
SETTLEMENT COMMISSION- PRACTICE & PROCEDURES

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INCOME TAX SETTLEMENT COMMISSION

Income Tax Settlement Commission (ITSC) is a premier Alternative Dispute Resolution Body in India with the mandate to resolve tax dispute in respect of Income Tax and Wealth Tax Laws between two disputing parties – Income Tax Department on one side and Litigating Tax Payer on the other side

INCOME TAX SETTLEMENT COMMISSION

- ITSC was set up in the year 1976 on the recommendations of “**Direct Tax Enquiry Committee**” set up under the Chairmanship of Justice K. N. Wanchoo popularly known as “**Wanchoo Committee**”.
- The objective of setting up of this Commission is to settle the tax liabilities in complicated cases avoiding endless and prolonged litigations and consequential strain on investigational resources of Income-tax Department.

INCOME TAX SETTLEMENT COMMISSION

- This commission comprises persons of integrity and outstanding ability, having special knowledge of and experience in, problems relating to direct taxes and business accounts. Mostly the Chief Commissioner of Income Tax are selected for the post of Bench Members (Judges)
- ITSC is an independent quasi-judicial authority. It is an attached office of the Department of Revenue

INCOME TAX SETTLEMENT COMMISSION

- ❑ Chapter XIX-A contains the provisions relating to Settlement of Cases Section 245A to 245L
- ❑ Settlement Commission comprises of Chairman and as many Vice-chairmen and other members as Central Government thinks fit.
- ❑ At present there are four benches of settlement commissions. Delhi Bench is Principal Bench and other benches- Chennai, Mumbai & Kolkata are known as Additional Benches.

SCOPE & POWER OF ITSC

- ITSC mechanism allows taxpayer to disclose additional income before it over and above what has been already been disclosed before Income Tax Authority. Applicant can disclose additional income which has not been disclosed before IT Authority. The assessee is referred to as “Applicant” in the ITSC proceedings
- The applicant has to pay full amount of tax and interest on additional income disclosed before ITSC before filing of Settlement Application – Form No 34B

SCOPE & POWER OF ITSC

- ❑ ITSC decides upon the admissibility of applications and carries out the process of settlement in time bound manner by giving opportunity to both the parties- IT Department as well as assessee. The case is settled within a 18 months from date of filing of application before ITSC
- ❑ Object of Chapter XIX-A is not to give amnesty to tax evader from paying tax due but to see that protracted litigation is avoided and Revenue is collected faster.
- ❑ CIT Vs Anjum Ghaswala 252 ITR 1 (SC)
- ❑ CIT Vs Om Prakash Mittal 273 ITR 326 (SC)

WHEN ONE CAN APPROACH ITSC

- ❑ An applicant can approach ITSC in respect of a “**Case**” if no assessment order is passed by concerned IT authority in respect of the assessment year/s and the statutory time limits for passing of assessment order for that assessment year has not lapsed. Section 245A(b) is amended by the Finance Act 2007 W. e. f. 01/06/2007
- ❑ The term “**Case**” is defined u/s 245A(b) to mean any “**proceedings**” which are pending before AO on the date on which an application is submitted u/s 245C(1).

WHEN ONE CAN APPROACH ITSC

- The Finance Act 2007 amended the definition of term “**Case**” as contained in section 245A(b). Before amendment by Finance Act 2007 “**Case**” means any proceedings under this Act for assessment or reassessment of any person in respect of any year or years or by way of appeal or revision which may be pending before the I T Authority on the date on which an application has been made u/s 245C(1)
- Prior to amendment the assessee could approach ITSC even after the assessment is completed but the appeal or revision proceedings are pending before I T Authority

AMENDMENTS BY FINANCE ACT 2007

- ❑ Finance Act 2007 restricted the definition of “**Case**” to mean as any proceedings which may be pending before an Assessing Office on the date of making application to ITSC
- ❑ Proviso to section 245A(b) was expanded to exclude proceedings of Reassessment u/s147, Assessment or reassessment for any of the assessment years u/s 153A or 153C which are in consequence of search action u/s 132 or requisition u/s 132A

