV Act 2020.

Recommendation 4:

CBDT may issue a clarification to the competent Authority to rectify the apparent mistakes noticed in their order to open the case within specific timelines, remove any ambiguity, and ensure uniform interpretation and implementation of the provisions as per the intent of the scheme.

The Ministry, while citing FAQ No. 46 of Circular No. 9 of 2020, stated (August 2025) that they had already clarified that the Designated Authority shall be able to amend its order to rectify any apparent mistake. Therefore, the suggestion is already taken care of.

The reply of the Ministry is not tenable, as, despite FAQ no. 46 of Circular No. 9 of 2020 dated 22 April 2020 in place, there was no uniform interpretation and implementation of the provisions by the DA. Rectifications were not carried out by various DA, even though the audit observation was accepted. In one case, the PCIT, Shillong stated that no remedial action could be taken under DTVsV Act 2020, as no specific provision in the DTVsV Act authorises the Department under which remedial action could be taken to rectify or modify the order already passed under DTVsV Act 2020. (Refer para 5.7 of the Report). This indicated that these extant instructions are required to be issued for clarity while implementing such schemes in future for its effective implementation.

5.3 Incorrect determination of tax payable in Search cases

CBDT Circular No. 9/2020, dated 22 April 2020, provides that a declarant is required to make payment of 125 *per cent* of the disputed tax in search cases under the DTVsV Scheme, 2020, where the dispute relates to disputed tax (excess amount over 100 *per cent* limited to the amount of interest and penalty levied or leviable) and the assessee files appeal if the payment is made within the prescribed time. If the appeal is filed by the Department, the assessee is required to make payment of 62.5 *per cent* of the disputed tax. Further, CBDT clarified vide CBDT Circular no.4 dated 23/03/2021 that a 'search case' for the purpose of DTVsV Scheme, 2020 shall mean an assessment or reassessment made under section 143(3)/144/147/153A/ 158BC in case of a person referred to in sections 153A or 153C or 158BC or 158BD on the basis of search initiated under Section 132 or requisition made under Section 132A.

Audit noticed that in 34 cases involving tax effect of ₹ 6.17 crore in 13 States[18], the Department had calculated the disputed tax @ 100 *per cent* instead of 125 *per cent* despite being search case(s) **(Refer *Annexure 5.5*)**. One such case is illustrated below and two more illustrations are given in ***Annexure 5.6***:

(i) In Chhattisgarh, under PCIT Central, Bhopal charge, in the case of a company, M/s R19 Pvt. Ltd., for AY 2011-12, the assessee was in appeal before the Hon'ble CIT(A) against the addition of ₹ 11.45 crore in January 2019. The assessee opted for the DTVsV Scheme on 17/12/2020 to settle the aforesaid issue. Audit examination revealed that the DA, while computing the amount payable by the assessee, charged ₹ 3.17 crore (110 *per cent)*

[18] Andhra Pradesh(7), Bihar(1), Delhi(3), Goa(1), Haryana(3), Karnataka(4), Chhattisgarh(1), Maharashtra(2), Punjab(2), Tamil Nadu(1), Telangana(3), Uttar Pradesh(4), West Bengal(2)

after the due date of payment. However, the assessee was liable to pay ₹ 4.86 crore (135 *per cent)* of the disputed tax, being a search case and making payment after the due date. The omission resulted in the short determination of ₹ 1.69 crore of the amount payable. Further, the Jurisdictional Assessing Officer (JAO) passed a consequential effect order under Section 5(2) of the DTVsV Act, 2020 on 09/03/2023 in this case, but the JAO also did not take cognisance of it. The audit observation was issued in November 2023.

Reply of the Ministry is awaited (June 2026).

It is inferred that there is no uniformity in treating the search case for the DTVsV Scheme purpose despite the fact that the case was re-opened based on the information obtained in the Search and Seizure operation under Section 132 of the Income Tax Act. It also indicated that the Department did not clarify the search case with an illustrative example that attributed to non-uniformity in the treatment of the search case by the Designated Authority and resulted in the loss of revenue to the exchequer.

Recommendation 5:

The CBDT may examine the reasons for the inconsistent approach in the applicability of provisions of the relevant ACT/Rules and take appropriate remedial action to ensure uniformity in the treatment of cases, especially in search cases in similar circumstances across all charges of ITD.

The Ministry replied (August 2025) that all the provisions of the Scheme and its rules are applicable in the same manner for the similar cases in similar circumstances. Further, in order to ensure that consistent approach is maintained in similar cases in similar circumstances, several instructions were issued vide circulars providing the guidelines to the Designated Authorities, e.g. Circular Nos. 9 and 21 were issued (containing 89 Frequently Asked Questions) for the purpose of providing guidance to the tax-payer and the Departmental Authorities. The suggestion, therefore, is already addressed.

The reply of the Ministry is not tenable as, despite FAQs and Circulars, the different ITD charges are adopting a different approach to treat similar cases, as brought out in para 5.3 above. Hence, CBDT may examine the reasons for the inconsistent approach to the applicability of the relevant ACT/Rules by the concerned Authority and take appropriate action to ensure uniform treatment of cases in similar circumstances across all charges of the ITD while implementing such schemes in future.

5.4 Undisputed tax/interest not included in the total tax payable under the DTVsV Scheme

As per FAQ no. 38 of circular no. 9/2020 dated 22 April 2020, under the *DTVsV* Scheme, interest and penalty will be waived only in respect of the issue that is disputed in the appeal and for which the declaration was filed. Hence, for the undisputed issue, the tax, interest and penalty shall be payable.

Further, Rule 9(2) of The Direct Tax Vivad se Vishwas Rules, 2020 provides that "where the declarant exercises the option as per clause (ii) of sub-rule (1), he shall be liable to pay tax, including surcharge and cess, along with interest, if any, as a consequence of carrying forward the reduced amount of loss or unabsorbed depreciation is subsequent years".

Audit noticed 47 cases involving the tax effect of ₹ 27.42 crore in 14 States[19], that the Department did not charge the interest component pertaining to undisputed income while calculating the amount payable under the DTVsV Scheme (**Refer *Annexure 5.7***). Three such cases are illustrated below:

(i) In Tamil Nadu, PCIT-1, Chennai charge, in the case of an individual, E7, for AY 2007-08, the assesee was in appeal before CIT(A) against the addition of ₹ 0.10 lakh during assessment under Section 153A r.w.s. 143(3) in December 2009 by the Assessing Officer. The assessee opted for the DTVsV Scheme on 27/01/2021 to settle the case. The DA, while computing the total amount payable under the DTVsV Scheme, initially determined the amount payable as ₹ 6.05 crore (undisputed demand of ₹ 6.04 crore and disputed demand of ₹ 0.04 lakh) and issued Form-3 on 15/04/2021. The DA revised the Form-3 on 29/10/2021 wherein the amount payable was restricted to ₹ 0.04 lakh (payable after 30/09/2021). The assessee made a payment of ₹ 2.34 crore on 05/10/2021 and submitted Form-4 on 21/01/2022. Form-5 was issued on 10/10/2022, accepting the payment of ₹ 2.34 crore as a full and final settlement. Audit examination revealed that the assessee had paid only ₹ 2.34 crore against the initial demand of ₹ 6.05 crore, resulting in non-payment of ₹ 3.71 crore (₹ 6.05 crore – ₹ 2.34 crore). Further, interest under Section 220(2) on the undisputed demand for ₹ 9.20 crore was also not levied. These inaccuracies resulted in a short recovery of ₹ 12.91 crore (₹ 3.71 crore + ₹ 9.20 crore).

The Department replied (May 2024) that the observation of the audit is understood to be not related to the disputed tax/mistakes and omissions with respect to the DTVsV. Subsequently, the Department rectified the errors by passing order under Section 220 of the Income Tax Act dated 30/12/2024 as

[19] Andhra Pradesh(1), Bihar(3), Delhi(3), Goa(1), Gujarat(5), Haryana(3), Jharkhand(9), Karnataka(2), Kerala(2), Madhya Pradesh(4), Maharashtra(4), Tamil Nadu(5), Telangana(4), Uttarakhand(1)

pointed out by Audit. However, the status of recovery is awaited (June 2026).

Reply of the Ministry is awaited (June 2026).

(ii) In Haryana, under PCIT, Faridabad charge, in the case of a company, M/s C5 Ltd., for AY 2006-07, the assessee was in appeal before the ITAT, Delhi in December 2018 against the addition of ₹ 1.71 crore. The assessee opted for the DTVsV Scheme on 05/02/2021 to settle the case. Audit observed that the DA, while determining the amount of ₹ 1.76 crore payable by the assessee, considered income of ₹ 35.40 crore, which was worked out after the addition of ₹ 3.52 crore towards "withdrawal of set-off of loss due to settlement of the case of AY 2005-06 under Direct Tax Vivad se Vishwas Scheme". Audit further observed that while settling the case under the DTVsV Scheme, the Department did not levy interest of ₹ 1.79 crore under Section 234B on the aforementioned addition of ₹ 3.52 crore, as required by the provision *ibid*. The status of the consequential order being passed by the jurisdictional Assessing Officer was awaited.

The Ministry, in its reply (August 2025), stated that the audit objection was not accepted as remedial action under Section 154 of the IT Act had been taken on 13/04/2021, and interest under Section 234B had been charged at ₹ 2.56 crore before issuance of Form-3 by the competent authority.

The reply of the Ministry is not tenable, as the audit observation is not regarding non-levy of interest under Section 234B during assessment proceedings, but waiver of interest under Section 234B on undisputed tax under DTVsVS. The interest levied in the rectification order was waived off under DTVsVS. The corresponding portion of this interest amounting to ₹ 1.79 crore was attributable to the undisputed income of ₹ 3.52 crore, which was incorrectly waived off; however, as per Rule 9 (2) of the DTVsV Rules, 2020, such interest was mandatorily payable under DTVsVS.

(iii) In Karnataka, PCIT Central, Bengaluru charge, in the case of a company, M/s I5 for AY 2009-10, the assessee was in appeal before the CIT(A) against the addition of ₹ 30.26 crore made during assessment under Section 147 r.w.s 143 in March 2019. The assessee opted for the DTVsV Scheme on 07/08/2020 to settle the case. Audit observed that DA, while computing the amount payable by the assessee under DTVsV Scheme, determined ₹ 2.39 crore by considering the total amount paid by the assessee before opting for DTVsV Scheme 2020 and accordingly issued Form-3. Subsequently, on payment of disputed tax by the assessee, Form-5 was issued on 12/04/2021 by the Department. Audit examination revealed that the Department while arriving at the total amount payable by the assessee, adjusted all the prepaid taxes but did not consider the tax on the undisputed amount. Audit also observed that the Department neither initiated any recovery proceedings on the remaining undisputed tax nor passed a consequential effect order in this case, even after the expiry of the period of more than three years (December 2024). This resulted in a non-collection of demand of ₹ 1.09 crore, including interest under Section 234B.

The Department did not accept the audit observation stating (May 2024) that prescribed Form-3 and Form-5 were issued correctly.

The reply of the Department is not tenable as the DA took account of tax deposited against the demand raised after the assessment made under Section 147 in February 2019 while settling the case under the DTVsV Scheme but did not consider outstanding demand on undisputed income. As a result, the demand of ₹ 1.09 crore was not recovered from the assessee even after settling the case under the DTVsV Scheme 2020. Thus, the objective of the scheme with reference to recovery of the amount is not fulfilled. The Department may reconsider its reply and initiate recovery proceedings for the above demand.

Reply of the Ministry is awaited (June 2026).

As such, the non-charging of the interest component on undisputed income resulted in an undue benefit to the assessees and a loss of revenue to the exchequer as well.

Recommendation 6:

CBDT may ensure the correctness of the computation of tax by streamlining and strengthening controls in the Department's IT systems so as to prevent any loss of revenue while implementing such a scheme in future.

Reply of the Ministry is awaited (June 2026).

5.5 Extending the benefit of the scheme to ineligible assesses

As per section 2(1)(a)(ii) of DTVsV Act, 2020, an appellant is a person in whose case an order has been passed by the Assessing Officer, or an order has been passed by the Commissioner (Appeals) or the Income Tax Appellate Tribunal in an appeal, or by the High Court in a writ petition, on or before the specified date (i.e. 31/01/2020 as per section 2(1)(n)), and the time for filing any appeal or special leave petition against such order by that person has not expired as on that date. Further, as per FAQ 59 of Circular 21 dated 04/12/2020, if the time limit for filing an appeal expired during the period from 1 April 2019 to 31 January 2020 (both dates included in the period), and the application for condonation is filed before the date of issue of this circular, and the appellate authority admits appeal before the date of filing of the declaration, such appeal will be deemed to be pending as on 31 January 2020.

As per FAQ-11 in CBDT Circular No. 9/2020 dated 22/04/2020, "If the tax arrears include tax on issues that are excluded from the Direct Tax Vivad se Vishwas Scheme, such cases are not eligible to file a declaration under the Scheme. There is no provision under the Direct Tax Vivad se Vishwas Scheme to settle part of a pending dispute in relation to an appeal, writ, or SLP for an assessment year. For one pending appeal, all the issues are required to be settled, and if any one of the issues makes the declaration invalid, no declaration can be filed". Further, as per FAQ-14, picking and choosing issues for the settlement of an appeal is not allowed. With respect to one order, the appellant must choose to settle all issues, and only then will he be eligible to file a declaration."

Audit noticed that in 17 cases involving the tax effect of ₹ 6.96 crore in 11 States[20], the Department had extended the benefit of the scheme to ineligible assesses (**refer *Annexure 5.8***). Two such cases are illustrated below:

(i) In Madhya Pradesh, under PCIT (Central) Bhopal charge, in the case of a company, M/s R12 for the AY 2006-07 and 2007-08, the assesse opted for DTVsV Scheme 2020 by filing declaration on 14/12/2020, mentioning appeal filed by the assessee having number RP/459/2017 dated 23/06/2017 pending in Jabalpur High court on disputed income of ₹ 66.74 lakh and ₹ 35.22 lakh respectively. The DA accepted the assessee's declaration and issued Form-3 on 29/12/2020, determining demand of ₹ 11.66 lakh, after giving tax credit of ₹ 10.76 lakh, for AY 2006-07 and a demand of ₹ 11.85 lakh for AY 2007-08, as the amount payable by the assessee under DTVsV Act 2020. The assessee deposited the requisite amount, and accordingly, Form-5 was issued by the DA on 30/10/2021 for full and final settlement. The Consequential Effect Order was issued on 29/08/2022 in this case. Audit noted from the Jabalpur High Court website that the ibid appeal number was dismissed on 23/08/2017, well before the specified date. As the declared appeal was not pending before the High Court, this case was not eligible for process under this scheme. As a result, the case was settled at ₹ 34.28 lakh instead of ₹ 82.75 lakh, including interest for the aforesaid assessment years. These discrepancies resulted in short levy of tax of ₹ 48.47 lakh. Audit observations were issued in this regard in September 2023.

Reply of the Ministry is awaited (June 2026).

[20] Delhi(2), Gujarat(1), Telangana(1), Jammu and Kashmir(1), Jharkhand(2), Madhya Pradesh(2), Punjab(1), Tamil Nadu(1), Uttar Pradesh(2), Uttarakhand(1), West Bengal(3)

(ii) In Uttarakhand, under PCIT Dehradun charge, in the case of a company, M/s O4 Ltd., for AY 2001-02, the Department was in appeal in April 2019 before Hon'ble High Court against relief of ₹ 27.50 Crore (₹ 26.69 crore and ₹ 0.81 crore in respect of deduction under Section 80-IA and expenditure on hiring accommodation respectively) given by ITAT in August 2018. The assessee opted for the DTVsV Scheme 2020 on 14/12/2020 to settle the case. Audit observed that the assessee filed Form-1 on the issue related to deduction under Section 80-IA only, which was accepted, and accordingly, Form-3 was issued by the Department. The assessee paid the amount as required and the case was finally settled by the Department.

Audit examination revealed that the assessee's application should have not been accepted, as the assessee opted for the aforesaid scheme for part of the appeal, which was in contradiction to the provisions *ibid*. However, the Department not only allowed the assessee to file the application but also issued Form-3 without considering the other remaining issue relating to expenditure on hiring accommodation, for which the Department was also in appeal. The case was settled under the DTVsV Scheme in May 2021. Further, the Department issued a consequential effect order under Section 5(2) of the DTVsV Act 2020 in December 2023, in which the issue was also not addressed. The omission resulted in incorrect allowance of the benefit of the Scheme to the assessee, which eventually resulted in the loss of revenue of ₹ 5.60 crore to the exchequer.

The Department did not accept the audit observation stating (August 2024) that Form-5 was duly issued by the DA in this case. Hence, the appeal of the Department before the Hon'ble High Court of Uttarakhand for the remaining issue is deemed withdrawn in this case. It was further stated that the Hon'ble High Court vide order dated 23/04/2019 declared that the substantial question of law is involved only in respect of the first issue, i.e. regarding allowability of deduction under Section 80IA of the Income Tax Act, whereas no substantial question of law was declared by the Hon'ble High Court to be involved in respect of the second issue regarding the treatment of expenditure on hiring accommodation as being revenue or capital in nature. Accordingly, the Hon'ble High Court admitted the appeal only in respect of the first issue. In view of the above, the DA rightly settled the tax under the DTVsV Scheme, 2020, against the first issue

The reply of the Department is not tenable as initially, the Department filed the appeal before the Hon'ble High Court on two grounds, and thereafter, the Department, on the direction of the Hon'ble High Court, reframed the question of Law No.-1 and filed the amended appeal before Hon'ble High Court. As regards the question of law No. 2, it was neither withdrawn by the

Department nor rejected by the Hon'ble High Court. Hence, it was clear that the Department was contesting against both the question of Law's. Further, Audit asked the Department (February 2025) to provide any substantial document/ order that certifies that the Hon'ble High Court of Uttarakhand rejected the question of law no.2. The same is still awaited (February, 2025). Furthermore, the online status of the appeal in the Hon'ble High Court is shown as pending (February 2025).

Reply of the Ministry is awaited (June 2026).

It could be seen from the above that the Department extended the benefit of this scheme to those assessees who were not eligible, indicating lapses on the part of DA and improper settlement of the cases.

5.6 Incorrect adjustment of MAT credit

As per Rule 10 of the DTVsV Rules 2020, the manner of computing disputed tax in cases where the Minimum Alternate Tax (MAT) credit is reduced.:- (1) Where the dispute in relation to an assessment year relates to reduction in Minimum Alternate Tax (MAT) credit to be carried forward, the declarant shall have an option to (i) include the amount by which MAT credit to be carried forward is reduced in disputed tax and carry forward the MAT credit by ignoring such amount of reduction, or (ii) carry forward the reduced MAT credit. (2) Where the declarant exercises the option as per clause (ii) of sub-rule (1), he shall be liable to pay tax, including surcharge and cess, along with interest, if any, as a consequence of carrying forward reduced MAT credit in subsequent years.

Provided that in case of eligible search cases, in computing the reduced amount of MAT credit to be carried forward in clause (ii) of sub-rule (1), five-eighth of the amount by which MAT credit is reduced shall be considered for reduction, if such reduction is related to issues covered in favour of declarant.

Audit observed that in two cases involving tax effect of ₹ 2.93 crore in two States[21] the Department incorrectly adjusted the "tax paid amount on book profit under Section 115JB" **(Refer *Annexure 5.9*).** One such illustration is detailed below:-

(i) In Karnataka, under PCIT-Central, Bengaluru charge, in the case of a company, M/s B25 Ltd, for AY 2016-17, the assessee was in appeal before CIT(Appeals) against the addition of ₹ 14.02 crore made during assessment under Section 153A in December 2019. The assessee opted for the DTVsV Scheme on 31/12/2020 to settle the case. Audit observed that the DA, while

[21] Delhi (1) and Karnataka (1).

computing the amount payable by the assessee under the DTVsV Scheme 2020, allowed MAT credit of ₹ 4.85 crore. The assessee paid the requisite amount, and accordingly, Form-5 was issued on 30/04/2021 as a full and final settlement. The Jurisdictional Assessing Officer (JAO) had passed a consequential effect order (CEO) also under Section 5(2) of the DTVsV Act on 10/01/2022, allowing MAT credit of ₹ 4.85 crore. However, audit examination revealed that the assessee had MAT credit of ₹ 2.04 crore only instead of ₹ 4.85 crore. This resulted in an excess allowance of adjustment of MAT credit of ₹ 2.81 crore.

The Department replied (June 2024) that the AO allowed MAT credit based on order under Section 154 dated 17/02/2020 for AY 2016-17, and hence, there was no error in MAT credit in Form-5.

Reply of the Department was not tenable as the JAO, while allowing adjustment of MAT credit of ₹ 4.85 crore in the CEO in January 2022, did not take cognisance of all the relevant orders, including the order giving effect to the appellate orders and rectification orders passed under Section 154 for AYs 2013-14 and 2015-16 in January 2022. As a result, an excess allowance for the adjustment of MAT credit was allowed to the assessee. In view of the above, the Department may re-consider its reply.

The Ministry, while not accepting the audit observation stated (August 2025) that the AO took the figures of brought forward MAT credit for the AY 2016-17 as per the carried forward figures of the last order under Section 154 for the AY 2016-17 dated 06/01/2022 and proceeded to compute available MAT credit for the AY 2016-17 based on the same, correctly.

The Ministry's reply is not acceptable, as, based on the assessment records pertaining to AY 2007-08 to AY 2015-16, the MAT credit available for adjustment for AY 2016-17 was worked out at ₹ 28.09 crore instead of ₹ 30.90 crore, as computed by the Department. The details of the computation of the MAT credit by the Audit had been brought out in the observation issued to the Department. Further, as per the Ministry's reply, the MAT credit was computed based on the order under Section 154 dated 06/01/2022 pertaining to AY 2016-17 only, whereas the Audit had computed the available MAT credit based on the AYs 2007-08 to 2015-16 for adjustment in AY 2016-17. In view of the same, the Ministry may reconsider its reply.

It can be seen from the above that the concerned authority did not verify all the relevant assessment records of the assessee before allowing the MAT credit, resulting in a loss of revenue to the exchequer. This indicated a lack of due diligence on the part of the concerned authority, which needs to be addressed by the CBDT.

5.7 Incorrect allowance of carry forward of loss or unabsorbed depreciation

As per Rule 9 of DTVsV Rules 2020, the manner of computing disputed tax in cases where loss or unabsorbed depreciation is reduced.-

(1) Where the dispute in relation to an assessment year relates to reduction in loss or unabsorbed depreciation to be carried forward under the Income-tax Act, the declarant shall have an option to – (i) include the tax, including surcharge and cess, payable on the amount by which loss or unabsorbed depreciation is reduced in the disputed tax and carry forward the loss or unabsorbed depreciation by ignoring such amount of reduction in loss or unabsorbed depreciation; or (ii) carry forward the reduced amount of loss or unabsorbed depreciation.

(2) Where the declarant exercises the option as per clause (ii) of sub-rule (1), he shall be liable to pay tax, including surcharge and cess, along with interest, if any, as a consequence of carrying forward the reduced amount of loss or unabsorbed depreciation in subsequent years.

Audit observed that in eight cases involving the tax effect of ₹ 37.89 crore in three States[22] The Department incorrectly allowed the carry forward of loss or unabsorbed depreciation **(Refer *Annexure 5.10*).** Two such cases are illustrated below:

(i) In Assam, under PCIT-NER, Guwahati charge, in the case of a company, M/s. N17 Ltd., for AY 2009-10, the Department was in appeal before the ITAT against the relief of ₹ 50.63 crore granted by the CIT(A) in August 2019. The assessee opted for the DTVsV Scheme on 23/12/2020 with an option to pay tax on reduced losses to settle the case. Thus, the assessee was liable to pay tax on the addition adjusted with losses. The DA issued Form-3, determining a refund of ₹ 4.87 lakh after adjusting the prepaid tax of the assessee. Accordingly, Form-5 was issued on 28/04/2021 by the Department as a full and final settlement. Audit observed that the DA, while determining a refund of ₹ 4.87 lakh to the assessee under the DTVsV Scheme, did not compute tax on the disputed addition of ₹ 50.63 crore. The error resulted in a short levy of tax of ₹ 8.60 crore.

The Department, while accepting the audit observation, stated (July 2024) that no remedial action could be taken under the DTVsV Act 2020 as no specific provision in the DTVsV Act authorises the Department under which section remedial action could be taken to rectify or modify the order already passed under DTVsV Act 2020.

[22] Jharkhand(4), Meghalaya(1), Tamil Nadu(3)

The reply of the Department is not tenable as the CBDT vide FAQ No.46 of circular no. 9 of 2020 dated 22/04/2020 clearly stated that the DA shall be able to amend his order under Section 5 to rectify any apparent errors.

Reply of the Ministry is awaited (June 2026).

(ii) In Tamil Nadu, under PCIT-1 Chennai charge, in the case of a company, M/s J7 Pvt. Ltd., for the AY 2017-18, the assessee was in appeal before CIT(Appeals) against the addition of ₹ 73.43 crore to the business loss of ₹ 72.52 crore as on specified date of the scheme. The assessee opted for DTVsV Scheme 2020 on 31/12/2020 to settle the case by filing a declaration with an option not to pay tax on the reduction of losses. Audit observed that the DA issued Form-3 on 07/04/2021, accepting the assessee's declaration, and accordingly, Form-5 was issued on 11/06/2021 as a full and final settlement. Thus, the assessee was not eligible to carry forward its business losses pertaining to AY 2017-18 for set off in subsequent AYs. The Jurisdictional Assessing Officer passed the consequential effect order (CEO) on 03/12/2021 in this case, where nothing related to the carry forward of business loss was mentioned in the CEO. Audit further observed from the intimation under Section 143(1) of AY 2019-20 that the assessee was allowed to set off a loss of ₹ 27.81 crore out of the brought forward loss of ₹ 62.36 crore pertaining to AY 2017-18, and the remaining loss of ₹ 35.44 crore was allowed to be carried forward for set off in future AYs. As a result, a loss of revenue to the extent of ₹ 28.85 crore (Positive ₹ 9.72 crore and potential ₹ 19.13 crore) could not be ruled out.

The Department replied (May 2024) that the filing of ITR and the issue of Order under Section 143(1) of the IT Act in respect of AY 2019-20 were prior to the issuance of Form-3 under the DTVsV Act for AY 2017-18 and added that excess carried forward of loss claimed and allowed in AY 2019-20 would be withdrawn by passing rectification order, in the interest of revenue.

The Department's reply is not tenable, as the Jurisdictional Assessing Officer should have clearly mentioned the carry-forward of business loss in the Consequential Effect Order itself. Details of remedial action taken was not provided. In the absence of requisite information/ documents, Audit could not ascertain whether the aforesaid losses of AY 2017-18 allowed to the assessee were withdrawn or not post settlement of the case under the DTVsV Scheme.

Reply of the Ministry is awaited (June 2026).

As evident from the above, the details of carry forward of losses were depicted neither in Form-3 nor in Form-5. Even such essential information was not mentioned in most of the Consequential Effect Orders issued by the

Jurisdictional Assessing Officer. In the absence of such vital information, the possibility of the assessee availing undue losses involving a significant amount of tax revenue cannot be ruled out. Further, delay in passing of Consequential Effect Orders may also add to the loss of revenue due to time barring of the assessment.

Recommendation 7:

(i) ***CBDT may ensure the capture/depiction of essential/vital information in the relevant form(s) in order to facilitate the AO/concerned authority for the disposal of cases in an effective and transparent manner in future.***

(ii) ***CBDT may identify such cases, where undue losses were already claimed and allowed to the assessee by the Department and initiate timely action to rectify these cases so as to recover the revenue for the exchequer.***

The Ministry replied (August 2025) that in order to facilitate the AO/concerned authority for the disposal of cases where cases of carry forward of losses are there, Form-1 has been modified in the subsequent Scheme, i.e., DTVsV Scheme, 2024. In the DTVSV Scheme, 2024, schedule XXVII-A of Form-1 is mandated for providing the tabular details of losses in such cases where the appellant opts not to pay tax on additions having the effect of reducing loss. This schedule has been provided specifically to ensure that essential details of losses to be carried forward are captured in the declaration form. Thus, improvements have been made in DTVsV, 2024 on this account. The suggestion, therefore, is well addressed.

The reply of the Ministry was not tenable as Form-1 is filled by the assessee and not by the Department. The details of carry forward of losses were neither depicted in Form-3 nor in Form-5, which is issued by the Designated Authority of the Department. Hence, CBDT may capture/depict the final figure/amount in respect of carry forward of loss or unabsorbed depreciation in the relevant form(s) issued by the Department, *viz.* Form-3/ Form-5, while settling the case.

5.8 Incorrect refund paid to the assessee

Section 5 of the Direct Tax Vivad se Vishwas Act, 2020 provides that the Designated Authority shall determine the amount payable by the declarant in accordance with the provisions of this Act and grant a certificate to the declarant containing particulars of the tax arrears and the amount payable after such determination.

Audit noticed in eight cases involving the tax effect of ₹ 2.01 crore in four States[23], that the Department, while settling the case under the DTVsV Scheme 2020, did not consider the refund already paid to the assessee **(Refer *Annexure 5.11*).** One such case is illustrated below:

In Karnataka, under PCIT-3, Bengaluru charge, in the case of a company, M/s. I6 Pvt. Ltd., for AY 2014-15, the assessee was in appeal before CIT(A) against the additions of ₹ 84.59 crore. The assessee opted for the DTVsV Scheme by filing a declaration on 17/06/2020 to settle the case. Audit observed that the DA, while computing the amount payable by the assessee under the DTVsV Scheme, determined a refund of ₹ 14.98 crore and issued Form-3. After adjusting the prepaid taxes of the assessee, Form-5 was issued on 29/03/2021 by the Department as a full and final settlement. The Consequential effect order (CEO) under Section 5(2) of the DTVsV Act, 2020 was passed on 24/06/2024 by the Jurisdictional Assessing Officer. Audit observed that the Department, while passing CEO, did not withdraw the excess refund of ₹ 52 lakh issued under Section 143(1) dated 14/05/2015. The error resulted in issuing an excess refund of ₹ 52 lakh. The audit observation was issued in July 2024. Reply of the Ministry is awaited (June 2026).

As evident from the above, the DA did not verify all the relevant assessment records of the assessee before determining a refund to the assessee, which indicated lapses on the part of the DA and eventually resulted in loss of revenue to the exchequer.

Recommendation 8:

CBDT may consider issuing instructions to the Jurisdictional Assessing Officer to verify all the relevant assessment records of the assessee before determining a refund, so as to avoid loss of revenue to the exchequer.

The Ministry replied (August 2025) that it is an established procedure for the Jurisdictional Assessing Officer to verify all the relevant assessment records of the assessee before determining the amount payable or amount refundable. In a case where the amount of refund has been determined without verifying the complete details, and an inaccurate computation has been observed. Designated Authority is empowered to rectify the mistake so as to avoid loss of revenue to the exchequer as per Q. No. 46 of Circular 9 of 2020.

Audit is of the view that though there is an established procedure for determining the amount payable/refundable, instances of errors in the determination of refunds were noticed in the audit. Thus, the Ministry/CBDT

[23] Goa(1), Karnataka(3), Maharashtra(2), West Bengal(2)

is required to examine the reasons for the same and address them appropriately so as to avoid loss of revenue to the exchequer.

5.9 Incorrect Imposition of Penalty

As per FAQ 8 of CBDT's circular 9 dated 22/04/2020, if both quantum appeal covering disputed tax and appeal against penalty levied on such disputed tax for an assessment year are pending, the declarant is required to file a declaration form covering both the disputed tax appeal and the penalty appeal. However, he would be required to pay a relevant percentage of the disputed

tax only.

Audit noticed that in 10 cases involving tax effect of ₹ 53.21 lakh in six States[24], the Department incorrectly levied penalty as well as disputed tax, where the declaration was filed covering disputed tax appeal as well as related penalty appeal **(Refer *Annexure 5.12*)**. One case is illustrated below:

In Delhi, under PCIT (Central)-3, Delhi Charge, in case of an individual, R2, for AY 2011-12, the assessee was in appeal before CIT(Appeals) against the addition of ₹ 36.97 lakh on account of long term capital gain on specified data. In addition, the assessee preferred appeal before ITAT against the penalty of ₹ 10.40 lakh relevant to the aforementioned addition. The assessee opted for the DTVsV Scheme 2020 on 03/12/2020 to settle the case. While computing the amount payable by the assessee under DTVsV Scheme 2020, the DA determined ₹ 10.22 lakh, which included disputed tax and 25 per cent of the disputed penalty, and issued Form-3 on 10/12/2020. After adjustment of prepaid taxes of the assessee, Form-5 was issued on 05/04/2021 by the Department. Audit observed that the DA should have waived off a penalty of ₹2.60 lakh at the time of determining the amount payable, which was not done. This resulted in excess demand of ₹ 2.60 lakh. Wrong imposition of penalty might result in undue hardship to the assessee besides depriving them of taking the benefit of the scheme to that extent. Reply of the Ministry is awaited (June 2026).

[24] Assam(1), Delhi(1), Karnataka(1), Rajasthan(3), Odisha(3), Telangana(1)

Chapter 6

Effectiveness of Internal Controls, Monitoring and Efficacy of Scheme

This chapter discusses issues relating to the effectiveness of internal controls and monitoring mechanisms in the Department, including the efficacy of the scheme. Continuous monitoring and robust internal control are critical for the success of any scheme. Audit attempted to ascertain whether robust internal control and monitoring mechanisms were put in place for successful implementation and to achieve the intended objective of the scheme.

During the course of the audit, we issued a questionnaire seeking the status of the internal audit of the DTVsVS cases, the mechanism (Instructions/SOP) in place to monitor the calculation of disputed tax and timelines of issuance of Forms, a number of cases settled, and total revenue collected through DTVsV Scheme, etc. to the Department.

Category-wise responses received from the PCsIT are discussed in detail in the succeeding paragraphs.

6.1 Internal Audit of cases of the DTVsV Scheme by the Department

Internal Audit is a control mechanism that provides reasonable assurance to the stakeholders regarding the functioning of the Department and helps in course correction to achieve the intended objectives.

The Income Tax Department is primarily responsible for ensuring that assessments are completed correctly under the schemes. The internal audit wing of the Income Tax Department in each jurisdiction conducts the internal audit of assessment cases.

With regard to the internal audit of cases of the *DTVsV* Scheme, the audit received responses from 100 PCsIT out of 169 audited PCsIT; responses from the remaining 69 PCsIT were awaited (November 2025). Of the 100 PCsIT, no internal audit was conducted by the Department. Further, two PCITs (Coimbatore-1 and TDS Coimbatore) stated that the officers of the internal audit wing were part of the committee formed to verify applications in Form-1 and Form-2 received from the declarants. The reply of the Department is not tenable as the audit function should be independent of the executive function.

Further, Audit pointed out 389 observations involving a significant amount of revenue of ₹ 1,675.65 crore (Refer to Chapter 5 of this Report), such as not exercising due diligence while computing the amount payable by the assessee, non-withdrawal of undue interest under Section 244A of Income Tax Act 1961 paid to the assessee by the DA while settling the case, non-uniformity in treatment of the search case for the DTVsV Scheme purpose despite the fact that the case was re-opened based on the information obtained in the Search and Seizure operation under Section 132 of the Income Tax Act etc. In all these cases, an internal audit was absent leading to failure to detect errors resulting in the loss of revenue to the exchequer.

Recommendation 9:

CBDT may conduct an internal audit covering cases of a certain threshold limit of Tax effects to be decided by the CBDT, relating to the DTVsV Scheme, so as to provide reasonable assurance about the implementation and execution of the scheme.

The Ministry, in the reply, stated that "The Hon'ble Delhi High Court, vide its order dated 22/08/2024 in W.P. (C) No. 17323 of 2022, in the case of Satish Kumar Dhingra vs. ACIT, relying upon the provisions of Section 5(1) and 5(3) of DTVsV Act, 2020, held that the order of Designated Authority (DA) determining the tax amount payable by the declarant under DTVsVS, 2020 is final and conclusive and the same cannot be re-opened or revised under Income Tax Act or under any other law in force. In view of above, it is felt that the primary objective of internal audit of taking remedial action to rectify the mistake and recovering the revenue loss on discovery of mistake in an order would not be met by conducting internal audit of order passed under DTVsV Act, 2020. Keeping in view this fact and the fact of limited resources at the disposal of the Department, the recommendation of the C&AG on the issue cannot be accepted.

The reply of the Ministry is not tenable as in the above cited order of the Hon'ble High Court, provided that for the reasons that as per FAQ No. 46, F. No. JT(A)/1/2020-TPL circular No. 9 dated 22 April 2020, the DA shall be able to amend his order under Section 5 of the DTVsV Act, 2020, to rectify any apparent errors.

Further, as regards limited resources, Audit is of the opinion that the ITD has a dedicated setup as the Internal Audit Wing for this purpose only. Thus, these cases are required to be audited by the Internal Audit Wing in a time-bound manner to achieve the stated objectives of such scheme.

6.2 Standard Operating Procedure for disposal of the cases under DTVsV Scheme

A standard operating procedure (SOP)/guidelines provide directions/guide the concerned authority to perform a specific task efficiently, uniformly and seamlessly.

Audit enquired about the existence of SOP for disposal of cases relating to the DTVsV Scheme from 169 audited PCsIT. Out of these, only 83 PCsIT furnished response to the audit query, of which 63 PCsIT stated that they had SOP for disposal of cases relating to the DTVsV Scheme, whereas 20 PCsIT stated that they had not received any such SOP from the CBDT. Response from the remaining 86 PCsIT was awaited (February 2025). Thus, it is evident that the SOP was not adequately circulated to all the concerned PCsIT.

Audit noticed that in 34 cases (refer to para 5.3 of Chapter 5 of this Report), there was no uniformity in the treatment of search cases due to a lack of clarity in the relevant provisions that resulted in incorrect determination of the amount payable by the assessee under this scheme.

Audit further noticed that in 55 cases (refer to para 5.2 of Chapter 5 of this Report), non-withdrawal of undue interest under Section 244A paid to the assessee by the DA while settling the case, resulted in the loss of revenue to the exchequer.

In the absence of broad circulation of guidelines/SOP, the DA did not take a uniform stand in disposing of the cases under the DTVsV Scheme 2020, which eventually resulted in the loss of revenue to the exchequer, which the CBDT could have avoided by issuing SOP or set of instructions/guidelines, to all DAs/PCsIT, for maintaining uniformity and achieving the intended objective of the scheme.

Recommendation 10:

CBDT may consider issuing an SOP/Instructions/guidelines so as to ensure uniformity in the application of the relevant provisions under similar circumstances before implementing such a scheme.

The CBDT replied (August 2025) that all the provisions of the Scheme and its rules are applicable in the same manner for similar cases in similar circumstances. Further, in order to ensure that a consistent approach is maintained in similar cases in similar circumstances, several instructions were issued vide circulars providing the guidelines to the Designated Authorities, e.g. Circular Nos. 9 and 21 were issued (containing 89 Frequently Asked Questions) for the purposes of providing guidance to the taxpayer and the Departmental Authorities. The suggestion is already taken care of.

The reply of CBDT is not tenable, as the audit observations on errors in computation clearly indicated that, although instructions/Guidance notes were available, they were either insufficient or not implemented as intended. These were required to be monitored at a higher level for taking timely, suitable, and appropriate action.

6.3 Lack of Co-ordination with the Appellate Authority

As per Rule 5 of DTVsV Rules 2020, the details of payments made pursuant to the certificate issued by the Designated Authority shall be furnished along with proof of withdrawal of the appeal, objection, application, writ petition, special leave petition, arbitration, conciliation, mediation or claim filed by the declarant to the Designated Authority in Form-4.

Audit noted that in five cases, in three States[25], the cases were processed under the DTVsV Scheme 2020 and finally settled after the withdrawal of the appeal from the respective appellate forum. However, the status of the appeal was shown as pending in the respective appellate forum **(Refer *Annexure 6.1*)**. Further, in one case in Delhi, the case was settled under the *DTVsV* Scheme by issuing Form-5 as a full and final settlement. However, the appeal was disposed of in favour of the assessee through an appeal order by the appellate authority after the settlement of this case under the DTVsV Scheme 2020 **(Refer *Annexure 6.1*)**. This showed a lack of co-ordination between the Department and the appellate forum. Further, it would also result in incorrect reporting of the pendency of appeal and revenue locked thereof.

Two such illustrations are given below:

(i) In Delhi, under PCIT-7 charge, in the case of a company, M/s S60 Ltd., for the AY 2011-12, the assessee was in appeal before the Hon'ble Supreme Court against the sustained addition by ITAT for ₹ 31.26 crore and the Department was in appeal before ITAT against the relief of ₹ 14.93 crore. The assessee opted for DTVsV Scheme by filing a declaration on 24/10/2020 to settle the case. The case was settled by issuing Form-5 on 04/03/2021 as a full and final settlement. However, Audit observed that the related appeal was still shown as pending with the appellate authority. This showed no co-ordination between the Department and the appellate forum. This might result in incorrect reporting of the status of the case. The observation was issued to the Department in February 2024. The Department accepted the audit observation (June 2024).

Reply of the Ministry is awaited (June 2026).

(ii) In Delhi PCIT-7 charge, in the case of a company, M/s S47 Pvt. Ltd., for the AY 2012-13, the Department was in appeal before the ITAT against the relief of ₹ 29.45 crore. The assessee opted for the DTVsV Scheme by filing a declaration on 30/03/2021. The DA issued Form-3 on 16/06/2021 with nil amount payable and a remark that 'the assessee is entitled to carry forward

[25] Delhi (3), Assam (1), Uttar Pradesh (1)

a reduced cumulative unabsorbed loss of ₹ 72.60 crore and unabsorbed depreciation of ₹ 1.85 crore along with nil MAT credit. The assessee filed Form-4 on 23/08/2021, along with a copy of application for withdrawal of appeal from the ITAT. Accordingly, the DA issued Form-5 for the full and final settlement of the case on 15/09/2021. Audit noticed that the ITAT, rather than issuing a withdrawal of appeal order, passed a regular appeal order in favour of the assessee on 10/11/2021. The audit observation was issued in February 2024. The reply of the Department was awaited (February 2025). In the absence of a response from the Department, Audit could not ascertain whether the consequential effect order was passed in this case. Further, Audit did not find any evidence on record that the Department had marked this appeal order null and void, as the assessee's case was already settled in the DTVsV Scheme 2020. Furthermore, in the absence of an updated status of the case on record, incorrect passing of the order that gives effect to this appeal order by the jurisdictional assessing officer cannot be ruled out.

Reply of the Ministry is awaited (June 2026).

6.4 Monitoring of cases processed under the DTVsV Scheme 2020

During the course of the audit, Audit attempted to ascertain whether any monitoring mechanism was in place to keep a watch on cases processed under the DTVsV Scheme 2020 with reference to the prescribed timelines and address the issues that crop up during the implementation of the scheme so as to achieve the intended objective of the scheme.

Audit called for various information, *viz*., action plan, if any, prepared for the implementation of this scheme, including role and responsibilities of the respective authority, zone-wise or CIT-wise target fixed, oversight mechanism, a mid-term review conducted by the Department, etc., from the Department.

The Department stated (June 2024) that over the years, the pendency of appeals has increased, and a huge amount of disputed tax arrears (₹ 9.32 lakh crore as of 30 November 2019) was locked up in these appeals. Tax disputes consume copious amounts of time, energy and resources both on the part of the Government as well as taxpayers and also deprive the Government of the timely collection of revenue. Therefore, there was a need to provide for the resolution of pending tax disputes so as to generate timely revenue for the Government and save time, energy and resources for the taxpayers who opted for this scheme.