AMENDMENT BY FINANCE ACT 2007

- Similarly, proceedings for making fresh assessment pursuant to an order u/s 254 or 263 or 264 were also excluded from the purview of ITSC
- Further an Explanation to section 245A(b) was added to clarify dates of commencement and conclusion of proceedings which has undergone changes by subsequent Finance Acts

AMENDMENTS BY FINANCE ACT 2010

- Definition of “Case” was very narrow before it is amended by the Finance Act 2010 by deleting sub-clause (ii) & (iii) of proviso and enlarging Explanation to section 245A(b).
- Definition of “**Case**” is expanded by Finance Act 2010 to include proceedings for assessment or reassessment referred to in section 153A or section 153C in cases of search initiated u/s 132 or requisition of books of accounts u/s 132A w. e. f. 1st June 2010

AMENDMENTS BY FINANCE ACT 2010

- ❑ After the amendment by the Finance Act 2010 the cases in which the search action is carried u/s 132 or requisition is made u/s 132A, are eligible for making application to ITSC
- ❑ However, the prerequisite is that the assessment order is not passed by AO before making application

AMENDMENTS BY FINANCE ACT 2014

- ❑ The Finance Act 2014 deleted the Proviso to section 245A(b) thereby enlarging the scope of the term "**Case**"
- ❑ Now proceedings for assessment or reassessment u/s 147/148 or fresh assessment in pursuance of an order u/s 254 or 263 or 264 setting aside or cancelling an assessment are also eligible for approaching ITSC
- ❑ Similarly, it also provided that proceedings for assessment shall be deemed to have commenced from the 1st day of assessment year

WHEN ONE CAN APPROACH ITSC

- An applicant can approach ITSC in respect of proceedings which are “**Pending**”. The expression “**Pending**” is not defined under the Income Tax Act. However, one can not approach ITSC once the assessment order is passed or time for passing the order has expired
- The Finance Act 2015 has substituted Explanation to section 245A(b) which has not only widened the scope of term “Case” but has also explained the commencement and conclusion of proceedings i. e. pendency

PENDENCY OF THE PROCEEDINGS

- For approaching ITSC proceedings must be **“Pending”** Even though the term “Pendency” of the proceedings is not defined under the I T Act Explanation to section 245A(b) defines commencement & conclusion of proceedings
- Before amendment by the Finance Act 2015 w. e. f. 01/06/2015 as per sub clause (i) (a) of the Explanation proceedings u/s 147 shall be deemed have commenced from the date on which notice under section 148 is issued.

PENDENCY OF THE PROCEEDINGS

- The Finance Act 2015 has substituted sub clause (i) of the Explanation to include the cases where notice could have been issued u/s 148 of the I T Act
- As per the amendment where no notice u/s 148 is issued, as long as a notice can be issued by the Income Tax Department, the same would constitute a case provided a return has been furnished u/s 139 or in response to a notice u/s 142.

PENDENCY OF THE PROCEEDINGS

- For example return for AY 2015-16 has been submitted u/s 139 and time limit for issuing notice u/s 143(2) is expired and no assessment is completed u/s 143(3). The assessee approaches ITSC on 20 August 2020. Since period of 6 years from end of AY 2015-16 is not expired the assessee can approach ITSC.

PENDENCY OF THE PROCEEDINGS

- Clause (iii) provides that where an assessment set aside or cancelled by the Tribunal u/s 254 or Commissioner of Income Tax u/s 263 or 264, an assessment shall be deemed to have commenced from the date on which such order, setting aside or cancelling an assessment is passed.
- Accordingly, an application to the ITSC can be made from the date of such order u/s 253 or 263 or 264 till the fresh assessment is made

PENDENCY OF THE PROCEEDINGS

- Clause (iiia) provides that proceeding for the assessment or reassessment for any assessment year/s referred to in section 153A or 153C (in case of search action or requisition u/132A) shall be deemed to have commenced from the date of issue of notice u/s 153A initiating such proceedings and concluded on the date on which such assessment is made.
- Accordingly, on notice u/s 153A or 153C being issued, any person can approach ITSC as his case would be pending.