During the initial phase, a focused approach was followed with respect to pending tax demands arising from litigations in cases of Central and State Public Sector Enterprises (CPSEs/SPSEs). CBDT further stated (June 2024) that *for the assessment of the performance of field formations, a target of 100 per cent of cases with disputed tax demand fulfilling eligibility conditions under the scheme was initially given to the field formations in February 2020. Further, the issues arising in the implementation of the scheme, clarifications sought by stakeholders, difficulties being faced by taxpayers and field formations in view of the COVID-19 pandemic, etc., were also addressed in a timely manner through the issuance of circulars/clarifications s/FAQs, etc. The CBDT also stated that the implementation of the scheme was continuously monitored by the higher authorities, including the Finance Secretary and Chairman, & Members of CBDT, through various Webex meetings and Video conferences.*

Further, keeping in view the challenges arising from the COVID-19 pandemic, the field formations were directed to aim for the settlement of at least 30 per cent of the cases under the scheme. All the PCCITs were also directed to take individual feedback on the performance of PCITs and their strategy to liquidate the pendency. Some strategies to help achieve the target that were discussed included e-campaigns, SMSes, and gentle persuasion of taxpayers. The field formations were also directed to follow up on cases of SPSEs falling in their respective jurisdictions.

Audit noted from the reply of CBDT that the Scheme was introduced with a target of settlement of 100 *per cent* of the cases, which was later revised to 30 *per cent* due to the outbreak of the COVID-19 pandemic. However, Audit could not find any documents relating to the fixation of the target of settlement of cases under this scheme on record. Further, the rationale for fixing the target of 30 *per cent* was not shared with Audit either.

Further, Audit also could not find any such documents that suggested that the Income Tax Department field formations were directed to follow up on cases of SPSEs falling in their respective jurisdictions. Audit also could not find any evidence on record that indicated that concerted efforts were made by the Department to follow up on cases pertaining to SPSEs/CPSEs.

In the absence of the aforesaid documents, Audit could not ascertain whether an adequate monitoring mechanism was in place for the successful implementation of the DTVsV Scheme 2020.

Reply of the Ministry is awaited (June 2026).

6.5 Other relevant issues

During the course of the IT audit of ITBA in January 2024, Audit noticed that in respect of DTVsV Scheme 2020, 1,845 tickets were raised relating to refunds, demands, technical errors etc., across pan India pertaining to CPC-ITR. Audit noted that those grievances were lodged by the assessee and the concerned Assessing Officers (AOs). Some of the issues involved were, AOs not able to upload DTVsV Scheme orders in the system; despite uploading manual orders of DTVsV Scheme, the CPC portal displayed "No data found for this record"; though the Consequential Effect order (CEO) to the DTVsV Scheme was uploaded manually in the ITBA system, the status of the refund was shown as "Refund approval rejected", and the reasons for the rejection of the refund were not reflected in ITBA etc. The Department took time, ranging upto 357 days, to resolve these issues. Audit further noted that in 281 cases out of 1,845 cases, where tickets were raised, the Department took more than 30 days to resolve the issues. Out of aforesaid 281 cases; in 130 cases, the Department took from 31 days to 50 days; in 98 cases, from 51 days to 100 days; in 43 cases, from 101 days to 200 days; and in 10 cases, from 201 days to 357 days. Audit also noted that in few cases the issues were not fully resolved whereas in two cases the issues were not at all resolved. These indicated that several issues, reported in respect of DTVsV Scheme 2020, were addressed either after a considerable time gap or not fully resolved or not resolved. This might result in inconvenience not only to the assessees but also to the Department in settling the case promptly and adequately, which could also lead to not fulfilling of the stated objective of the scheme. Audit could not ascertain the final outcome in these cases, for which CBDT may examine and take appropriate remedial action.

Reply of the Ministry is awaited (June 2026).

6.6 Efficacy of the Scheme

As stated during the introduction of the Direct Tax Vivad se Vishwas Scheme, 2020, in March 2020, this scheme was introduced with the intent to reduce pending income tax litigation and generate timely revenue for the Government.

Audit attempted to analyse the effectiveness of the DTVsV Scheme 2020, by calling for relevant data/information from the CBDT in August 2023/ March 2024 in respect of cases pending at different appellate fora and eligible for the DTVsV Scheme 2020, including the amount locked thereof as on 31 January 2020. Further, the Audit also called for the number of applications, i.e. Form-1/Form-2 received under this scheme; the number of cases, where

Form-3 were issued by the Department; Form-4 was submitted by the assessee; and the number of cases where Form-5 was issued by the Department. Furthermore, the number of cases settled in the DTVsV Scheme 2020 and total revenue collected thereon were also called for from the CBDT.

In addition to the above, Audit also asked for the number of cases where Form-5 was not issued despite payment made by the assessee and payment details submitted through Form-4. CBDT provided data partly in May 2024. Though the CBDT furnished total cases pending under appeal as on 31 January 2020, details of eligible cases for the DTVsV Scheme 2020 were not furnished by the CBDT, stating that the number of appeal cases, with amount locked therein, eligible for the DTVsV Act 2020 were not available because the eligibility depends upon several conditions outlined in Section 9[26] of the DTVsV Act 2020.

6.6.1 In the absence of a number of eligible cases for the DTVsV Scheme, Audit analysed total cases pending in appeal and revenue locked therein as on 31 January 2020 with reference to cases settled under the DTVsV Scheme 2020 and revenue collected thereof, which have been depicted in Table 6.1 below:

Table 6.1: Pendency of total cases under appeal *vis-a-vis* cases settled under DTVsV Scheme 2020

Pendency of cases under appeal (As on 31 January 2020)		Cases settled under DTVsV Scheme 2020 (As on 22 July 2022)		Revenue collected under DTVsV Scheme 2020 (As on 22 July 2022)	
Total cases	Amount locked (₹ in crore)	No. of cases	Percentage (refer col. 1)	Amount (₹ in crore)	Percentage (refer col. 2)
(1)	(2)	(3)	(4)	(5)	(6)
4,14,942	10,08,558	1,06,305	25.6	71,924	7.1

Source: As per CBDT letter dated 16/05/2024.

As evident from Table 6.1, out of the total 4.15 lakh cases pending at different appellate fora as on 31 January 2020, 1.06 lakh cases (25.6 *per cent*) were settled, wherein ₹ 71,924 crore (7.1 *per cent* of the total amount locked) was collected under the DTVsV Scheme 2020, as on 22 July 2022.

In the absence of complete data on eligible pending cases and revenue locked therein as of 31 January 2020, Audit could not determine settlement of cases *vis-a-vis* total number of eligible cases and revenue recovered *vis-a-vis* total amount locked in these eligible cases, under the Scheme.

[26] Section 9 of the DTVsV Act 2020 provides that provisions of this Act shall not apply in respect of tax arrears relating to - search cases if amount disputed tax exceeds ₹ five crore, any undisclosed income from a source located outside India, any person in respect of whom an order of detention has been made under the provisions of the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 on or before the filing of declaration, etc.

6.6.2 Audit also analysed the delay in issuance of Form-3 by the Department and the time taken by the assessee in submission of Form-4 (submission of payment details) with respect to cases finally settled under the Scheme and Form-5 issued to the assessee. Result of analysis is given in Table 6.2 below:

Table 6.2: Range of time-gap in issuance of Form-3 and submission of Form-4

Range of Time-gap (in days)	Form-3 issued by the Department after prescribed time of 15 days		Form 4 submitted by the assessees after receipt of Form-3[$]	
	Number	Percentage	Number	Percentage
0-15	36,003	32.3	13,238	17.6
16-30	23,207	20.8	7,725	10.3
31-100	26,645	23.9	31,315	41.6
101-200	12,942	11.6	11,909	15.8
201-300	10,436	9.4	9,928	13.2
301-400	1,295	1.2	876	1.2
401-500	388	0.3	170	0.2
>500	476	0.4	61	0.1
Total	**1,11,392**	**100.0**	**75,222[@]**	**100.0**

Source: As per data furnished by CBDT dated 16/08/2023.

[$] In the absence of the availability of the date of submission of Form-4, the date of payment of disputed tax has been considered as the date of submission of Form-4.

[@] In the remaining 36,170 cases, either the date of payment of the disputed tax was not available in the data furnished by CBDT or the disputed tax was paid prior to the issuance of Form-3.

It could be seen from the above Table 6.2 that out of the above 1,11,392 cases, in the majority of cases (68 *per cent*), Form-3 was issued beyond the prescribed timeline of 15 days from receipt of Form-1 and 2. Further, in 2,159 cases, Form-3 was issued after a huge time gap ranging from 301 to 1,128 days.

With respect to the issuance of Form-4, it was noted that in the majority of cases (82.4 *per cent*), Form-4 was submitted by the assessee after the issuance of Form -3 by the Department, beyond the initially prescribed timeline of 15 days for submission of Form-4. Further, in 1,107 cases, Form-4 was submitted after a huge time gap ranging from 301 to 898 days. Audit could not ascertain the action taken by the Department to pursue these assessees to pay the requisite amount and submit the Form-4.

Reply of the Ministry is awaited (June 2026).

6.6.3 Audit further analysed cases settled under the DTVsV Scheme *vis-a-vis* total applications received from assessees, opting for the DTVsV Scheme. The result of the analysis is depicted in Table 6.3:

Table 6.3: Application received from assessee *vis-a-vis* cases settled under DTVsV Scheme 2020					
Number of applications* received under DTVsV Scheme 2020	**Revenue locked* (₹ in crore) (Refer Col. 1)**	**Number of cases# where Form-3 issued by the Department (Refer Col. 1)**	**Number of cases# where Form-4 submitted by the assessee (Refer Col. 3)**	**Number of cases finally settled* (Form-5 issued by the Department) (As on 22 July 2022) (Refer Col. 1)**	**Revenue collected* (₹ in crore) (As on 22 July 2022) (Refer Col. 2)**
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
1,31,925	99,463	1,31,690 (99.8%)	1,19,363 (90.6%)	1,06,305 (89.1%)	71,924 (72.3%)

Source: CBDT
*As per letter dated 16/05/2024; # As per letter dated 21/05/2024

As evident from Table 6.3, out of the total 1.32 lakh applications involving revenue impact of ₹ 0.99 lakh crore received under this scheme, 1.06 lakh (89.1 *per cent* of total applications) cases were settled and a total revenue of ₹ 71,924 crore (72.3 *per cent* of the total application amount) was collected.

Further, out of 1.32 lakh cases, where the assessees opted for DTVsV Scheme 2020, Form-4 was not submitted in 12,327 (9.4 *per cent*) cases. Audit could not ascertain the action taken by the Department to pursue these assessees to pay the requisite amount and submit the Form-4. Furthermore, out of 1.19 lakh cases, where Form-4 was submitted by the assessee in pursuance of this scheme, Form-5 was issued in 1.06 lakh cases as on 16/05/2024, leaving a pendency of more than 13,000 cases (11 *per cent*) for finalisation. Reasons for pendency was not stated by the CBDT. However, during the course of the audit, on the specific query of non-issuance of Form-5, where the assessee had already submitted Form-4, the Department, *viz.* PCIT-15, Delhi; PCIT-7, Delhi, stated (March/May 2024) that Form-5 was not issued due to various reasons such as prevalent COVID-19 pandemic, non-submission of withdrawal of the appeal, challan not deposited, verification of challan etc.

Therefore, in these cases, despite payment of the requisite amount and submission of Form-4 by the assessees, the Department was not able to settle these cases in a timely manner, which might result in inconvenience to the assessees. Further, non/inadequate pursuance in the cases, where Form-4 were not submitted by the assessee, might result in loss to the Government exchequer.

Thus, out of total 4.15 lakh cases, with revenue locked of ₹ 10.09 lakh crore, pending at different appellate fora as on 31 January 2020, applications in respect of 1.32 lakh cases involving revenue of ₹ 0.99 lakh crore received under this Scheme for settlement. It is evident that though in terms of number of cases, who opted for this scheme, was 31.8 *per cent* of total pending cases, in terms of revenue, it was only 9.8 *per cent* of the total revenue locked therein.

Further, under this scheme, 1.06 lakh cases (89.1 *per cent* of total applications received) were settled and revenue of ₹ 71,924 crore (72.3 *per cent* of the total application amount) was collected after waiving of interest/penalty as per the provisions of the Scheme.

Reply of the Ministry is awaited (June 2026).

Recommendation 11:

CBDT may devise MIS and maintain data to monitor the implementation of such scheme, determine its efficacy, and take remedial action for course correction.

Reply of the Ministry is awaited (June 2026).

New Delhi **(Monika Verma)**
Dated: 15 July 2026 **Director General (Direct Taxes)**

Countersigned

New Delhi **(K. Sanjay Murthy)**
Dated: 16 July 2026 **Comptroller and Auditor General of India**

Annexures

Annexure 2.1
Audit Sample Methodology
(Refer to Para 2.4 and 3.2.1)

Audit sample cases were selected in such a way that 400 cases by each of Delhi, Mumbai and Kolkata audit offices (excluding their branch offices), 300 cases by each of Chennai, Hyderabad and Bengaluru audit offices (excluding their branch offices); 200 cases by each of Ahmedabad and Chandigarh audit offices (excluding their branch offices); and 120 cases in respect of branch offices (Prayagraj, Bhubaneshwar, Guwahati, Gwalior, Jaipur, Kochi, Patna and Ranchi) were taken up for examination. While selecting the above cases, following steps were followed:

i. The database were segregated into five categories based on status of case *viz.* Form-5 issued, Non-actionable due to revised, Awaiting Form-4 from Assessee, Rejected and others.

ii. Cases falling under category 'Form 5 issued' were further segregated into two categories *viz.* corporate and non-corporate based on status of the assessee (identified through PAN).

iii. Further, cases under these two sub-categories were segregated into two groups based on AY *viz.* cases having AY prior to 2012-13 and cases having AY 2012-13 onwards.

iv. Furthermore, the above two groups based on AYs were divided into three sub-groups based on PCIT charge *viz.* Central, International Taxation and Others.

v. Now the prescribed number of cases for each office (as stated above) were selected, using random sampling methodology, in following manner:

   a. 15 *per cent* of total number of prescribed sample size relating to corporate cases having AY prior to 2012-13 and falling under Central Charge.

   b. 10 *per cent* of total number of prescribed sample size relating to non-corporate cases having AY prior to 2012-13 and falling under Central Charge.

   c. 10 *per cent* of total number of prescribed sample size relating to corporate cases having AY 2012-13 onwards and falling under Central Charge.

   d. 5 *per cent* of total number of prescribed sample size relating to non-corporate cases having AY 2012-13 onwards and falling under Central Charge.

e. 10 *per cent* of total number of prescribed sample size relating to corporate cases having AY prior to 2012-13 and falling under International taxation Charge.

f. 2.5 *per cent* of total number of prescribed sample size relating to non-corporate cases having AY prior to 2012-13 and falling under International taxation Charge.

g. five *per cent* of total number of prescribed sample size relating to corporate cases having AY 2012-13 onwards and falling under International taxation Charge.

h. two and a half *per cent* of total number of prescribed sample size relating to non-corporate cases having AY 2012-13 onwards and falling under International taxation Charge.

i. 15 *per cent* of total number of prescribed sample size relating to corporate cases having AY prior to 2012-13 and falling under Other Charge.

j. Seven and a half *per cent* of total number of prescribed sample size relating to non-corporate cases having AY prior to 2012-13 and falling under Other Charge.

k. 12.5 *per cent* of total number of prescribed sample size relating to corporate cases having AY 2012-13 onwards and falling under Other Charge.

l. five *per cent* of total number of prescribed sample size relating to non-corporate cases having AY 2012-13 onwards and falling under Other Charge

The shortfall in number of cases from any of the above category(ies) at each stage were to be supplemented from next below category(ies).

Further, in the sample selected above, if representation of cases of the Supreme Court and the High Court (together) was less than 50 cases, additional cases of Supreme Court/High Court were selected (subject to availability) manually based on available records to make coverage of cases of the Supreme Court and the High Court of at least 50 cases.

Further, cases falling under categories 'Rejected', 'Non-actionable due to revised', and 'Awaiting Form-4 from Assessee' based on status of case were also to be selected for audit examination in following manner:

a. 20 cases where application of the assessee for DTVSV scheme was rejected by the Department were required to be covered by each FAO, over and above the proposed audit sample.

b. 20 cases where 'Filing type' shown as 'Revised' were required to be covered by each FAO, over and above the above proposed audit sample subject to condition that if these cases were not included in the cases selected above as audit sample.

c. 20 cases where status of case shown as 'Awaiting Form-4 from Assessee' by the Department were also be selected by each FAO, over and above the proposed audit sample.

Annexure 2.2
State-wise summary of cases not produced *vis-à-vis* cases requisitioned
(Refer to Para 2.6.1)

Name of State	Cases requisitioned	Cases not produced	
		Number	Name of PCsIT (cases)
Andhra Pradesh	154	1	PCIT (Central), Visakhapatnam (1)
Bihar	210	2	PCIT-1, Patna (2)
Chandigarh	86	1	PCIT-1, Chandigarh (1)
Goa	39	2	PCIT, Panaji (2)
Haryana	130	3	PCIT (Central), Gurgaon (1) PCIT, Faridabad (2)
Jharkhand	185	6	PCIT, Ranchi (1) PCIT, Dhanbad (5)
Karnataka	388	33	PCIT-3, Bengaluru (6) PCIT-2, Bengaluru (6) PCIT-1, Bengaluru (7) PCIT, Hubballi (1) PCIT (Central), Bengaluru (11) CIT, (International Taxation), Bengaluru (2)
Madhya Pradesh	156	6	CIT (TDS), Bhopal (2) PCIT (Central), Bhopal(1) PCIT-1, Bhopal (1) PCIT-1, Indore (2)
Maharashtra	640	22	PCIT, Thane (5) PCIT, (Central)-2, Mumbai (2) PCIT (International Taxation)-2, Mumbai (1) PCIT, (Central), Pune (2) PCIT-3, Pune (2 PCIT-1, Pune (1) PCIT-5, Mumbai (1) PCIT-2, Mumbai (3) PCIT, (International Taxation)-1, Mumbai (2) PCIT, (Central)-4, Mumbai (1) PCIT-19, Mumbai (1) PCIT-8, Mumbai (1)
Odisha	195	12	PCIT, Sambalpur (2) PCIT-1, Bhubaneswar (10)
Tamil Nadu	516	31	PCIT (Central)-2, Chennai (2) PCIT-4, Chennai (11) PCIT-3, Chennai (3) PCIT-1, Chennai (15)
Telangana	276	2	PCIT-2, Hyderabad (2)
Uttar Pradesh	231	2	PCIT-1, Lucknow (1) PCIT (Central), Kanpur (1)
Grand Total	**2,717**	**123**	

Annexure 4.1
Delay in issue of Form-3
(Refer to para 4.1)

State	PCIT	No. of case
Andhra Pradesh	CIT (TDS), Vijayawada	2
	PCIT (Central), Visakhapatnam	54
	PCIT, Tirupati	3
	PCIT, Vijayawada	16
	PCIT, Visakhapatnam	30
	Total	**105**
Assam	PCIT (Central), Guwahati	7
	PCIT, Guwahati	49
	Total	**56**
Bihar	CIT(TDS), Patna	6
	PCIT-1, Patna	72
	PCIT (Central), Patna	13
	Total	**91**
Chandigarh	CIT (Exemption), Chandigarh	1
	CIT (TDS-1), Chandigarh	1
	CIT (TDS-2), Chandigarh	1
	PCIT-1, Chandigarh	45
	Total	**48**
Chhattisgarh	PCIT-1,Raipur	19
	PCIT (Central), Bhopal	30
	Total	**49**
Delhi	CIT (Exemptions), Delhi	5
	CIT (TDS)-II, Delhi	2
	PCIT-1, Delhi	46
	PCIT-10, Delhi	17
	PCIT-12, Delhi	19
	PCIT-15, Delhi	8
	PCIT-20, Delhi	3
	PCIT-4, Delhi	31
	PCIT-7, Delhi	45
	PCIT (Central)-1, Delhi	40
	PCIT (Central)-2, Delhi	35
	PCIT (Central)-3, Delhi	27
	PCIT (International Taxation)-1, Delhi	21
	PCIT (International Taxation)-2, Delhi	23
	PCIT (International Taxation)-3, Delhi	29
	Total	**351**
Goa	CIT(TDS), Panaji	7
	PCIT, Panaji	22
	Total	**29**

State	PCIT	No. of case
Gujarat	PCIT-1, Ahmedabad	24
	PCIT-1, Rajkot	18
	PCIT-3, Ahmedabad	24
	PCIT (Central), Ahmedabad	44
	PCIT (Central), Surat	24
	PCIT (Intl. Taxn. & TP), Ahmedabad	31
	PCIT, Valsad	5
	PCIT-1, Surat	25
	PCIT-1, Vadodara	16
	Total	**211**
Haryana	PCIT, Panchkula	6
	PCIT, Rohtak	14
	PCIT, Faridabad	53
	PCIT (Central), Gurugram	18
	Total	**91**
Jammu & Kashmir	PCIT Srinagar	3
	Total	**3**
Jharkhand	PCIT, Dhanbad	54
	PCIT, Ranchi	86
	Total	**140**
Karnataka	CIT(Exemptions) Bengaluru	5
	CIT(Intl. Taxn.), Bengaluru	59
	CIT(TDS), Bengaluru	12
	PCIT(Central), Bengaluru	91
	PCIT, Hubbali	14
	PCIT-1, Bengaluru	12
	PCIT-2 Bengaluru	38
	PCIT-3, Bengaluru	30
	Total	**261**
Kerala	CIT (Exemptions), Kochi	3
	CIT (TDS), Kochi	2
	PCIT (Central), Kochi	65
	PCIT, Kochi	53
	PCIT, Kozhikode	20
	PCIT, Thiruvananthapuram	40
	Total	**183**
Madhya Pradesh	CIT (TDS), Bhopal	3
	CIT (International Taxation), Ahmedabad (MP charge)	4
	PCIT-1, Bhopal	19
	PCIT-1, Indore	25
	PCIT-1, Jabalpur	10
	PCIT (Central), Bhopal	21

State	PCIT	No. of case
	PCIT, Gwalior	6
	Total	**88**
Maharashtra	CIT (Exemptions), Pune	2
	CIT (International Taxation), Pune	5
	CIT (TDS), Pune	4
	PCIT-1, Mumbai	9
	PCIT-1, Nagpur	5
	PCIT-1, Pune	9
	PCIT-17, Mumbai	3
	PCIT-19, Mumbai	13
	PCIT-2, Mumbai	16
	PCIT-2, Nagpur	8
	PCIT-2, Pune	1
	PCIT-20, Mumbai	13
	PCIT-27, Mumbai	4
	PCIT-3, Mumbai	26
	PCIT-3, Pune	12
	PCIT-4, Mumbai	3
	PCIT-4, Pune	19
	PCIT-41, Mumbai	10
	PCIT-42, Mumbai	5
	PCIT-5, Mumbai	9
	PCIT-6, Mumbai	23
	PCIT-8, Mumbai	8
	PCIT(Central)-1, Mumbai	7
	PCIT (Central)-2, Mumbai	18
	PCIT (Central)-3, Mumbai	15
	PCIT (Central)-4, Mumbai	16
	PCIT (Central), Nagpur	2
	PCIT (Central), Pune	14
	PCIT (Intl. Taxn.)-1, Mumbai	2
	PCIT (Intl. Taxn.)-2, Mumbai	19
	PCIT (Intl. Taxn.)-3, Mumbai	11
	PCIT (Intl. Taxn.)-4, Mumbai	14
	PCIT, Nashik	2
	PCIT, Thane	7
	Total	**334**
Meghalaya	PCIT, Shillong	25
	Total	**25**
Odisha	PCIT, Bhubaneswar	33
	PCIT, Sambalpur	43
	Total	**76**
Punjab	PCIT (Central), Ludhiana	46

State	PCIT	No. of case
	PCIT-1, Amritsar	7
	PCIT-1, Jalandhar	8
	PCIT-1, Ludhiana	6
	PCIT, Patiala	4
	Total	**71**
Rajasthan	PCIT-1, Jaipur	38
	PCIT-2, Jaipur	47
	PCIT (Central), Jaipur	33
	PCIT (Exemptions), Jaipur	1
	PCIT, Jodhpur	6
	PCIT (TDS), Jaipur	5
	PCIT, Udaipur	21
	Total	**151**
Tamil Nadu	CIT (Exemptions), Chennai	3
	CIT (International Taxation), Chennai	54
	CIT (TDS), Chennai	4
	CIT (TDS), Coimbatore	9
	PCIT-1, Chennai	46
	PCIT-1, Coimbatore	37
	PCIT-1, Madurai	25
	PCIT-3, Chennai	42
	PCIT-4, Chennai	25
	PCIT-8, Chennai	9
	PCIT (Central)-1, Chennai	33
	PCIT (Central)-2, Chennai	61
	Total	**348**
Telangana	CIT (Exemptions), Hyderabad	1
	CIT (Intl. Taxn. &TP), Hyderabad	47
	CIT (TDS), Hyderabad	1
	PCIT-1, Hyderabad	39
	PCIT-2, Hyderabad	31
	PCIT-4, Hyderabad	17
	PCIT (Central), Hyderabad	44
	Total	**180**
Uttar Pradesh	PCIT (Central), Kanpur	30
	PCIT-1, Agra	20
	PCIT-1, Kanpur	8
	PCIT-1, Lucknow	4
	PCIT, Allahabad	13
	PCIT, Bareilly	7
	PCIT (Central), Lucknow	20
	PCIT (Exemptions), Lucknow	4
	PCIT, Ghaziabad	14

State	PCIT	No. of case
	PCIT, Gorakhpur	8
	PCIT, Noida	4
	Total	**132**
Uttarakhand	PCIT, Dehradun	14
	Total	**14**
West Bengal	CIT (IT &TP)	19
	PCIT (Central)-1, Kolkata	52
	PCIT (Central)-2, Kolkata	66
	PCIT-2, Kolkata	40
	PCIT-1, Kolkata	33
	PCIT-13, Kolkata	9
	PCIT-18, Kolkata	6
	PCIT-5, Kolkata	11
	PCIT-9, Kolkata	11
	PCIT, Siliguri	1
	Total	**248**
Grand Total		**3,285**

Annexure 4.2
Delay in issue of Form-3
(Refer to para 4.1)

Sl. No.	State/ PCIT/ CIT	Name of Assessee /PAN /AY	Audit Observations
1	Tamil Nadu/ PCIT 4 Chennai	S57/ xxxxxxxxxx/ 2015-16	The assessee was in appeal before CIT(A) against the addition made by the Assessing Officer. The assessee opted for DTVsV Scheme on 28/12/2020 to settle the case. The DA computed the amount payable and issued Form-3 initially on 20/01/2021. However, The DA revised Form-3, rectifying errors on the part of the DA and issued it on 20/01/2023. Thus, the revised Form-3 was issued after 753 days of receipt of the declaration of the assessee as against the prescribed time limit of 15 days. As a result, Form-3 was issued after an inordinate delay of 738 days. Consequently, the assessee had to pay an excess of 10 *per cent* of the disputed tax. The observation was issued to the Department in March 2024. Reply from the Ministry is awaited. (November 2025).

Annexure 4.3
Non provision of timeline to issue of Form-5
(Refer to paras 4.2.1 and 4.2.2)

State	PCIT	No. of case
4.2.1-Form-5 issued with a considerable time gap		
Andhra Pradesh	CIT (TDS), Vijayawada	3
	PCIT-1, Visakhapatnam	13
	PCIT (Central), Visakhapatnam	28
	PCIT, Tirupati	1
	Total	**45**
Assam	PCIT (Central), Guwahati	8
	PCIT, Guwahati	28
	Total	**36**
Bihar	PCIT-1, Patna	77
	PCIT (Central), Patna	6
	Total	**83**
Chandigarh	CIT (TDS)-1, Chandigarh	1
	PCIT-1, Chandigarh	21
	Total	**22**
Chhattisgarh	PCIT-1, Raipur	19
	PCIT (Central), Bhopal	4
	Total	**23**
Delhi	CIT (Exemptions), Delhi	5
	PCIT-1, Delhi	40
	PCIT-10, Delhi	5
	PCIT-12, Delhi	8
	PCIT-15, Delhi	2
	PCIT-20, Delhi	6
	PCIT-4, Delhi	34
	PCIT-7, Delhi	19
	PCIT (Central)-1, Delhi	20
	PCIT (Central)-2, Delhi	43
	PCIT (Central)-3, Delhi	27
	PCIT (Intl. Taxn.)-1, Delhi	3
	PCIT (Intl. Taxn.)-2, Delhi	8
	PCIT (Intl. Taxn.)-3, Delhi	1
	Total	**221**
Goa	CIT(TDS), Panaji	2
	PCIT, Panaji	13
	Total	**15**
Gujarat	PCIT-1, Ahmedabad	17
	PCIT-1, Rajkot	9
	PCIT-3, Ahmedabad	14

State	PCIT	No. of case
	PCIT (Central), Ahmedabad	14
	PCIT (Central), Surat	31
	PCIT (Intl. Taxn. & TP), Ahmedabad	17
	PCIT, Jamnagar	1
	PCIT, Valsad	6
	PCIT-1, Surat	27
	PCIT-1, Vadodara	14
	Total	**150**
Haryana	PCIT, Panchkula	2
	PCIT, Rohtak	5
	PCIT, Faridabad	35
	PCIT (Central), Gurugram	5
	Total	**47**
Jharkhand	PCIT, Dhanbad	43
	PCIT, Ranchi	49
	Total	**92**
Karnataka	CIT (Exemptions), Bengaluru	2
	CIT (Intl. Taxn.), Bengaluru	18
	CIT (Intl. Taxn.),Bengaluru	2
	CIT (TDS), Bengaluru	15
	PCIT (Central), Bengaluru	45
	PCIT, Hubbali	8
	PCIT-1, Bengaluru	3
	PCIT-2 Bengaluru	10
	PCIT-3, Bengaluru	8
	Total	**111**
Kerala	CIT (TDS), Kochi	2
	PCIT (central), Kochi	29
	PCIT, Kochi	12
	PCIT, Kozhikode	25
	PCIT, Thiruvananthapuram	19
	Total	**87**
Madhya Pradesh	CIT (Exemptions), Bhopal	2
	PCIT-1, Bhopal	14
	PCIT-1, Indore	18
	PCIT-1, Jabalpur	7
	PCIT (Central), Bhopal	9
	CIT (Intl. Taxn.), Ahmedabad (MP charge)	2
	PCIT, Gwalior	3
	Total	**55**
Maharashtra	CIT (Intl. Taxn.), Pune	3
	CIT (TDS), Nagpur	1

State	PCIT	No. of case
	CIT (TDS), Pune	5
	PCIT-1, Mumbai	8
	PCIT-1, Nagpur	3
	PCIT-1, Pune	2
	PCIT-17, Mumbai	2
	PCIT-19, Mumbai	11
	PCIT-2, Mumbai	2
	PCIT-2, Nagpur	2
	PCIT-2, Pune	2
	PCIT-20, Mumbai	12
	PCIT-27, Mumbai	2
	PCIT-3, Mumbai	26
	PCIT-3, Pune	13
	PCIT-4, Mumbai	2
	PCIT-4, Pune	10
	PCIT-41, Mumbai	7
	PCIT-42, Mumbai	6
	PCIT-5, Mumbai	5
	PCIT-6, Mumbai	21
	PCIT-8, Mumbai	15
	PCIT (Central)-1, Mumbai	6
	PCIT (Central)-2, Mumbai	25
	PCIT (CENTRAL)-3, Mumbai	11
	PCIT (Central)-4, Mumbai	4
	PCIT (Central), Nagpur	11
	PCIT (Central), Pune	1
	PCIT (Intl. Taxn.)-2, Mumbai	2
	PCIT (Intl. Taxn.)-3, Mumbai	13
	PCIT (Intl. Taxn.)-4, Mumbai	7
	PCIT, Nashik	1
	PCIT, Thane	10
	Total	**251**
Meghalaya	PCIT, Shillong	13
	Total	**13**
Odisha	CIT (TDS), Bhubaneswar	4
	PCIT, Bhubaneswar	47
	PCIT, Sambalpur	50
	Total	**101**
Punjab	PCIT (Central), Ludhiana	3
	PCIT (Central), Ludhiana	2
	PCIT (Central), Ludhiana	1
	PCIT-1, Jalandhar	4

State	PCIT	No. of case
	PCIT-1, Ludhiana	3
	Total	**13**
Rajasthan	PCIT Central Jaipur	9
	PCIT (Exemptions), Jaipur	2
	PCIT, Jodhpur	4
	PCIT (TDS), Jaipur	9
	PCIT, Udaipur	10
	PCIT-1, Jaipur	35
	PCIT-2, Jaipur	15
	Total	**84**
Tamil Nadu	CIT (Exemptions), Chennai	2
	CIT (Intl. Taxn.), Chennai	19
	CIT (TDS), Chennai	4
	CIT (TDS), Coimbatore	2
	PCIT-1, Chennai	3
	PCIT-1, Coimbatore	18
	PCIT-1, Madurai	10
	PCIT-3, Chennai	15
	PCIT-4, Chennai	4
	PCIT-8, Chennai	2
	PCIT (Central)-1, Chennai	31
	PCIT (Central)-2, Chennai	32
	Total	**142**
Telangana	CIT (Exemptions), Hyderabad	3
	CIT(Intl. Taxn. & TP), Hyderabad	4
	CIT (TDS), Hyderabad	5
	PCIT-1, Hyderabad	22
	PCIT-2, Hyderabad	9
	PCIT-4, Hyderabad	6
	PCIT (Central), Hyderabad	12
	Total	**61**
Uttar Pradesh	PCIT, Bareilly	5
	PCIT (Central), Kanpur	9
	PCIT-1, Agra	5
	PCIT-1, Lucknow	4
	PCIT, Prayagraj	10
	PCIT (Central), Lucknow	7
	PCIT (Exemptions), Lucknow	1
	PCIT, Ghaziabad	8
	PCIT, Gorakhpur	3
	PCIT, Noida	2
	Total	**54**

State	PCIT	No. of case
West Bengal	PCIT (Central)-1, Kolkata	71
	PCIT, Asansol	10
	PCIT-1, Kolkata	53
	PCIT-13, Kolkata	12
	PCIT-5, Kolkata	17
	PCIT-9, Kolkata	16
	PCITC-2, Kolkata	86
	PCIT (Intl. Taxn. &TP), Kolkata	10
	PCIT-2, Kolkata	63
	Total	**338**
	Grand Total	**2,044**
4.2.2 – Form-5 not issued after submission of Form-4		
Bihar	CIT (Exemptions), Patna	2
	PCIT-1, Patna	2
	Total	**4**
Jharkhand	PCIT, Dhanbad	3
	PCIT, Ranchi	7
	Total	**10**
Odisha	PCIT-1, Bhubaneswar	4
	PCIT, Sambalpur	2
	Total	**6**
Telangana	PCIT-1, Hyderabad	1
	Total	**1**
Grand Total		**21**

Annexure 4.4
Form-5 issued with a considerable time gap
(Refer to para 4.2.1)

Sl. No.	State/ PCIT/ CIT	Name of Assessee /PAN /AY	Audit Observations
1	Delhi/ PCIT-Central-2	M/s A1 Pvt. Ltd./ xxxxxxxxxx / 2011-12	The assessee was in appeal before the ITAT against the additions made by the Assessing Officer. The assessee opted for the DTVsV Scheme on 21/07/2020 to settle the case. The DA computed the amount payable and issued Form-3 on 04/12/2020. The assessee paid the requisite amount and submitted Form-4 on 25/08/2021. It was noticed that Form-5 was issued on 02/12/2022 by DA as a full and final settlement after a gap period of 464 days. The observation was issued to the Department (March 2024). Reply from the Ministry is awaited (November 2025).

Annexure 4.5
Absence of provision of timeline for issue of Consequential Effect Order to Designated Authority (DA)'s order under Section 5(2) of DTVsV Act.
(Refer to para 4.3)

State	PCIT	No. of case
Andhra Pradesh	CIT (TDS), Vijayawada	1
	PCIT-1, Visakhapatnam	20
	PCIT, (Central), Visakhapatnam	26
	PCIT, Tirupati	1
	PCIT, Vijayawada	14
	Total	**62**
Assam	PCIT (Central), Guwahati	1
	PCIT, Guwahati	25
	Total	**26**
Bihar	PCIT-1, Patna	19
	PCIT (Central), Patna	17
	Total	**36**
Chandigarh	PCIT-1, Chandigarh	8
	Total	**8**
Chhattisgarh	PCIT-1, Raipur	6
	PCIT (Central), Bhopal	16
	Total	**22**
Delhi	PCIT (Central)-1, Delhi	2
	CIT (TDS)-1, Delhi	1
	CIT (TDS)-2, Delhi	1
	PCIT (Exemptions), Delhi	3
	PCIT (Intl. Taxn.)-1, Delhi	2
	PCIT-4, Delhi	6
	PCIT-12, Delhi	4
	PCIT-15, Delhi	6
	PCIT-20, Delhi	8
	PCIT-7, Delhi	5
	PCIT (Central)-2, Delhi	14
	PCIT-1, Delhi	4
	PCIT-10, Delhi	9
	PCIT (Central)-3, Delhi	12
	PCIT (Intl. Taxn.)-3, Delhi	36
	Total	**113**
Goa	CIT(Intl. Taxn.), Bengaluru	2
	PCIT, Central, Bengaluru	3
	PCIT, Panaji	12

State	PCIT	No. of case
	Total	**17**
Gujarat	PCIT-1, Ahmedabad	21
	PCIT-1, Rajkot	16
	PCIT-3, Ahmedabad	14
	PCIT (Central), Ahmedabad	9
	PCIT (Central), Surat	5
	PCIT (Exemptions), Ahmedabad	1
	PCIT (Intl. Taxn.), Ahmedabad	24
	PCIT, Jamnagar	1
	PCIT, Valsad	7
	PCIT-1, Surat	13
	PCIT-1, Vadodara	6
	Total	**117**
Haryana	PCIT, Panchkula	1
	PCIT, Rohtak	3
	PCIT (Central), Gurugram	2
	Total	**6**
Jharkhand	PCIT, Dhanbad	26
	PCIT, Ranchi	27
	Total	**53**
Karnataka	CIT(Intl. Taxn.), Bengaluru	25
	CIT (Exemptions), Bengaluru	5
	CIT (TDS), Bengaluru	6
	CIT (TDS), Panaji	2
	PCIT, Central, Bengaluru	73
	PCIT-1, Bengaluru	4
	PCIT-2, Bengaluru	14
	PCIT-3, Bengaluru	14
	PCIT, Hubballi	5
	PCIT, Panaji	5
	Total	**153**
Kerala	CIT (Exemptions), Kochi	2
	CIT (TDS), Kochi	2
	PCIT (Central), Kochi	37
	PCIT, Kochi	38
	PCIT, Kozhikode	10
	PCIT, Thiruvananthapuram	21
	Total	**110**
Madhya Pradesh	CIT (TDS), Bhopal	2
	PCIT-1, Bhopal	19
	PCIT-1, Indore	22
	PCIT-1, Jabalpur	1
	PCIT (Central), Bhopal	26
	PCIT, Gwalior	5
	CIT (Intl. Taxn.), Ahmedabad (MP charge)	6

State	PCIT	No. of case
	Total	**81**
Maharashtra	CIT (Intl. Taxn. &TP), Pune	6
	Total	**6**
Meghalaya	PCIT, Shillong	3
	Total	**3**
Odisha	PCIT, Bhubaneswar	43
	PCIT, Sambalpur	39
	Total	**82**
Punjab	PCIT (Central), Ludhiana	26
	PCIT-1, Amritsar	1
	PCIT-1, Jalandhar	7
	PCIT-1, Ludhiana	2
	PCIT, Patiala	2
	Total	**38**
Rajasthan	PCIT (Central), Jaipur	41
	PCIT (Exemptions), Jaipur	1
	PCIT, Jodhpur	6
	PCIT-2, Jaipur	10
	PCIT-1, Jaipur	3
	PCIT, Udaipur	21
	Total	**82**
Tamil Nadu	CIT (Exemptions), Chennai	5
	CIT (Intl. Taxn.), Chennai	24
	CIT (TDS), Coimbatore	11
	PCIT-1, Chennai	23
	PCIT-1, Coimbatore	26
	PCIT-1, Madurai	11
	PCIT-3, Chennai	9
	PCIT-4, Chennai	13
	PCIT-8, Chennai	9
	PCIT (Central)-1, Chennai	38
	PCIT (Central)-2, Chennai	24
	Total	**193**
Telangana	CIT (Exemptions), Hyderabad	1
	CIT (Intl. Taxn. &TP), Hyderabad	18
	PCIT-1, Hyderabad	23
	PCIT-2, Hyderabad	4
	PCIT-4, Hyderabad	16
	PCIT (Central), Hyderabad	37
	Total	**99**
Uttar Pradesh	PCIT, Bareilly	3
	PCIT (Central), Kanpur	12
	PCIT, Ghaziabad	7

State	PCIT	No. of case
	PCIT, Noida	3
	PCIT-1, Lucknow	3
	PCIT-1, Agra	12
	PCIT-1, Kanpur	4
	PCIT, Prayagraj	4
	PCIT (Central), Lucknow	8
	PCIT (Exemptions), Lucknow	2
	PCIT, Gorakhpur	2
	PCIT, Dehradun	3
	Total	**63**
Uttarakhand	PCIT, Dehradun	21
	Total	**21**
West Bengal	CIT (Intl. Taxn.), Kolkata	11
	PCIT-1, Kolkata	12
	PCIT-2, Kolkata	18
	PCIT (Central)-1, Kolkata	28
	PCIT, Asansol	7
	PCIT-13, Kolkata	13
	PCIT-5, Kolkata	17
	PCIT-9, Kolkata	11
	PCIT (Central-2)	38
	Total	**155**
Grand Total		**1,546**

Annexure 4.6
Absence of provision of timeline for the issue of Consequential Effect Order to Designated Authority (DA)'s order under Section 5(2) of DTVsV Act.
(Refer to para 4.3)

Sl. No.	State/ PCIT/ CIT	Name of Assessee /PAN /AY	Audit Observations
1	Rajasthan/ PCIT (Central), Jaipur	D3/ xxxxxxxxxx / 2011-12	Audit noted that Form-5 was issued on 03/12/2020 whereas Consequential Effect order under Section 5(2) of DTVsV Act, 2020 was issued on 04/07/2024. This showed that the consequential effect order was issued after a gap period of 1309 days from the date of issuing of Form-5. Reasons for such gap were asked from the Department. The observation was issued to the Department in March 2024. Reply of the Ministry is awaited (June 2026).
2	Uttar Pradesh/ PCIT-1, Agra	M/s P23 xxxxxxxxxx/ 2015-16	Audit noted that Form-5 was issued on 08/03/2021 and Consequential Effect order under Section 5(2) of DTVsV Act, 2020 was issued on 28/06/2024. This showed that the consequential effect order was issued after a gap period of 1208 days from the date of issuing Form-5. Reasons for such gap were asked from the Department. The observation was issued to the Department in February 2024. Reply of the Ministry is awaited (June 2026).

Annexure 4.7
Settlement of cases under DTVsV Scheme in absence of essential documents
(Refer to para 4.4.1 and 4.4.2)

State	PCIT	No. of case
4.4.1: Documents required to check veracity of amount payable determined under DTVsV Scheme 2020		
Andhra Pradesh	CIT (TDS), Vijayawada	3
	PCIT-1, Visakhapatnam	27
	PCIT (Central), Visakhapatnam	31
	PCIT, Tirupati	4
	PCIT, Vijayawada	8
	Total	**73**
Assam	PCIT (Central), Guwahati	1
	PCIT, Guwahati	10
	Total	**11**
Bihar	PCIT-1, Patna	32
	PCIT (Central), Patna	10
	Total	**42**
Chandigarh	CIT (Exemptions), Chandigarh	1
	PCIT-1, Chandigarh	47
	Total	**48**
Chhattisgarh	PCIT, Raipur	13
	PCIT (Central), Bhopal	18
	Total	**31**
Delhi	PCIT-1, Delhi	19
	PCIT-10, Delhi	1
	PCIT-12, Delhi	8
	PCIT-15, Delhi	2
	PCIT-4, Delhi	6
	PCIT-7, Delhi	25
	PCIT (Central)-1, Delhi	10
	PCIT (Central)-2, Delhi	4
	PCIT (Central)-3, Delhi	26
	PCIT (Intl. Taxn.)-1, Delhi	3
	PCIT (Intl. Taxn.)-2, Delhi	10
	PCIT (Intl. Taxn.)-3, Delhi	10
	Total	**124**
Goa	PCIT, Panaji	8
	Total	**8**
Gujarat	CIT (Intl. Taxn. &TP), Ahmedabad	1
	PCIT (Central), Ahmedabad	1
	PCIT-1, Surat	1
	Total	**3**

State	PCIT	No. of case
Haryana	PCIT, Faridabad	42
	PCIT, Panchkula	9
	PCIT, Rohtak	13
	PCIT (Central), Gurugram	23
	Total	**87**
Jharkhand	PCIT, Dhanbad	19
	PCIT, Ranchi	32
	Total	**51**
Karnataka	CIT(Exemptions) Bengaluru	5
	CIT(Intl. Taxn.), Bengaluru	65
	PCIT(C), Bengaluru	125
	PCIT, Hubbali	6
	PCIT-1, Bengaluru	13
	PCIT-2 Bengaluru	41
	PCIT-3, Bengaluru	29
	Total	**284**
Kerala	PCIT, Kochi	13
	Total	**13**
Madhya Pradesh	CIT (Exemptions), Bhopal	2
	CIT (Intl. Taxn.), Ahmedabad (MP charge)	5
	CIT (TDS), Bhopal	3
	PCIT-1, Bhopal	6
	PCIT-1, Indore	12
	PCIT-1, Jabalpur	7
	PCIT (Central), Bhopal	6
	PCIT, Gwalior	3
	Total	**44**
Maharashtra	CIT (Exemptions), Pune	2
	CIT (Intl. Taxn.), Pune	6
	CIT (TDS), Nagpur	2
	CIT (TDS), Pune	6
	PCIT-1, Mumbai	14
	PCIT-1, Nagpur	7
	PCIT-1, Pune	11
	PCIT-17, Mumbai	5
	PCIT-19, Mumbai	12
	PCIT-2, Mumbai	15
	PCIT-2, Nagpur	14
	PCIT-2, Pune	2
	PCIT-20, Mumbai	12
	PCIT-27, Mumbai	5
	PCIT-3, Mumbai	31
	PCIT-3, Pune	9

State	PCIT	No. of case
	PCIT-4, Mumbai	15
	PCIT-4, Pune	15
	PCIT-41, Mumbai	11
	PCIT-42, Mumbai	6
	PCIT-5, Mumbai	19
	PCIT-6, Mumbai	26
	PCIT-8, Mumbai	6
	PCIT (Central)-1, Mumbai	18
	PCIT (Central)-2, Mumbai	32
	PCIT (Central)-3, Mumbai	21
	PCIT (Central)-4, Mumbai	39
	PCIT (Central), Nagpur	18
	PCIT (Central), Pune	17
	PCIT (Intl. Taxn.)-1, Mumbai	5
	PCIT (Intl. Taxn.)-2, Mumbai	18
	PCIT (Intl. Taxn.)-3, Mumbai	20
	PCIT (Intl. Taxn.)-4, Mumbai	26
	PCIT, Nashik	2
	PCIT, Thane	7
	Total	**474**
Meghalaya	PCIT, Shillong	1
	Total	**1**
Odisha	PCIT, Bhubaneswar	47
	PCIT, Sambalpur	33
	Total	**80**
Punjab	PCIT (Central), Ludhiana	24
	PCIT, Jalandhar	1
	PCIT-1, Amritsar	5
	PCIT-1, Jalandhar	6
	PCIT-1, Ludhiana	10
	PCIT, Patiala	1
	Total	**47**
Rajasthan	PCIT, Udaipur	1
	PCIT (Central), Jaipur	5
	PCIT-I, Jaipur	2
	Total	**8**
Telangana	CIT (Exemptions), Hyderabad	5
	CIT (Intl. Taxn. & TP), Hyderabad	62
	CIT (TDS), Hyderabad	6
	PCIT-1, Hyderabad	29
	PCIT-2, Hyderabad	26
	PCIT-4, Hyderabad	23
	PCIT (Central), Hyderabad	44

State	PCIT	No. of case
	Total	**195**
Uttar Pradesh	PCIT, Bareilly	1
	PCIT-1, Agra	6
	PCIT-1, Kanpur	4
	PCIT-1, Lucknow	5
	PCIT, Prayagraj	4
	PCIT (Central), Kanpur	1
	PCIT (Central), Lucknow	2
	PCIT (Exemptions), Lucknow	1
	PCIT, Ghaziabad	7
	PCIT, Noida	1
	Total	**32**
Uttarakhand	PCIT, Dehradun	1
	Total	**1**
West Bengal	CIT (Intl. Taxn. &TP), Kolkata	13
	PCIT-5, Kolkata	4
	PCIT (Central)-2, Kolkata	1
	PCIT-13, Kolkata	1
	Total	**19**
	Grand Total	**1,676**
4.4.2 Documents required to check veracity of amount payable determined under DTVsV Scheme 2020		
Assam	PCIT, Guwahati	61
	Total	**61**
Bihar	CIT (TDS), Patna	5
	PCIT-1, Patna	48
	PCIT (Central), Patna	21
	Total	**74**
Chandigarh	CIT (Exemptions), Chandigarh	1
	PCIT-1, Chandigarh	3
	Total	**4**
Delhi	PCIT (Central)-1, Delhi	26
	CIT (Exemptions), Delhi	5
	PCIT (Intl. Taxn.)-1, Delhi	7
	PCIT 4, Delhi	33
	PCIT-1 , Delhi	9
	PCIT-10, Delhi	13
	PCIT-12 , Delhi	1
	PCIT-15, Delhi	2
	PCIT-7, Delhi	20
	PCIT (Central)-2, Delhi	6
	PCIT (Central)-3, Delhi	24
	PCIT (Intl. Taxn.)-3, Delhi	1

State	PCIT	No. of case
	PCIT (Intl. Taxn.)-2, Delhi	8
	Total	**155**
Goa	CIT(TDS), Panaji	4
	PCIT, Panaji	19
	Total	**23**
Haryana	PCIT (Central), Gurugram	10
	PCIT, Faridabad	17
	PCIT, Rohtak	13
	Total	**40**
Jharkhand	PCIT, Dhanbad	15
	PCIT, Ranchi	14
	Total	**29**
Karnataka	CIT (Exemptions), Bengaluru	4
	CIT(Intl. Taxn.), Bengaluru	47
	CIT (TDS), Bengaluru	20
	PCIT (Central), Bengaluru	95
	PCIT, Hubbali	5
	PCIT-1, Bengaluru	9
	PCIT-2, Bengaluru	35
	PCIT-3, Bengaluru	28
	Total	**243**
Maharashtra	CIT (Intl. Taxn.), Pune	1
	CIT (TDS), Nagpur	2
	PCIT-1, Mumbai	9
	PCIT-1, Pune	1
	PCIT-17, Mumbai	2
	PCIT-19, Mumbai	7
	PCIT-2, Mumbai	10
	PCIT-2, Nagpur	8
	PCIT-20, Mumbai	9
	PCIT-27, Mumbai	3
	PCIT-3, Mumbai	23
	PCIT-3, Pune	8
	PCIT-4, Mumbai	4
	PCIT-4, Pune	3
	PCIT-41, Mumbai	2
	PCIT-42, Mumbai	7
	PCIT-5, Mumbai	12
	PCIT-6, Mumbai	24
	PCIT-8, Mumbai	10
	PCIT (Central)-1, Mumbai	3
	PCIT (Central)-2, Mumbai	16
	PCIT (Central)-3, Mumbai	9

State	PCIT	No. of case
	PCIT (Central)-4, Mumbai	7
	PCIT (Central), Nagpur	9
	PCIT (Central), Pune	1
	PCIT (Intl. Taxn.)-1, Mumbai	1
	PCIT (Intl. Taxn.)-2, Mumbai	8
	PCIT (Intl. Taxn.)-3, Mumbai	6
	PCIT (Intl. Taxn.)-4, Mumbai	26
	PCIT, Nashik	1
	PCIT, Thane	5
	Total	**237**
Meghalaya	PCIT, Shillong	15
	Total	**15**
Punjab	PCIT-1, Ludhiana	2
	PCIT (Central), Ludhiana	3
	Total	**5**
Rajasthan	PCIT-1, Jaipur	2
	PCIT (Central), Jaipur	1
	Total	**3**
Uttar Pradesh	PCIT-1, Agra	7
	PCIT-1, Kanpur	10
	PCIT-1, Lucknow	5
	PCIT, Prayagraj	13
	PCIT, Bareilly	4
	PCIT (Central), Kanpur	23
	PCIT (Central), Lucknow	9
	PCIT (Exemptions), Lucknow	1
	PCIT, Ghaziabad	21
	PCIT, Gorakhpur	2
	PCIT, Noida	4
	Total	**99**
Uttrakhand	PCIT, Dehradun	14
	Total	**14**
West Bengal	CIT (Intl. Taxn. &TP), Kolkata	2
	Total	**2**
Grand Total		**1,004**

Annexure 4.8
Incorrect tax determination of amount payable in Form-3 where Form-4 not submitted/finalised
(Refer to para 4.5)

State	PCIT	No. of case
Delhi	PCIT–1, Delhi	1
Gujarat	PCIT-1, Vadodara	1
Total		**2**

Annexure 4.9
Admitting case under DTVsV Scheme without verification of eligibility of the assessee
(Refer to para 4.6)

State	PCIT	No. of case
Karnataka	PCIT-Central, Bengaluru	3
Andhra Pradesh and Telangana	PCIT (Intl. Taxn. &TP), Hyderabad	1
Total		**4**

Annexure 4.10
Incorrect rejection of eligible declaration
(Refer to para 4.7)

State	PCIT	No. of case
Odisha	PCIT, Sambhalpur	1
	Total	**1**
West Bengal	PCIT Central-2, Kolkata	2
	PCIT-5, Kolkata	2
	PCIT-9, Kolkata	1
	CIT (Intl. Taxn.), Kolkata	1
	PCIT (Intl. Taxn)-2, Kolkata	1
	Total	**7**
Andhra Pradesh	PCIT-1, Visakhapatnam	1
	Total	**1**
Grand Total		**9**

Annexure 4.11
Non provision of updated information relating to brought forward loss/unabsorbed depreciation and MAT credit in the DTVsV Scheme functionality system
(Refer to para 4.11)

Sl. No.	State	PCIT	Name of the assessee	PAN	AY
1	Maharashtra	PCIT (Central)-1, Mumbai	C3 Ltd.	xxxxxxxxxx	2000-01
2	Maharashtra	PCIT (Central)-1, Mumbai	T4 Ltd.	xxxxxxxxxx	2011-12
3	Maharashtra	PCIT (Central)-2, Mumbai	N10 Ltd.	xxxxxxxxxx	2015-16
4	Maharashtra	PCIT-1, Mumbai	B11 Ltd.	xxxxxxxxxx	2010-11
5	Maharashtra	PCIT -6, Mumbai	C11 Pvt. Ltd.	xxxxxxxxxx	2014-15
6	Maharashtra	PCIT (Central)-3, Mumbai	J9 Ltd.	xxxxxxxxxx	2012-13
7	Maharashtra	PCIT-2, Mumbai	J15 Pvt. Ltd.	xxxxxxxxxx	2012-13
8	Maharashtra	PCIT-2, Mumbai	M7 Pvt. Ltd.	xxxxxxxxxx	2012-13
9	Maharashtra	PCIT-2, Mumbai	L8 Pvt. Ltd.	xxxxxxxxxx	2015-16
10	Maharashtra	PCIT-2, Mumbai	M19 Pvt. Ltd.	xxxxxxxxxx	2014-15
11	Maharashtra	PCIT-5, Mumbai	O1 Pvt. Ltd.	xxxxxxxxxx	2017-18
12	Maharashtra	PCIT-5, Mumbai	T1 Ltd.	xxxxxxxxxx	2012-13
13	Maharashtra	PCIT-5, Mumbai	R30 Ltd.	xxxxxxxxxx	2011-12
14	Maharashtra	PCIT (Central)-3, Mumbai	G8 Ltd.	xxxxxxxxxx	2017-18
15	Maharashtra	PCIT (Central)-3, Mumbai	E6 Ltd.	xxxxxxxxxx	2017-18
16	Maharashtra	PCIT (Central)-3, Mumbai	J9 Ltd.	xxxxxxxxxx	2012-13
17	Maharashtra	PCIT (Central)-3, Mumbai	P9 Ltd.	xxxxxxxxxx	2014-15
18	Maharashtra	PCIT (Central)-3, Mumbai	R8 Pvt. Ltd.	xxxxxxxxxx	2014-15
19	Maharashtra	PCIT (Central)-3, Mumbai	R9 Ltd.	xxxxxxxxxx	2013-14
20	Maharashtra	PCIT (Central)-3, Mumbai	E6 Ltd.	xxxxxxxxxx	2015-16
21	Maharashtra	PCIT (Central)-3, Mumbai	C4 Pvt. Ltd.	xxxxxxxxxx	2011-12
22	Maharashtra	PCIT (Central)-1, Mumbai	N7 Ltd.	xxxxxxxxxx	2009-10
23	Maharashtra	PCIT (Central)-4, Mumbai	G4 Ltd.	xxxxxxxxxx	2010-11

Sl. No.	State	PCIT	Name of the assessee	PAN	AY
24	Maharashtra	PCIT (Central)-4, Mumbai	S80 Pvt. Ltd.	xxxxxxxxxx	2007-08
25	Maharashtra	PCIT (Central)-4, Mumbai	R25 Pvt. Ltd.	xxxxxxxxxx	2009-10
26	Maharashtra	PCIT (Central)-4, Mumbai	N16 Ltd.	xxxxxxxxxx	2015-16
27	Maharashtra	PCIT (Central)-4, Mumbai	N16 Ltd.	xxxxxxxxxx	2014-15
28	Maharashtra	PCIT (Central)-4, Mumbai	A10 Pvt. Ltd.	xxxxxxxxxx	2012-13
29	Maharashtra	PCIT-3, Mumbai	S43 Pvt. Ltd.	xxxxxxxxxx	2009-10
30	Maharashtra	PCIT-8, Mumbai	T3 Ltd.	xxxxxxxxxx	2005-06
31	Maharashtra	PCIT-8, Mumbai	S63 Pvt. Ltd.	xxxxxxxxxx	2017-18
32	Maharashtra	PCIT-3, Mumbai	S43 Pvt. Ltd.	xxxxxxxxxx	2008-09
33	Maharashtra	PCIT-3, Mumbai	G14 Ltd.	xxxxxxxxxx	2016-17
34	Maharashtra	PCIT (Intl. Taxn.)-3, Mumbai	P17	xxxxxxxxxx	2002-03
35	Maharashtra	PCIT (Intl. Taxn.)-3, Mumbai	M4 Ltd.	xxxxxxxxxx	2009-10
36	Maharashtra	PCIT_INTL_TAXN_3_MUMBAI	L9 Ltd.	xxxxxxxxxx	2006-07
37	Maharashtra	PCIT-1, Mumbai	B11 Ltd.	xxxxxxxxxx	2010-11
38	Maharashtra	PCIT-1, Mumbai	B7 Pvt. Ltd.	xxxxxxxxxx	2014-15
39	Maharashtra	PCIT-1, Mumbai	S72 Pvt. Ltd.	xxxxxxxxxx	2011-12
40	Maharashtra	PCIT-2, Nagpur	C22 Pvt. Ltd.	xxxxxxxxxx	2014-15
41	Maharashtra	PCIT-2, Nagpur	C22 Pvt. Ltd.	xxxxxxxxxx	2013-14
42	Maharashtra	PCIT-2, Nagpur	G9 Pvt. Ltd.	xxxxxxxxxx	2016-17
43	Maharashtra	PCIT-6, Mumbai	R22 Ltd.	xxxxxxxxxx	2015-16
44	Maharashtra	PCIT-6, Mumbai	A16 Pvt. Ltd.	xxxxxxxxxx	2012-13
45	Maharashtra	PCIT-6, Mumbai	L12 Pvt. Ltd.	xxxxxxxxxx	2014-15
46	Maharashtra	PCIT-6, Mumbai	H7 Pvt. Ltd.	xxxxxxxxxx	2013-14
47	Maharashtra	PCIT-6, Mumbai	C11 Pvt. Ltd.	xxxxxxxxxx	2014-15
48	Maharashtra	PCIT-6, Mumbai	C6 Pvt. Ltd.	xxxxxxxxxx	2009-10
49	Maharashtra	PCIT-6, Mumbai	B6 Ltd.	xxxxxxxxxx	2017-18
50	Maharashtra	PCIT-6, Mumbai	T2 Pvt. Ltd.	xxxxxxxxxx	2016-17

Sl. No.	State	PCIT	Name of the assessee	PAN	AY
51	Maharashtra	PCIT-6, Mumbai	R29 Pvt. Ltd.	xxxxxxxxxx	2015-16
52	Maharashtra	PCIT (Central)-2, Mumbai	N10 Ltd.	xxxxxxxxxx	2010-11
53	Maharashtra	PCIT (Central)-2, Mumbai	W2 Ltd.	xxxxxxxxxx	2012-13
54	Maharashtra	PCIT (Central)-2, Mumbai	M24 Pvt. Ltd.	xxxxxxxxxx	2012-13
55	Maharashtra	PCIT (Central)-2, Mumbai	E4 Pvt. Ltd.	xxxxxxxxxx	2013-14
56	Maharashtra	PCIT (Central)-2, Mumbai	Y1 Pvt. Ltd.	xxxxxxxxxx	2014-15
57	Maharashtra	PCIT (Central)-2, Mumbai	N10 Ltd.	xxxxxxxxxx	2015-16
58	Andhra Pradesh	PCIT-1, Visakhapatnam	B16 Ltd.	xxxxxxxxxx	2009-10
59	Telangana	PCIT-4, Hyderabad	Q1 Ltd.	xxxxxxxxxx	2011-12
60	Telangana	PCIT-1, Hyderabad	A8 Ltd.	xxxxxxxxxx	2012-13

Annexure 4.12
Effectiveness of the online portal for taxpayers to avail benefits of the scheme
(Refer to para 4.13.1, 4.13.2 and 4.13.3)

Sl. No.	State	PCIT	AO Charge	Name of the Assessee	PAN	AY
Para no. 4.13.1:						
1	Gujarat	PCIT-1, Surat	Circle-1(1)(1), Surat	A17 Ltd.	xxxxxxxxxx	2011-12
2	Gujarat	PCIT-1, Surat	Ward-1(1)(1), Surat	B21 Pvt. Ltd.	xxxxxxxxxx	2012-13
3	Gujarat	PCIT-1, Surat	Ward-1(1)(3), Surat	M18 Pvt. Ltd.	xxxxxxxxxx	2010-11
4	Gujarat	PCIT-1, Surat	Ward-1(2)(1), Surat	M21 Pvt. Ltd.	xxxxxxxxxx	2010-11
5	Gujarat	PCIT-1, Surat	Circle-2(1)(1), Surat	S70 Pvt. Ltd.	xxxxxxxxxx	2012-13
6	Gujarat	PCIT-1, Surat	Ward-1(1)(3), Surat	H1 Pvt. Ltd.	xxxxxxxxxx	2010-11
7	Gujarat	PCIT (Central), Ahmedabad	Central Circle- 2, Rajkot	R28	xxxxxxxxxx	2011-12
8	Gujarat	PCIT (Central), Ahmedabad	Central Circle- 2, Rajkot	C16 Pvt. Ltd.	xxxxxxxxxx	2010-11
9	Gujarat	PCIT (Central), Ahmedabad	Central Circle-1(3), Ahmedabad	V6 Ltd.	xxxxxxxxxx	2012-13
10	Gujarat	PCIT-1, Surat	Ward-1(1)(3), Surat	N6 Pvt. Ltd.	xxxxxxxxxx	2010-11
11	Gujarat	PCIT-1, Vadodara	Ward-1(1), Bharuch	A30 Pvt. Ltd.	xxxxxxxxxx	2015-16
Para no. 4.13.2:						
1	Gujarat	PCIT-1, Surat	Ward 1(1)(1), Surat	T13 Ltd.	xxxxxxxxxx	2010-11
2	Gujarat	PCIT-1, Surat	Circle1(3) Surat	T8 Ltd.	xxxxxxxxxx	2009-10
3	Gujarat	PCIT-1, Surat	Circle-1(3), Surat	T8 Ltd.	xxxxxxxxxx	2014-15
Para no. 4.13.3:						
1	Gujarat	PCIT-1, Surat	Ward-2(1)(3), Surat	P15 Pvt. Ltd.	xxxxxxxxxx	2010-11
2	Gujarat	PCIT (Central), Surat	Central Circle- 2, Surat	V5 Ltd.	xxxxxxxxxx	2010-11
3	Gujarat	PCIT (Central), Surat	Central Circle-2, Surat	C18 Pvt. Ltd.	xxxxxxxxxx	2011-12
4	Gujarat	PCIT (Central), Surat	Central Circle-1 Vadodara	M5 Pvt. Ltd.	xxxxxxxxxx	2015-16

Sl. No.	State	PCIT	AO Charge	Name of the Assessee	PAN	AY
5	Gujarat	PCIT, Valsad	Circle Vapi	P13	xxxxxxxxxx	2012-13
6	Gujarat	PCIT-1, Surat	Ward 1(1)(3) Surat	J4 Pvt. Ltd.	xxxxxxxxxx	2011-12
7	Gujarat	PCIT-1, Surat	Ward 1(1)(3), Surat	J3 Pvt. Ltd.	xxxxxxxxxx	2010-11
8	Gujarat	PCIT-1, Vadodara	Ward 1(1)(1), Vadodara	J11 Pvt. Ltd.	xxxxxxxxxx	2012-13
9	Gujarat	PCIT-1, Vadodara	Circle 2(1)(1), Vadodara	S40 Pvt. Ltd.	xxxxxxxxxx	2013-14

Annexure 5.1
Cases of incorrect determination of disputed tax/ amount payable
(Refer to Para 4.10 and 5.1)

Sl. No.	State	PCIT/ AO Charge	Name of Assessee	PAN	AY	Tax Effect (₹ in lakh)
5.1.1:-Excess adjustment of tax						
1	Maharashtra	PCIT-6, Mumbai	I3 Ltd.	xxxxxxxxxx	2009-10	10,388.95
2	Maharashtra	PCIT-6, Mumbai	I3 Ltd.	xxxxxxxxxx	2008-09	4,843.24
3	Maharashtra	PCIT-6, Mumbai	I3 Ltd.	xxxxxxxxxx	2007-08	5,079.67
4	Maharashtra	PCIT-6, Mumbai	I3 Ltd.	xxxxxxxxxx	2006-07	8,036.69
5	Maharashtra	PCIT-1, Mumbai	H8 Ltd.	xxxxxxxxxx	2011-12	8,704.31
Sub-total						**37,052.86**
5.1.2-Excess determination of Refund						
1	Delhi	PCIT- Exemptions, Delhi	A23	xxxxxxxxxx	1980-81	68.52
2	Delhi	PCIT- Exemptions, Delhi	A23	xxxxxxxxxx	1981-82	68.52
3	Delhi	PCIT- Exemptions, Delhi	A23	xxxxxxxxxx	1982-83	71.94
4	Delhi	PCIT- Exemptions, Delhi	A23	xxxxxxxxxx	1983-84	37.02
5	Delhi	PCIT-7, Delhi	S62 Ltd.	xxxxxxxxxx	2010-11	901.68
6	Delhi	PCIT-7, Delhi	S60	xxxxxxxxxx	2011-12	5.64
7	Gujarat	PCIT (Central), Ahmedabad	A37	xxxxxxxxxx	2012-13	0.47
8	Gujarat	PCIT-1, Ahmedabad	D2	xxxxxxxxxx	2014-15	43.04
9	Gujarat	PCIT (Central), Ahmedabad	C10 Ltd.	xxxxxxxxxx	2008-09	1.84
10	Gujarat	PCIT-1, Vadodara	E3 Ltd.	xxxxxxxxxx	2010-11	24.74
11	Gujarat	PCIT-1, Surat	S4 Pvt. Ltd.	xxxxxxxxxx	2011-12	2.43
12	Tamil Nadu	PCIT (Central)-1, Chennai	T14	xxxxxxxxxx	2009-10	4.29
13	Tamil Nadu	PCIT (Central)-1, Chennai	A3	xxxxxxxxxx	2017-18	2.00
14	Madhya Pradesh	PCIT-1, Bhopal	P19	xxxxxxxxxx	2009-10	0.34
15	Madhya Pradesh	PCIT (Central), Bhopal	P22	xxxxxxxxxx	2015-16	0.06
16	Madhya Pradesh	PCIT (Central), Bhopal	I4	xxxxxxxxxx	2010-11	0.36
17	Madhya Pradesh	PCIT (Central), Bhopal	P7 Ltd.	xxxxxxxxxx	2003-04	2.07
18	Madhya Pradesh	PCIT-1, Jabalpur	S41 Pvt. Ltd.	xxxxxxxxxx	2008-09	0.17
19	Madhya Pradesh	PCIT- 1, Indore	R6	xxxxxxxxxx	2015-16	0.10
20	Madhya Pradesh	PCIT- 1, Indore	B3 Pvt. Ltd.	xxxxxxxxxx	2007-08	1.52

Sl. No.	State	PCIT/ AO Charge	Name of Assessee	PAN	AY	Tax Effect (₹ in lakh)
21	Madhya Pradesh	PCIT- 1, Indore	A24 Pvt. Ltd	xxxxxxxxxx	2008-09	39.71
22	Madhya Pradesh	PCIT- 1, Indore	M2 Pvt. Ltd.	xxxxxxxxxx	2011-12	1.32
23	Maharashtra	PCIT-1, Pune	W1 Ltd.	xxxxxxxxxx	2009-10	158.83
24	Maharashtra	PCIT-6, Mumbai	C15 Pvt. Ltd.	xxxxxxxxxx	2012-13	90.42
25	Maharashtra	PCIT-6, Mumbai	K6 Pvt. Ltd.	xxxxxxxxxx	2011-12	100.83
26	Maharashtra	PCIT (Intl. Taxn.)-2, Mumbai	P26	xxxxxxxxxx	2011-12	35.05
27	Maharashtra	PCIT (Central)-2, Mumbai	M6	xxxxxxxxxx	2010-11	139.07
28	Assam	PCIT, Guwahati	S42 Pvt. Ltd.	xxxxxxxxxx	2010-11	19.68
29	Meghalaya	PCIT, Shillong	N17 Ltd.	xxxxxxxxxx	2011-12	38.30
30	Assam	PCIT, Guwahati	N19 Ltd.	xxxxxxxxxx	2016-17	0.46
31	Assam	PCIT, Guwahati	P20 Pvt. Ltd.	xxxxxxxxxx	2011-12	18.10
32	Assam	PCIT, Guwahati	S27	xxxxxxxxxx	2010-11	0.05
33	Uttar Pradesh	PCIT-1, Agra	P23	xxxxxxxxxx	2015-16	4.03
34	Uttar Pradesh	PCIT-1, Kanpur	S79 Ltd.	xxxxxxxxxx	2010-11	0.45
35	Uttar Pradesh	PCIT (Central), Lucknow	K3 Ltd.	xxxxxxxxxx	2011-12	2.12
36	Bihar	PCIT (Central), Patna	J14	xxxxxxxxxx	2017-18	4.50
37	Jharkhand	PCIT, Ranchi	P16 Pvt. Ltd.	xxxxxxxxxx	2014-15	0.84
38	Jharkhand	PCIT, Ranchi	A4 Pvt. Ltd.	xxxxxxxxxx	2010-11	5.89
39	Jharkhand	PCIT, Ranchi	P18	xxxxxxxxxx	2010-11	0.21
40	Jharkhand	PCIT, Dhanbad	A32 Pvt. Ltd.	xxxxxxxxxx	2009-10	0.53
41	Jharkhand	PCIT- Dhanbad	R10	xxxxxxxxxx	2008-09	1.80
42	Jharkhand	PCIT- Dhanbad	A25 Pvt. Ltd.	xxxxxxxxxx	2011-12	0.56
43	Jharkhand	PCIT- Dhanbad	M16	xxxxxxxxxx	2005-06	0.03
44	West Bengal	PCIT-2, Kolkata	K18 Pvt. Ltd.	xxxxxxxxxx	2014-15	2.18
45	West Bengal	PCIT-5, Kolkata	M15	xxxxxxxxxx	2009-10	0.43
46	West Bengal	PCIT-9, Kolkata	M14	xxxxxxxxxx	2016-17	0.16
47	West Bengal	CIT (Intl. Taxn. & TP), Kolkata	T12	xxxxxxxxxx	1994-95	271.78
48	West Bengal	CIT (Intl. Taxn. &TP), Kolkata	D20	xxxxxxxxxx	2006-07	25.33
49	West Bengal	PCIT-2, Kolkata	I7 Ltd.	xxxxxxxxxx	2011-12	28.65
50	Haryana	PCIT, Faridabad	S45 Pvt. Ltd.	xxxxxxxxxx	2012-13	42.22
51	Karnataka	PCIT-2, Bengaluru	U4 Ltd.	xxxxxxxxxx	2004- 05	15.63
52	Karnataka	PCIT-3, Bengaluru	N8 Pvt. Ltd.	xxxxxxxxxx	2009-10	413.15
53	Telangana	PCIT-1, Hyderabad	S74 Pvt. Ltd.	xxxxxxxxxx	2009-10	5.31
54	Odisha	PCIT-1, Bhubaneshwar	U6 Pvt. Ltd.	xxxxxxxxxx	2012-13	1.61
55	Odisha	PCIT-1, Sambhalpur	O3 Pvt. Ltd.	xxxxxxxxxx	2013-14	0.37
56	Odisha	PCIT-1, Bhubaneshwar	U5 Ltd.	xxxxxxxxxx	2011-12	2.96
57	West Bengal	PCIT (Central)-1, Kolkata	N1	xxxxxxxxxx	2011-12	1.58

Sl. No.	State	PCIT/ AO Charge	Name of Assessee	PAN	AY	Tax Effect (₹ in lakh)
58	Telangana	PCIT (Central), Hyderabad	D7	xxxxxxxxxx	2009-10	101.49
59	Delhi	PCIT-4, Delhi	J16 Pvt. Ltd.	xxxxxxxxxx	2015-16	35.59
60	Karnataka	PCIT-3, Bengaluru	N8 Pvt. Ltd.	xxxxxxxxxx	2006-07	236.68
61	Karnataka	PCIT-3, Bengaluru	N8 Pvt. Ltd.	xxxxxxxxxx	2008-09	132.52
62	Karnataka	PCIT-3, Bengaluru	N8 Pvt. Ltd.	xxxxxxxxxx	2010-11	5.20
Sub-total						**3,222.37**
5.1.3-Incorrect computation of disputed tax						
1	Delhi	PCIT (Central)-3, Delhi	C12 Ltd./S26 Ltd.	xxxxxxxxxx	2009-10	0.86
2	Delhi	PCIT- 10, Delhi	G16	xxxxxxxxxx	2017-18	4.02
3	Delhi	PCIT (Central)-2, Delhi	D6	xxxxxxxxxx	2011-12	0.49
4	Delhi	PCIT (Central)-2, Delhi	M23 Pvt. Ltd.	xxxxxxxxxx	2005-06	5.21
5	Delhi	PCIT (Central)-2, Delhi	N9	xxxxxxxxxx	2007-08	0.27
6	Delhi	PCIT (Central)-2, Delhi	D12	xxxxxxxxxx	2011-12	14.81
7	Rajasthan	PCIT-1, Jaipur	T9	xxxxxxxxxx	2009-10	0.34
8	Rajasthan	PCIT (TDS), Bikaner	D9	xxxxxxxxxx	2015-16	0.01
9	Rajasthan	PCIT-2, Jaipur	P25 Pvt. Ltd.	xxxxxxxxxx	2007-08	4.12
10	Rajasthan	PCIT (Exemptions), Jaipur	S66	xxxxxxxxxx	2016-17	0.03
11	Gujarat	PCIT (Central), Ahmedabad	K9	xxxxxxxxxx	2011-12	99.53
12	Gujarat	CIT(Intl. Taxn. &TP), Ahmedabad	D4	xxxxxxxxxx	2016-17	0.09
13	Gujarat	PCIT-1, Ahmedabad	C9	xxxxxxxxxx	2015-16	0.47
14	Gujarat	PCIT (Central), Ahmedabad	K4 Pvt. Ltd.	xxxxxxxxxx	2010-11	46.65
15	Gujarat	PCIT-1, Vadodara	A30 Pvt. Ltd.	xxxxxxxxxx	2015-16	2.65
16	Gujarat	PCIT-1, Surat	P15 Pvt. Ltd.	xxxxxxxxxx	2010-11	0.34
17	Gujarat	PCIT-1, Surat	A39 Pvt. Ltd.	xxxxxxxxxx	2011-12	2.85
18	Gujarat	PCIT (Central), Ahmedabad	R27	xxxxxxxxxx	2005-06	0.05
19	Gujarat	PCIT (Central), Surat	C8	xxxxxxxxxx	2010-11	11.28
20	Gujarat	PCIT-1, Ahmedabad	R5	xxxxxxxxxx	2016-17	0.08
21	Tamil Nadu	PCIT (Central)-2, Chennai	M22 Pvt. Ltd.	xxxxxxxxxx	2015-16	5.59
22	Tamil Nadu	PCIT-3, Chennai	S73 Ltd.	xxxxxxxxxx	2011-12	39.99
23	Tamil Nadu	PCIT-4, Chennai	M1 Pvt. Ltd.	xxxxxxxxxx	2005-06	1.13
24	Tamil Nadu	PCIT-4, Chennai	M1 Pvt. Ltd.	xxxxxxxxxx	2012-13	7.77
25	Tamil Nadu	PCIT-4, Chennai	M1 Pvt. Ltd.	xxxxxxxxxx	2006-07	0.98

Sl. No.	State	PCIT/ AO Charge	Name of Assessee	PAN	AY	Tax Effect (₹ in lakh)
26	Tamil Nadu	PCIT-4, Chennai	M1 Pvt. Ltd.	xxxxxxxxxx	2017-18	4.94
27	Tamil Nadu	PCIT, Madurai	A11	xxxxxxxxxx	2016-17	0.6
28	Chhattisgarh	PCIT (Central), Bhopal	S54 Ltd.	xxxxxxxxxx	2011-12	17
29	Chhattisgarh	PCIT (Central), Bhopal	S2 Pvt. Ltd.	xxxxxxxxxx	2010-11	7.73
30	Chhattisgarh	PCIT (Central), Bhopal	N15	xxxxxxxxxx	2017-18	1.14
31	Chhattisgarh	PCIT (Central), Bhopal	N15	xxxxxxxxxx	2018-19	13.01
32	Madhya Pradesh	PCIT (Central), Bhopal	D5	xxxxxxxxxx	2008-09	0.09
33	Madhya Pradesh	PCIT-1, Bhopal	D19	xxxxxxxxxx	2005-06	0.11
34	Madhya Pradesh	PCIT (Central), Bhopal	S48	xxxxxxxxxx	2011-12	0.47
35	Madhya Pradesh	PCIT (Central), Bhopal	J5 Pvt. Ltd.	xxxxxxxxxx	2009-10	7.87
36	Madhya Pradesh	PCIT (Central), Bhopal	S30	xxxxxxxxxx	2009-10	0.84
37	Madhya Pradesh	PCIT (Central), Bhopal	S9 Pvt. Ltd.	xxxxxxxxxx	2012-13	17.3
38	Madhya Pradesh	PCIT-1, Indore	S36 Pvt. Ltd.	xxxxxxxxxx	2018-19	0.18
39	Madhya Pradesh	PCIT-1, Indore	A35	xxxxxxxxxx	2014-15	3.58
40	Maharashtra	PCIT (Central), Pune	P21 Ltd.	xxxxxxxxxx	2013-14	33.07
41	Maharashtra	PCIT, Thane	G2 Pvt. Ltd.	xxxxxxxxxx	2007-08	4.52
42	Maharashtra	PCIT-3, Mumbai	A15 Pvt. Ltd.	xxxxxxxxxx	2005-06	1.97
43	Maharashtra	PCIT-5, Mumbai	B1 Pvt. Ltd.	xxxxxxxxxx	2008-09	5.94
44	Maharashtra	PCIT-(Intl. Taxn.)-2, Mumbai	D13	xxxxxxxxxx	2014-15	28.64
45	Maharashtra	PCIT-2, Mumbai	P23 Pvt. Ltd.	xxxxxxxxxx	2014-15	14.02
46	Maharashtra	PCIT (Intl. Taxn.)-2, Mumbai	G7 Ltd.	xxxxxxxxxx	2016-17	23.08
47	Maharashtra	PCIT-1, Nagpur	S68 Pvt. Ltd.	xxxxxxxxxx	2017-18	7.36
48	Maharashtra	PCIT-19, Mumbai	S49	xxxxxxxxxx	2012-13	0.43
49	Maharashtra	PCIT (Intl. Taxn.)-4, Mumbai	M30	xxxxxxxxxx	2017-18	2.39
50	Assam	PCIT, Guwahati	R24 Pvt. Ltd.	xxxxxxxxxx	2011-12	8.71
51	Meghalaya	PCIT, Shillong	N17 Ltd.	xxxxxxxxxx	2010-11	66.72
52	Manipur	PCIT, Guwahati	S22	xxxxxxxxxx	2011-12	0.35
53	Assam	PCIT (Central), Guwahati	S11	xxxxxxxxxx	2015-16	0.24
54	Assam	PCIT (Central), Guwahati	R1	xxxxxxxxxx	2015-16	1.69
55	Assam	PCIT (Central), Guwahati	M8	xxxxxxxxxx	2009-10	0.11
56	Assam	PCIT (Central), Guwahati	N14	xxxxxxxxxx	2016-17	1.03

Sl. No.	State	PCIT/ AO Charge	Name of Assessee	PAN	AY	Tax Effect (₹ in lakh)
57	Assam	PCIT (Central), Guwahati	S50 Pvt. Ltd.	xxxxxxxxxx	2012-13	1.47
58	Assam	PCIT (Central), Guwahati	J1 Pvt. Ltd.	xxxxxxxxxx	2009-10	0.14
59	Assam	PCIT (Central), Guwahati	S75	xxxxxxxxxx	2014-15	0.01
60	Uttar Pradesh	PCIT, Noida	A7 Pvt. Ltd.	xxxxxxxxxx	2006-07	0.47
61	Uttar Pradesh	PCIT-1, Agra	R3 Pvt. Ltd.	xxxxxxxxxx	2010-11	20.64
62	Bihar	PCIT-1, Patna	R26 Pvt. Ltd.	xxxxxxxxxx	2014-15	0.44
63	Bihar	PCIT-1, Patna	S21 Pvt. Ltd.	xxxxxxxxxx	2010-11	22.39
64	Bihar	PCIT-1, Patna	V7	xxxxxxxxxx	2015-16	0.72
65	Bihar	PCIT-1, Patna	P3 Pvt. Ltd.	xxxxxxxxxx	2009-10	3.68
66	Bihar	PCIT-1, Sasaram	L1	xxxxxxxxxx	2014-15	1.04
67	Bihar	PCIT (Central), Ranchi	E5 Pvt. Ltd.	xxxxxxxxxx	2017-18	31.48
68	Bihar	PCIT (Central), Ranchi	R17	xxxxxxxxxx	2016-17	2.03
69	Jharkhand	PCIT, Ranchi	S76	xxxxxxxxxx	2017-18	3.19
70	Jharkhand	PCIT, Ranchi	M12	xxxxxxxxxx	2004-05	1.95
71	Jharkhand	PCIT- Ranchi	N12 Pvt. Ltd.	xxxxxxxxxx	2011-12	0.61
72	Jharkhand	PCIT, Ranchi	J8 Pvt. Ltd.	xxxxxxxxxx	2014-15	0.02
73	Jharkhand	PCIT, Ranchi	S18	xxxxxxxxxx	2017-18	37.21
74	Jharkhand	PCIT, Ranchi	M28 Pvt. Ltd.	xxxxxxxxxx	2017-18	8.86
75	Jharkhand	PCIT, Ranchi	M11	xxxxxxxxxx	2016-17	0.42
76	Jharkhand	PCIT, Ranchi	M26	xxxxxxxxxx	2008-09	0.17
77	Jharkhand	PCIT, Ranchi	S20	xxxxxxxxxx	2009-10	0.31
78	Jharkhand	PCIT, Ranchi	S28	xxxxxxxxxx	2006-07	0.83
79	Jharkhand	PCIT, Dhanbad	K10 Pvt. Ltd.	xxxxxxxxxx	2011-12	0.19
80	Jharkhand	PCIT, Dhanbad	S39	xxxxxxxxxx	2017-18	0.13
81	Jharkhand	PCIT, Dhanbad	O6	xxxxxxxxxx	2011-12	1.01
82	Jharkhand	PCIT, Dhanbad	A26 Pvt. Ltd.	xxxxxxxxxx	2011-12	0.63
83	West Bengal	PCIT-1, Kolkata	S56 Pvt. Ltd.	xxxxxxxxxx	2011-12	35.33
84	West Bengal	PCIT (Central)-1, Kolkata	F1 Pvt. Ltd.	xxxxxxxxxx	2015-16	24.06
85	West Bengal	PCIT (Central)-1, Kolkata	I9 Pvt. Ltd.	xxxxxxxxxx	2014-15	15.46
86	West Bengal	PCIT (Central)-1, Kolkata	D8 Ltd.	xxxxxxxxxx	2010-11	4.75
87	West Bengal	PCIT (Central)-1, Kolkata	B20 Ltd.	xxxxxxxxxx	2009-10	2.49
88	West Bengal	PCIT-1, Kolkata	S3 Pvt. Ltd.	xxxxxxxxxx	2010-11	2.23
89	West Bengal	PCIT, Asansol	V3 Pvt. Ltd.	xxxxxxxxxx	2011-12	1.47
90	West Bengal	PCIT (Central)-2, Kolkata	P1 Pvt. Ltd.	xxxxxxxxxx	2009-10	1.35
91	West Bengal	PCIT-2, Kolkata	R4 Pvt. Ltd.	xxxxxxxxxx	2008-09	6.52
92	West Bengal	PCIT-1, Kolkata	G10 Pvt. Ltd.	xxxxxxxxxx	2011-12	0.85
93	West Bengal	PCIT (Central)-1, Kolkata	S55 Pvt. Ltd.	xxxxxxxxxx	2012-13	0.75

Sl. No.	State	PCIT/ AO Charge	Name of Assessee	PAN	AY	Tax Effect (₹ in lakh)
94	West Bengal	PCIT (Central-2), Kolkata	M9 Pvt. Ltd.	xxxxxxxxxx	2012-13	0.57
95	West Bengal	PCIT-9, Kolkata	S24	xxxxxxxxxx	2013-14	0.49
96	West Bengal	PCIT-2, Kolkata	E1 Pvt. Ltd.	xxxxxxxxxx	2008-09	0.45
97	West Bengal	PCIT-5, Kolkata	P14	xxxxxxxxxx	2012-13	0.12
98	West Bengal	PCIT (Central)-1, Kolkata	A19 Pvt. Ltd.	xxxxxxxxxx	2008-09	1.8
99	West Bengal	PCIT (Central)-1, Kolkata	V8	xxxxxxxxxx	2009-10	0.2
100	West Bengal	PCIT (Central)-1, Kolkata	B14 Pvt. Ltd.	xxxxxxxxxx	2011-12	0.26
101	West Bengal	PCIT (Central)-1, Kolkata	N3 Ltd.	xxxxxxxxxx	2012-13	0.14
102	West Bengal	PCIT (Central)-1, Kolkata	C13 Ltd.	xxxxxxxxxx	2014-15	0.05
103	West Bengal	PCIT (Central)-1, Kolkata	S32 Ltd.	xxxxxxxxxx	2010-11	0.05
104	West Bengal	PCIT (Central)-2, Kolkata	H9 Pvt. Ltd.	xxxxxxxxxx	2011-12	2.57
105	West Bengal	PCIT-18, Kolkata	K5	xxxxxxxxxx	2008-09	0.29
106	Haryana	PCIT, Faridabad	K7	xxxxxxxxxx	2011-12	1.1
107	Haryana	PCIT, Faridabad	S53	xxxxxxxxxx	2014-15	0.43
108	Haryana	PCIT, Faridabad	X1 Pvt. Ltd.	xxxxxxxxxx	2012-13	39.05
109	Haryana	PCIT, Faridabad	B24 Ltd.	xxxxxxxxxx	1994-95	14.02
110	Haryana	PCIT, Faridabad	N11 Ltd.	xxxxxxxxxx	2010-11	285.92
111	Karnataka	PCIT, Karnataka & Goa	K8	xxxxxxxxxx	2018-19	22.81
112	Karnataka	PCIT, Karnataka & Goa	K8	xxxxxxxxxx	2012-13	0.8
113	Karnataka	PCIT, Karnataka & Goa	L3	xxxxxxxxxx	2015-16	6.27
114	Karnataka	PCIT-2, Bengaluru	T11 Ltd.	xxxxxxxxxx	2009-10	21.02
115	Goa	PCIT, Panaji	S6	xxxxxxxxxx	2007-08	94.74
116	Karnataka	PCIT, Hubbali	K13	xxxxxxxxxx	2011-12	448.25
117	Karnataka	CIT (Intl. Taxn.), Bengaluru	I2	xxxxxxxxxx	2009-10	94.54
118	Telangana	PCIT (Intl. Taxn. &TP), Hyderabad	B23 Pvt. Ltd.	xxxxxxxxxx	2011-12	25.66
119	Telangana	PCIT (Intl. Taxn. &TP), Hyderabad	B23 Pvt. Ltd.	xxxxxxxxxx	2012-13	11.97
120	Telangana	PCIT (Intl. Taxn. &TP), Hyderabad	K15	xxxxxxxxxx	2008-09	5.47
121	Telangana	PCIT (Intl. Taxn. &TP), Hyderabad	P5	xxxxxxxxxx	2011-12	0.41
122	Telangana	PCIT-1, Hyderabad	B27 Ltd.	xxxxxxxxxx	2005-06	2.15
123	Telangana	PCIT-4, Hyderabad	N5 Ltd.	xxxxxxxxxx	2010-11	5.51
124	Telangana	PCIT-1, Hyderabad	C21 Ltd.	xxxxxxxxxx	1997-98	8.55

Sl. No.	State	PCIT/ AO Charge	Name of Assessee	PAN	AY	Tax Effect (₹ in lakh)
125	Andhra Pradesh	PCIT-1, Visakhapatnam	S8	xxxxxxxxxx	2011-12	2.07
126	Telangana	PCIT-4, Hyderabad	P10	xxxxxxxxxx	2017-18	0.55
127	Andhra Pradesh	PCIT, Vijayawada	B13	xxxxxxxxxx	2008-09	12.92
128	Andhra Pradesh	PCIT (Central), Visakhapatnam	B17 Pvt. Ltd.	xxxxxxxxxx	2017-18	118.65
129	Odisha	PCIT 1, Bhubaneshwar	L6	xxxxxxxxxx	2017-18	6.99
130	Odisha	PCIT 1, Bhubaneshwar	R11	xxxxxxxxxx	2008-09	15.37
131	Telangana	PCIT-1, Hyderabad	S64 Pvt. Ltd.	xxxxxxxxxx	2012-13	0.37
132	Andhra Pradesh	PCIT-1, Visakhapatnam	P2 Pvt. Ltd.	xxxxxxxxxx	2011-12	2.14
133	Telangana	PCIT-4, Hyderabad	R14	xxxxxxxxxx	2003-04	4.21
134	Telangana	PCIT-2, Hyderabad	E2 Pvt. Ltd.	xxxxxxxxxx	2011-12	0.77
135	Telangana	PCIT-2, Hyderabad	L5	xxxxxxxxxx	2009-10	22.9
136	Telangana	PCIT-2, Hyderabad	L5	xxxxxxxxxx	2012-13	15.05
137	Andhra Pradesh	PCIT (Central), Visakhapatnam	B4 Ltd.	xxxxxxxxxx	2008-09	8.36
138	Andhra Pradesh	PCIT (Central), Visakhapatnam	M17	xxxxxxxxxx	2010-11	0.98
139	West Bengal	PCIT (Central)-1, Kolkata	H3 Pvt. Ltd.	xxxxxxxxxx	2018-19	3.67
140	West Bengal	PCIT (Central)-1, Kolkata	P24 Ltd.	xxxxxxxxxx	2010-11	0.79
141	West Bengal	PCIT (Central)-2, Kolkata	S84	xxxxxxxxxx	2014-15	0.14
Sub-total						**2,071.63**
Grand Total (208)						**42,346.86**

Annexure 5.2
Excess determination of Refund
(Refer to Para 5.1.2)

Sl. No.	State/ PCIT/ CIT	Name of Assessee /PAN /AY/ Tax Effect	Audit Observations
1	Delhi/ CIT-Exemption charge	A23/ xxxxxxxxxx / 1980-81, 1981-82, 1983-84 and 1984-85/ ₹ 2.46 crore	The Department was in appeal before Hon'ble High Court for AYs 1980-81, 1981-82, 1983-84 and 1984-85, against total relief of ₹ 7.48 crore (₹ 1.95 crore, ₹ 1.95 crore, ₹ 2.38 crore and ₹ 1.20 crore respectively) by ITAT in October 2017. The assessee opted for the DTVsV Scheme on 02/02/2021 for aforesaid AYs to settle the issues. The DA, while computing the total amount payable under the DTVsV Scheme, adopted the disputed amount as ₹ 5.00 lakh, ₹ 5.00 lakh, ₹ 20.73 lakh and ₹ 10.42 lakh only, instead of ₹ 1.95 crore, ₹ 1.95 crore, ₹ 2.38 crore and ₹ 1.20 crore. These errors resulted in the short determination of the amount payable of ₹2.46 crore, which eventually resulted in an excess refund of ₹ 2.46 crore (₹ 68.52 lakh + ₹ 68.52 lakh + ₹ 71.94 lakh *plus* ₹ 37.02 lakh). The Department replied (August 2024) that Form-5 was cancelled in all the aforesaid cases. However, details of the recovery of tax arrears are still awaited (November 2025). Reply of the Ministry is awaited (June 2026).

Annexure 5.3
Incorrect computation of Disputed Tax
(Refer to Para 5.1.3)

Sl. No.	State/ PCIT/ CIT Charge	Name of Assessee /PAN /AY/ Tax Effect	Audit Observations
1	Haryana/ PCIT (Central), Faridabad	N11 Ltd./ xxxxxxxxxx /2010-11/ ₹ 2.86 crore	The Department was in appeal before Hon'ble High Court against total relief of ₹ 20.54 crore (relief of ₹ 18.90 crore against the additions under normal provisions and ₹ 1.64 crore under special provision of Section 115JB) in October/December 2019. The assessee opted for the DTVsV Scheme on 09/10/2020 to settle the case, adopting a disputed amount of ₹ 4.14 crore. Audit observed that the assessee arrived at the disputed amount by taking into consideration relief of ₹ 1.64 crore by the Hon'ble ITAT and ₹ 2.50 crore by Ld. CIT(A) for additions under Section 115JB towards depreciation on land amortised. Audit examination revealed that the DA while computing the amount payable by the assessee under DTVsV Scheme 2020, computed tax of ₹ 35.19 lakh on a disputed amount of ₹ 4.14 crore under special provisions of Section 115JB. However, the assessee was liable to pay tax of ₹ 3.21 crore under normal provisions of the Income Tax Act, 1961. This resulted in the short determination of the amount payable of ₹ 2.86 crore. Further, Audit could not ascertain whether the concerned Assessing Officer passed the consequential effect order, as a copy of the same was not provided to Audit. The observation was issued to the Department in April 2024. Reply of the Ministry is awaited (June 2026).
2	Jharkhand / PCIT-Ranchi	S18/ xxxxxxxxxx / 2017-18/ ₹ 37.22 lakh	The assessee was in appeal before CIT(A) against the addition of ₹ 79.69 lakhs made during assessment under Section 143(3) in December 2019. The assessee opted for DTVsV Scheme on 22/01/2021 to settle the case. After accepting the proposal, the DA computed

Sl. No.	State/ PCIT/ CIT Charge	Name of Assessee /PAN /AY/ Tax Effect	Audit Observations
			₹ 24.57 lakh as the amount payable under the DTVsV Scheme by the assessee. The assessee paid the requisite amount, and accordingly, Form-5 was issued on 11/03/2022 by the Department. Audit examination revealed that the DA, while computing the amount payable under the DTVsV Scheme, determined ₹ 24.57 lakh instead of the correct amount of ₹ 61.79 lakh. This resulted in a short computation of the amount payable of ₹ 37.22 lakh. The observation was issued to the Department in August 2023. Reply of the Ministry is awaited (June 2026).
3	Karnataka and Goa/ PCIT (Central), Bengaluru	K8/ xxxxxxxxxx/ 2018-19/ ₹ 22.81 lakh	The assessee was in appeal before CIT(A) against the addition of ₹ 43.75 lakh made during assessment under Section 143(3) in December, 2019. The assessee opted for DTVsV Scheme on 30/12/2020 to settle the case. The DA, while computing the amount payable under the DTVsV Scheme, determined ₹ 19.44 lakh, which was paid by the assessee. Accordingly, Form-5 was issued on 14/12/2021 by the Department. Audit examination revealed that the amount payable was incorrectly computed at ₹19.44 lakh instead of ₹ 42.25 lakh. This resulted in an undercharge of a disputed tax of ₹ 22.81 lakh. The Department accepted the audit observation and stated (May 2024) that notice was issued to the assessee to take remedial action as per law. Reply of the Ministry is awaited (June 2026).

Annexure 5.4
Cases of interest paid by the Department under Section 244A of Income Tax Act, 1961, not recovered in cases settled under DTVsV Scheme
(Refer to para 5.2)

Sl. No.	State	PCIT	Name of Assessee	PAN	AY	Tax Effect (₹ In lakh)
1	Delhi	PCIT -4, Delhi	N18 Ltd.	xxxxxxxxxx	2005-06	42,332.44
2	Delhi	PCIT -4, Delhi	N18 Ltd.	xxxxxxxxxx	2009-10	22,801.51
3	Delhi	PCIT -4, Delhi	G3 Ltd.	xxxxxxxxxx	1998-99	2,664.30
4	Delhi	PCIT -4, Delhi	G3 Ltd.	xxxxxxxxxx	1999-2000	573.20
5	Delhi	PCIT -4, Delhi	I8 Ltd.	xxxxxxxxxx	2000-01	5.55
6	Delhi	PCIT (Intl. Taxn.)-3, Delhi	U2	xxxxxxxxxx	2009-10	1.58
7	Delhi	PCIT (Intl. Taxn.)-3, Delhi	U2	xxxxxxxxxx	2013-14	1.07
8	Delhi	PCIT-12, Delhi	K12	xxxxxxxxxx	2004-05	12.24
9	Delhi	PCIT-12, Delhi	D16	xxxxxxxxxx	2009-10	4.41
10	Delhi	PCIT-12, Delhi	K12	xxxxxxxxxx	2005-06	8.06
11	Delhi	PCIT-7, Delhi	U3 Pvt. Ltd.	xxxxxxxxxx	2007-08	3.32
12	Delhi	PCIT-7, Delhi	S60 Ltd.	xxxxxxxxxx	2009-10	97.80
13	Delhi	PCIT-7, Delhi	S60 Ltd.	xxxxxxxxxx	2011-12	32.23
14	Delhi	PCIT (Central)-1, Delhi	B26 Pvt. Ltd.	xxxxxxxxxx	2010-2011	19.46
15	Delhi	PCIT -4, Delhi	I8 Ltd.	xxxxxxxxxx	2005-06	229.55
16	Delhi	PCIT-1, Delhi	D18	xxxxxxxxxx	2004-05	56.98
17	Delhi	PCIT -4, Delhi	H10 Ltd.	xxxxxxxxxx	2004-05	265.79
18	Rajasthan	PCIT, Udaipur	U1	xxxxxxxxxx	2015-16	0.08
19	Rajasthan	PCIT, Udaipur	A5 Pvt. Ltd.	xxxxxxxxxx	2012-13	2.11
20	Rajasthan	PCIT, Udaipur	S31	xxxxxxxxxx	2017-18	0.09

Sl. No.	State	PCIT	Name of Assessee	PAN	AY	Tax Effect (₹ In lakh)
21	Madhya Pradesh	PCIT-1, Indore	J12	xxxxxxxxxx	2012-13	13.32
22	Maharashtra	PCIT-3, Mumbai	S43 Pvt. Ltd.	xxxxxxxxxx	2008-09	206.19
23	Assam	PCIT-Guwahati	B19	xxxxxxxxxx	2011-12	0.36
24	Meghalaya	PCIT, Shillong	N17 Ltd.	xxxxxxxxxx	2011-12	49.50
25	Meghalaya	PCIT, Shillong	O2 Ltd.	xxxxxxxxxx	2006-07	31,632.98
26	Meghalaya	PCIT, Shillong	O2 Ltd.	xxxxxxxxxx	2005-06	7,545.25
27	Meghalaya	PCIT, Shillong	O2 Ltd.	xxxxxxxxxx	2004-05	148.93
28	Meghalaya	PCIT, Shillong	G13 Ltd.	xxxxxxxxxx	2003-04	1.75
29	Jharkhand	PCIT, Ranchi	G12 Pvt. Ltd.	xxxxxxxxxx	2010-11	0.10
30	Jharkhand	PCIT, Dhanbad	S25	xxxxxxxxxx	2010-11	0.05
31	Jharkhand	PCIT, Dhanbad	S14 Pvt. Ltd	xxxxxxxxxx	2011-12	0.22
32	Jharkhand	PCIT, Dhanbad	S33 Pvt. Ltd.	xxxxxxxxxx	2003-04	0.14
33	West Bengal	PCIT-1, Kolkata	D1	xxxxxxxxxx	2008-09	7,256.95
34	West Bengal	CIT (Intl. Taxn.&TP), Kolkata	O7	xxxxxxxxxx	2010-11	258.12
35	West Bengal	CIT (Intl. Taxn.& TP), Kolkata	O8	xxxxxxxxxx	2007-08	124.81
36	West Bengal	CIT (Intl. Taxn.& TP), Kolkata	O7	xxxxxxxxxx	2005-06	97.00
37	West Bengal	CIT (Intl. Taxn. &TP), Kolkata	O7	xxxxxxxxxx	2007-08	72.87
38	West Bengal	CIT (Intl. Taxn. &TP), Kolkata	O7	xxxxxxxxxx	2014-15	71.59
39	West Bengal	PCIT-1, Kolkata	B28 Ltd.	xxxxxxxxxx	2002-03	40.51
40	West Bengal	CIT (Intl. Taxn.&TP), Kolkata	O7	xxxxxxxxxx	2011-12	28.12
41	West Bengal	CIT (Intl. Taxn.&TP), Kolkata	O8	x xxxxxxxxxx	2006-07	11.89

Sl. No.	State	PCIT	Name of Assessee	PAN	AY	Tax Effect (₹ In lakh)
42	West Bengal	PCIT-2, Kolkata	K18 Pvt. Ltd.	xxxxxxxxxx	2014-15	1.08
43	West Bengal	PCIT-1, Kolkata	D15 Ltd.	xxxxxxxxxx	2014-15	0.52
44	West Bengal	PCIT-2, Kolkata	S37 Pvt. Ltd.	xxxxxxxxxx	2012-13	0.23
45	West Bengal	PCIT (Central) 1, Kolkata	S32 Ltd.	xxxxxxxxxx	2010-11	0.08
46	West Bengal	PCIT (Central), Kolkata	B20 Ltd	xxxxxxxxxx	2009-10	5.48
47	Haryana	PCIT, Faridabad	D17 Pvt. Ltd.	xxxxxxxxxx	2007-08	12.63
48	Karnataka	PCIT (Central), Karnataka & Goa	C1	xxxxxxxxxx	2018-19	19.70
49	Karnataka	PCIT (Central), Karnataka & Goa	C1	xxxxxxxxxx	2015-16	32.78
50	Karnataka	PCIT-2, Bengaluru	T11	xxxxxxxxxx	2009-10	13.26
51	Goa	PCIT-Panaji	S6	xxxxxxxxxx	2007-08	27.09
52	Karnataka	PCIT (Central), Bengaluru	C1	xxxxxxxxxx	2014-15	2.04
53	Karnataka	PCIT-3, Bengaluru	I6 Pvt. Ltd.	xxxxxxxxxx	2014-15	8.57
54	Telangana	CIT(IT&T), Hyderabad	S46 Ltd.	xxxxxxxxxx	1993-94	(-) 31.34
55	Andhra Pradesh	PCIT-1, Vishakhpattnam	K11 Pvt. Ltd.	xxxxxxxxxx	2012-13	0.17
Total						**1,16,827.39**

Annexure 5.5
Incorrect determination of tax payable in Search cases
(Refer to Para 5.3)

Sl. No.	State	PCIT	Name of Assessee	PAN	AY	Tax Effect (₹ in lakh)
1	Delhi	PCIT (Central)-2, Delhi	C19	xxxxxxxxxx	2011-12	18.38
2	Delhi	PCIT (Central)-2, Delhi	A1 Pvt. Ltd.	xxxxxxxxxx	2011-12	8.47
3	Delhi	PCIT-1, Delhi	B9 Pvt. Ltd.	xxxxxxxxxx	2010-11	30.29
4	Tamil Nadu	PCIT-1, Chennai	A29 Pvt. Ltd.	xxxxxxxxxx	2015-16	7.7
5	Chhattisgarh	PCIT (Central), Bhopal	R19 Pvt. Ltd.	xxxxxxxxxx	2011-12	168.61
6	Maharashtra	PCIT (Central), Pune	P21 Ltd.	xxxxxxxxxx	2013-14	8.88
7	Maharashtra	PCIT-1, Nashik	M10 Pvt. Ltd.	xxxxxxxxxx	2011-12	11.73
8	Uttar Pradesh	PCIT (Central), Kanpur	S10 Pvt. Ltd.	xxxxxxxxxx	2008-09	124.72
9	Uttar Pradesh	PCIT-1, Agra	S10 Pvt. Ltd.	xxxxxxxxxx	2009-10	13.87
10	Uttar Pradesh	PCIT-1, Agra	S35 Pvt. Ltd.	xxxxxxxxxx	2006-07	1.7
11	Uttar Pradesh	PCIT(Central), Lucknow	B2	xxxxxxxxxx	2011-12	8.48
12	BIHAR	PCIT (Central), Ranchi	S59 Pvt. Ltd.	xxxxxxxxxx	2011-12	0.88
13	West Bengal	PCIT (Central)-2, Kolkata	A9	xxxxxxxxxx	2012-13	15.42
14	West Bengal	PCIT (Central)-1, Kolkata	I10	xxxxxxxxxx	2012-13	9.08
15	Haryana	PCIT, Panchkula	J6 Pvt. Ltd.	xxxxxxxxxx	2006-07	0.42
16	Haryana	PCIT, Panchkula	D21 Ltd.	xxxxxxxxxx	2005-06	7.49
17	Haryana	PCIT, Rohtak	A28 Pvt. Ltd.	xxxxxxxxxx	2012-13	3.09
18	Punjab	PCIT (Central), Ludhiana	D10 Pvt. Ltd.	xxxxxxxxxx	2012-13	24.33
19	Punjab	PCIT(Central), Ludhiana	R16	xxxxxxxxxx	2011-12	1.34
20	Karnataka	PCIT (Central), Karnataka and Goa	D11 Pvt. Ltd.	xxxxxxxxxx	2009-10	21.34
21	Karnataka	PCIT (Central), Karnataka and Goa	D11 Pvt. Ltd.	xxxxxxxxxx	2010-11	8.5
22	Karnataka	PCIT (Central), Karnataka and Goa	S69 Pvt. Ltd.	xxxxxxxxxx	2015-16	29.32

Sl. No.	State	PCIT	Name of Assessee	PAN	AY	Tax Effect (₹ in lakh)
23	Goa	CIT (International Taxation), Karnataka and Goa	S77	xxxxxxxxxx	2011-12	8.24
24	Karnataka	PCIT (Central), Karnataka and Goa	S78 Pvt. Ltd.	xxxxxxxxxx	2009-10	12.75
25	Andhra Pradesh	PCIT (Central), Visakhapatnam	R21 Pvt. Ltd.	xxxxxxxxxx	2006-07	1.38
26	Telangana	PCIT (Central), Hyderabad	A20 Ltd.	xxxxxxxxxx	2011-12	41.42
27	Andhra Pradesh	PCIT (Central), Visakhapatnam	S52	xxxxxxxxxx	2011-12	1.65
28	Andhra Pradesh	PCIT (Central), Visakhapatnam	S82	xxxxxxxxxx	2009-10	1.35
29	Andhra Pradesh	PCIT(Central), Visakhapatnam	O5 Pvt. Ltd.	xxxxxxxxxx	2009-10	1.16
30	Andhra Pradesh	PCIT (Central), Visakhapatnam	P6	xxxxxxxxxx	2011-12	2.2
31	Andhra Pradesh	PCIT (Central), Visakhapatnam	M27	xxxxxxxxxx	2011-12	1.39
32	Andhra Pradesh	PCIT (Central), Visakhapatnam	R20	xxxxxxxxxx	2009-10	1.29
33	Telangana	PCIT-2, Hyderabad	K21 Pvt. Ltd.	xxxxxxxxxx	2012-13	3.86
34	Telangana	PCIT-2, Hyderabad	L4	xxxxxxxxxx	2011-12	16.24
Total						**616.97**

Annexure 5.6
Incorrect determination of tax payable in Search cases
(Refer to Para 5.3)

Sl. No.	State/ PCIT/ CIT	Name of Assessee /PAN /AY/ Tax Effect	Audit Observations
1	Telangana/ PCIT (Central) Hyderabad	M/s A20 Ltd./ xxxxxxxxxx / 2011-12/ ₹ 41.41 lakh	The assessee was in appeal before ITAT against the addition of ₹ 2.45 crore made during assessment under Section 153C in March 2015 and before ITAT against the addition of ₹ 5.91 crore made during assessment under Section 143(3) r.w.s. 147 in December 2018. The assessee opted for the DTVsV Scheme in December 2020 to settle the case for ₹ 6.49 crore (₹ 1.50 crore out of ₹ 2.45 crore and ₹ 4.99 crore out of ₹ 5.91 crore). Audit examination revealed that the DA, while computing the total amount payable under the DTVsV Scheme, charged 100 *per cent* of tax on the disputed amount of ₹ 4.99 crore instead of the applicable rate of 125 *per cent* and accordingly, Form-5 was issued. The omission resulted in an undercharge of tax of ₹ 41.41 lakh. Further, the Jurisdictional Assessing Officer (JAO) issued a consequential effect order under Section 5(2) of the DTVsV Act, 2020 on 07/12/2021 in this case, wherein the JAO also did not take cognisance of it. *The Department did not accept the audit observation stating (September 2023) that as per clarification of para 4 of CBDT's circular No 4/2021 in F. No. IT(A)/1/2020-TPL, dated 20/03/2021, could not be treated as a search case.* Reply of the Department is not tenable in view of the FAQ No.70 of CBDT circular no.21/2020 dt.4/12/2020 read with clarification issued by CBDT vide aforesaid circular no. 04/2021 dated 23/03/2021, which states that a 'search case' means an assessment or reassessment made under Section 143(3)/144/147/153A/153C/ 158BC of the Income Tax Act in the case of a person referred to in section 153A or section 153C or section 158BC or section 158BD of the

Sl. No.	State/ PCIT/ CIT	Name of Assessee /PAN /AY/ Tax Effect	Audit Observations
			Income Tax Acton the basis of search initiated under Section 132, or requisition made under Section 132A of the Income Tax Act. In the instant case, the assessment was re-opened based on the information obtained in the Search and Seizure operation under Section 132 in the case of M/s C20 in February 2015 and accordingly completed under Section 147 in December 2018 after making an addition of ₹ 5.91 crore. Further, in Rajasthan, PCIT-1, Jaipur charge, audit noticed five cases[27], out of the audited sample that these cases were opened on the basis of information received from the Investigation Wing pursuant to a search operation carried out in other assessee's premises *viz*. search conducted in Praveen Kumar Jain and his group and based on the material found during this search, the case of M/s R15 Pvt. Ltd, M/s B12 Pvt. Ltd. was opened by issuing notice under Section 148 of Income Tax Act etc. and the assessments were completed under Section 147/143(3) of the Income Tax Act, 1961. The DA treated these cases as search cases and levied disputed tax at the rate of 125 *per cent* under DTVsV Scheme 2020. In view of the above, the Department may reconsider its reply. Reply of the Ministry is awaited (June 2026).
2	Delhi/ PCIT-1	M/s B9 Pvt. Ltd./ xxxxxxxxxx / 2010-11/ ₹ 30.29 lakh	The time for filing an appeal by the Department before Hon'ble High Court against total relief of ₹ 7.14 crore by ITAT in January 2020 was not lapsed as on specified date, i.e. 31/01/2020. The assessee opted for the DTVsV Scheme on 25/05/2020 to settle the case. Audit observed from the assessment order under Section 147/143(3) dt.30/12/2017 that the case of the assessee was opened under reference to its name in another assessees' search case. Audit

[27] M/s B12 Pvt. Ltd. (PAN- xxxxxxxxxx /AY2009-10), M/s R15 Pvt. Ltd. (PAN- xxxxxxxxxx /AY2010-11), S65 (PAN-xxxxxxxxxx/2009-10), M/s S13 Pvt. Ltd. (PAN- xxxxxxxxxx /AY2006-07) and S19 (PAN- xxxxxxxxxx /AY2010-11).

Sl. No.	State/ PCIT/ CIT	Name of Assessee /PAN /AY/ Tax Effect	Audit Observations
			further observed that the DA, while computing the amount payable under the DTVsV Scheme, 2020, determined the tax at the rate of 50 *per cent* of the 100 *per cent* of the disputed tax instead of 50 *per cent* of the 125 *per cent* of the disputed tax being a search case. Accordingly, on adjustment of prepaid taxes, Form-5 was issued on 06/05/2022 under the DTVsV Act 2020 by the Department. This resulted in the short determination of the amount payable of ₹ 30.29 lakh. Subsequently, while passing the consequential effect order under Section 5(2) of the DTVsV Act on 07/09/2022, the Jurisdictional Assessing Officer did not take cognisance of it. The observation was issued to the Department in April 2024. Reply of the Ministry is awaited (June 2026).

Annexure 5.7
Undisputed tax/interest not included in the total tax payable under DTVsV Scheme
(Refer to para 5.4)

Sl. No.	State	PCIT	Name of Assessee	PAN	AY	Tax Effect (₹ in lakh)
1	Delhi	PCIT (Central)-3, Delhi	C12 Ltd./S26 Ltd.	xxxxxxxxxx / xxxxxxxxxx A	2009-10	0.05
2	Delhi	PCIT (Central)-3, Delhi	K17 Pvt. Ltd.	xxxxxxxxxx	2012-13	0.11
3	Delhi	PCIT-10, Delhi	S17	xxxxxxxxxx	2016-17	0.03
4	Gujarat	PCIT (Central), Ahmedabad	T7 Ltd.	xxxxxxxxxx	2017-18	527.58
5	Gujarat	PCIT (Central), Ahmedabad	A6 Ltd.	xxxxxxxxxx	2010-11	1.34
6	Gujarat	PCIT-1, Vadodara	S5 Pvt. Ltd.	xxxxxxxxxx	2014-15	173.20
7	Gujarat	PCIT-1, Ahmedabad	C7 Ltd.	xxxxxxxxxx	2017-18	25.46
8	Gujarat	PCIT (Central), Ahmedabad	A36 Pvt. Ltd.	xxxxxxxxxx	2011-12	1.57
9	Tamil Nadu	PCIT-1, Chennai	E8 Ltd.	xxxxxxxxxx	2007-08	133.24
10	Tamil Nadu	PCIT-2, Chennai	C2	xxxxxxxxxx	2011-12	2.50
11	Tamil Nadu	PCIT-1, Chennai	E7	xxxxxxxxxx	2006-07	45.29
12	Tamil Nadu	PCIT-1, Chennai	E7	xxxxxxxxxx	2007-08	1,291.18
13	Tamil Nadu	PCIT, Coimbatore	K20 Pvt. Ltd	xxxxxxxxxx	2015-16	2.63
14	Madhya Pradesh	PCIT-1, Bhopal	M14	xxxxxxxxxx	2008-09	0.07
15	Madhya Pradesh	PCIT (Central), Bhopal	L11	xxxxxxxxxx	2008-09	0.37
16	Madhya Pradesh	PCIT-1, Indore	S23	xxxxxxxxxx	2011-12	0.4
17	Madhya Pradesh	PCIT-1, Bhopal	T6 Ltd.	xxxxxxxxxx	2013-14	8.58
18	Maharashtra	PCIT (Central)-4, Mumbai	S1 Ltd.	xxxxxxxxxx	2009-10	51.98
19	Maharashtra	PCIT (Central)-4, Mumbai	I1 Ltd.	xxxxxxxxxx	2010-11	8.77
20	Maharashtra	PCIT (Central)-2, Mumbai	Z1 Ltd.	xxxxxxxxxx	2009-10	45.12
21	Maharashtra	PCIT (Central)-2, Mumbai	F2	xxxxxxxxxx	2014-15	4.95
22	Uttarakhand	PCIT (Central), Kanpur	D22	xxxxxxxxxx	2009-10	18.72

Sl. No.	State	PCIT	Name of Assessee	PAN	AY	Tax Effect (₹ in lakh)
23	BIHAR	PCIT-1, Patna	R18 Pvt. Ltd.	xxxxxxxxxx	2017-18	1.53
24	BIHAR	PCIT-1, Patna	P12	xxxxxxxxxx	2017-18	0.26
25	BIHAR	PCIT (Central), Patna	A18 Pvt. Ltd.	xxxxxxxxxx	2012-13	8.74
26	Jharkhand	PCIT, Ranchi	K1 Pvt. Ltd.	xxxxxxxxxx	2012-13	3.26
27	Jharkhand	PCIT, Ranchi	S61 Pvt. Ltd.	xxxxxxxxxx	2012-13	1.39
28	Jharkhand	PCIT, Dhanbad	R10	xxxxxxxxxx	2008-09	1.93
29	Jharkhand	PCIT, Dhanbad	K10 Pvt. Ltd.	xxxxxxxxxx	2011-12	0.27
30	Jharkhand	PCIT, Dhanbad	A12 Pvt. Ltd.	xxxxxxxxxx	2015-16	0.20
31	Jharkhand	PCIT, Dhanbad	K16	xxxxxxxxxx	2011-12	0.01
32	Jharkhand	PCIT, Dhanbad	P4	xxxxxxxxxx	2013-14	0.00
33	Jharkhand	PCIT, Ranchi	N13	xxxxxxxxxx	2012-13	0.26
34	Jharkhand	PCIT, Dhanbad	B8	xxxxxxxxxx	2003-04	0.01
35	Kerala	PCIT (Exemptions), Kochi	T10	xxxxxxxxxx	2011-12	14.28
36	Kerala	PCIT, Kochi	C14	xxxxxxxxxx	2014-15	0.18
37	Haryana	PCIT, Faridabad	A38 Pvt. Ltd.	xxxxxxxxxx	2009-10	25.5
38	Haryana	PCIT, Rohtak	N4	xxxxxxxxxx	2011-12	0.28
39	Haryana	PCIT, Faridabad	C5 Ltd.	xxxxxxxxxx	2006-07	179.06
40	Karnataka	CIT-International Taxation, Bengaluru	I5	xxxxxxxxxx	2009-10	108.98
41	Karnataka	PCIT (Central), Karnataka and Goa	J13	xxxxxxxxxx	2014-15	1.43
42	GOA	PCIT, Panaji	S6	xxxxxxxxxx	2007-08	7.33
43	Telangana	PCIT-1, Hyderabad	A21 Pvt. Ltd.	xxxxxxxxxx	2014-15	4.18
44	Telangana	PCIT (Central), Hyderabad	V4 Pvt Ltd.	xxxxxxxxxx	2015-16	5.89
45	Andhra Pradesh	PCIT (Central), Visakhapatnam	M29	xxxxxxxxxx	2008-09	4.66
46	Telangana	PCIT-1, Hyderabad	S67 Pvt Ltd.	xxxxxxxxxx	2012-13	28.89
47	Telangana	PCIT-4, Hyderabad	H4	xxxxxxxxxx	2011-12	0.81
			Total			**2,742.47**

Annexure 5.8
Extending the benefit of the Scheme to ineligible assesses
(Refer to para 5.5)

Sl. No.	State	PCIT/ AO Charge	Name of Assessee	PAN no	Assessment Year	Tax Effect (₹ in lakh)
1	Delhi	PCIT (Central)-2, Delhi	S44 Pvt. Ltd.	xxxxxxxxxx	2008-09	11.78
2	Delhi	CIT-12, Delhi	S81	xxxxxxxxxx	2017-18	4.85
3	Gujarat	PCIT-1, Vadodara	R7	xxxxxxxxxx	2012-13	1.95
4	Tamil Nadu	PCIT, Coimbatore	L10 Ltd.	xxxxxxxxxx	1991-92	17.69
5	Madhya Pradesh	PCIT (Central) Bhopal	R12	xxxxxxxxxx	2006-07	32.80
6	Madhya Pradesh	PCIT (Central), Bhopal	R12	xxxxxxxxxx	2007-08	15.67
7	Uttar Pradesh	PCIT-1, Agra	A34	xxxxxxxxxx	2010-11	13.12
8	Uttar Pradesh	PCIT-1, Kanpur	T5	xxxxxxxxxx	1986-87	0.47
9	Uttarakhand	PCIT, Dehradun	O4 Pvt. Ltd.	xxxxxxxxxx	2001-02	559.80
10	Jharkhand	PCIT, Dhanbad	B18	xxxxxxxxxx	2007-08	2.86
11	Jharkhand	PCIT, Dhanbad	V2	xxxxxxxxxx	2014-15	6.90
12	West Bengal	PCIT-13, Kolkata	G6	xxxxxxxxxx	2009-10	6.31
13	West Bengal	PCIT-5, Kolkata	G5 Pvt. Ltd.	xxxxxxxxxx	2015-16	0.69
14	West Bengal	PCIT (Central)-2, Kolkata	S71	xxxxxxxxxx	2011-12	5.50
15	Punjab	PCIT-1, Jalandhar	L2	xxxxxxxxxx	2012-13	0.79
16	Jammu & Kashmir	PCIT, Srinagar	V1 Pvt. Ltd.	xxxxxxxxxx	2017-18	4.17
17	Telangana	PCIT-1, Hyderabad	S51	xxxxxxxxxx	2011-12	11.12
Total						**696.47**

Annexure 5.9
Cases of incorrect adjustment of MAT credit
(Refer to para 5.6)

Sl. No.	State	PCIT/ AO Charge	Name of Assessee	PAN no	Assessment Year	Tax Effect (₹ in lakh)
1	Delhi	PCIT (Central)-2, Delhi	A22 Ltd.	xxxxxxxxxx	2008-09	12.22
2	Karnataka	PCIT (Central), Karnataka & Goa	B25 Ltd.	xxxxxxxxxx	2016-17	281.15
Total						**293.37**

Annexure 5.10
Incorrect allowance of carry forward of loss or unabsorbed depreciation
(Refer to para 5.7)

Sl. No.	State	PCIT/ AO Charge	Name of Assessee	PAN	AY	Tax Effect (₹ in lakh)
1	Tamil Nadu	PCIT-1, Chennai	J7 Pvt. Ltd.	xxxxxxxxxx	2017-18	2,884.84
2	Tamil Nadu	PCIT (Central)-2, Chennai	T15 Pvt. Ltd.	xxxxxxxxxx	2009-10	26.78
3	Tamil Nadu	PCIT (Central)-2, Chennai	T15 Pvt. Ltd.	xxxxxxxxxx	2010-11	4.02
4	Jharkhand	PCIT, Dhanbad	A32 Pvt. Ltd.	xxxxxxxxxx	2009-10	6.57
5	Jharkhand	PCIT, Dhanbad	M3 Pvt. Ltd.	xxxxxxxxxx	2010-11	0.83
6	Jharkhand	PCIT, Ranchi	P8 Pvt. Ltd.	xxxxxxxxxx	2011-12	1.00
7	Jharkhand	PCIT, Ranchi	D14	xxxxxxxxxx	2014-15	5.04
8	Meghalaya	PCIT, Shillong	N17 Ltd.	xxxxxxxxxx	2009-10	860.41
Total						**3,789.49**

Annexure 5.11
Incorrect refund paid to the assessee
(Refer to para 5.8)

Sl. No.	State	PCIT/ AO Charge	Name of Assessee	PAN	AY	Tax Effect (₹ in lakh)
1	Maharashtra	PCIT-1, Pune	S29 Ltd.	xxxxxxxxxx	2012-13	14.89
2	Maharashtra	PCIT-3, Mumbai	S43 Pvt. Ltd.	xxxxxxxxxx	2008-09	63.32
3	West Bengal	CIT (Intl. Taxn. &TP), Kolkata	K2	xxxxxxxxxx	2017-18	0.73
4	West Bengal	PCIT-Central-1, Kolkata	N1	xxxxxxxxxx	2011-12	3.70
5	Karnataka	PCIT-1, Bengaluru	B22 Ltd.	xxxxxxxxxx	2002-03	31.93
6	Karnataka	PCIT (Central), Bengaluru	L7 Pvt. Ltd.	xxxxxxxxxx	2016-17	1.66
7	Karnataka	PCIT-3, Bengaluru	I6 Pvt. Ltd.	xxxxxxxxxx	2014-15	51.96
8	Goa	PCIT, Panaji	C17	xxxxxxxxxx	2013-14	33.21
Total						**201.40**

Annexure 5.12
Cases of incorrect imposition of penalty
(Refer to para 5.9)

Sl. No.	State	PCIT	Name of Assessee	PAN no	AY	Tax Effect (₹ in lakh)
1	Delhi	PCIT (Central)-3, Delhi	R2	xxxxxxxxxx	2011-12	2.6
2	Rajasthan	PCIT-2, Jaipur	N2	xxxxxxxxxx	2015-16	0.11
3	Rajasthan	PCIT, Jodhpur	A13 Pvt. Ltd.	xxxxxxxxxx	2016-17	0.03
4	Rajasthan	PCIT-(Exemption), Jaipur	G15	xxxxxxxxxx	2009-10	0.20
5	Assam	PCIT-Central, Guwahati	B10 Ltd.	xxxxxxxxxx	2011-12	0.58
6	Karnataka	CIT (Exemptions), Bengaluru	M25	xxxxxxxxxx	2012-13	37.03
7	Telangana	CIT(Intl. Taxn. &TP), Hyderabad	S58	xxxxxxxxxx	2008-09	6.65
8	Odisha	PCIT-1, Bhubaneswar	J2 Pvt. Ltd.	xxxxxxxxxx	2011-12	3.82
9	Odisha	PCIT-1, Bhubaneswar	G11 Pvt. Ltd.	xxxxxxxxxx	2009-10	0.77
10	Odisha	PCIT, Sambalpur	H2 Pvt. Ltd.	xxxxxxxxxx	2013-14	1.42
			Total			**53.21**

Annexure-6.1
Lack of co-ordination with Appellate Authority
(Refer to para 6.3)

Sl. No.	State	PCIT	Name of Assessee	PAN	AY
1	Delhi	PCIT-7, Delhi	S47 Pvt. Ltd.	xxxxxxxxxx	2012-13
2	Delhi	PCIT-7, Delhi	S60 Ltd.	xxxxxxxxxx	2011-12
3	Delhi	PCIT-7, Delhi	S60 Ltd.	xxxxxxxxxx	2010-11
4	Delhi	IT-2	P11 Ltd.	xxxxxxxxxx	2014-15
5	North Eastern Region	PCIT, Guwahati	K14	xxxxxxxxxx	2009-10
6	Uttar Pradesh	PCIT-1, Agra	R3 Pvt. Ltd.	xxxxxxxxxx	2010-11

Glossary

Abbreviation	Description
AI	Assessed Income
AM	Audit Memo
AO	Assessing Officer
AY	Assessment Year
C&AG	Comptroller and Auditor General of India
CBDT	Central Board of Direct Taxes
CEO	Consequential Effect Order
CIT	Commissioner of Income Tax
CIT(A)	Commissioner of Income Tax (Appeal)
CCIT	Chief Commissioner of Income Tax
CPC	Centralized Processing Centre
DA	Designated Authority
DCIT	Deputy Commissioner of Income Tax
DCR	Demand and Collection Register
DGACR	Director General of Audit, Central Receipt
DGIT	Director General of Income Tax
DIT	Directorate of Income Tax
DTVsV	Direct Tax Vivad Se Vishwas
Exem.	Exemption
DOR	Department of Revenue
FAQ	Frequently Asked Questions
FAO	Field Audit Office
FY	Financial Year
HOD	Head of the Department
Intl. Taxn.	International Taxation
IT	Information Technology
ITAT	Income Tax appellate Tribunal
ITBA	Income Tax Business Application
ITD	Income Tax Department
ITO	Income Tax Officer
ITR	Income Tax Return
Inv.	Investigation
JAO	Jurisdictional Assessing Officer
MAT	Minimum Alternate Tax
MIS	Management Information System
OIOS	One Indian Audit & Accounts Department One System
PAN	Permanent Account Number
PDAC	Principal Director of Audit (Central)
PCIT	Principal Commissioner of Income Tax
PCCIT	Principal Chief Commissioner of Income Tax

Abbreviation	Description
Pr. DGIT	Principal Director General of Income Tax
r.w.s.	read with section
SOP	Standard Operating Procedure
SSCA	Subject Specific Compliance Audit
TCS	Tax Collected at Source
TDS	Tax Deducted at Source
TP	Transfer Pricing
TE	Tax Effect