PENDENCY OF THE PROCEEDINGS

- Sub-Clause (iv) to Explanation proceedings for assessment for any assessment year, other than mentioned in clause (i), (ii), (iii) or (iiia) shall be deemed to have commenced from the date on which return is filed u/s 139 or in response to notice u/s 142 and concluded on the date on which the assessment is made or on expiry of two years from the end of relevant assessment year
- The assessee would be eligible for filing application from the date furnishing return of income u/s 139 or in response to notice under section 142

PENDENCY OF THE PROCEEDINGS

- For e.g. assessee has filed return u/s 139 for AY 2018-19 on 30th September 2018 and no assessment is undertaken till the time limit mentioned u/s 153 i.e. The assessee still would be eligible for filing application on or before 31st March 2021
- This is very beneficial provision as the assessee can file settlement application even though no assessment is undertaken within 2 years from the end of assessment year where he finds mistakes in the return which may lead to reopening of assessment

FULL & TRUE DISCLOSURE OF ADDITIONAL INCOME

- ❑ Application to ITSC is in Form 34B
- ❑ The application must contain a **“Full and True”** disclosure of his income which has not been disclosed before the AO. **This is the most important criteria.**
- ❑ The applicants need to be very careful in drafting this part of the application. In case the information is not given correctly or deliberately incorrect information is given or hidden the application may be rejected at any stage of the proceedings

MANNER OF DERIVING OF UNDISCLOSED INCOME

- The applicant must explain the manner in which such income has been derived. **“Manner”** of deriving undisclosed is also one of the most important criteria.
- Additional amount of income tax payable on such income must be paid on or before filing of application and such other particulars as may be prescribed

PRAYER TO DETERMINE CORRECT INCOME & IMMUNITY FROM PENALTY & PROSECUTION

- The manner in which issues/disputes be settled by ITSC and the manner in which such application be disposed off must be stated in the application. This is that part of the application in which applicant makes prayer to ITSC to determine correct income and requests immunity from penalties and prosecution leviable under all section of Income Tax Act

CALCULATION TAX ON ADDITIONAL INCOME PLUS INTEREST

- Additional tax and interest thereon which would have been paid under the provisions of Act had the income disclosed in the application been declared before the AO on the date of application must be paid before the date of making application. Payment of correct tax plus interest is one of the prerequisite of a valid application.
- Method of working out additional tax and interest is given under section 245C(1A)/(1B) & (1C). Interest u/s 234B is required to be paid from the first day of assessment year.

APPLICATION FEES & INTIMATION TO AO

- ❑ Every application shall be accompanied by fee of Rs. 500/-.
- ❑ Intimation to the Assessing Officer in Form No 34BA of having made such application on the same date is one of the prerequisites of the valid application
- ❑ Intimation to AO does not mean the complete application. It is only the form no 34BA needs to be filed on the same day application is filed before ITSC

THRESHOLD LIMITS OF TAX PAYABLE FOR ELIGIBILITY

- ❑ In cases where proceedings for assessment in Search Cases are initiated u/s 153A, 153B, 153C the additional amount of income tax payable on income disclosed in the application must be Rs 50 Lacs or more. It does not include interest payable u/s 234A, B, C
- ❑ In any other case the additional amount of tax on the income disclosed in application exceeds Rs. 10 Lacs

APPLICATION BY RELATED PERSON

- W.e.f. 01/6/2011 new category of applicant has been added for the purpose of payment of additional tax in case the applicant is related to such person referred to as “**Specified Persons**”. **Specified Person** means a person who has been searched u/s 132 or in whose case requisition of books is made u/s 132A and proceedings under section 153A, 153B, 153C are initiated against such person and **such person has filed application to ITSC**. In case of such applicant the additional income tax payable shall be Rs. 10 Lakhs.

APPLICANTS RELATED TO SPECIFIED PERSON

- ❑ Explanation to section 245C(1) defines such applicant in relation to “Specified Person” to mean the following persons
- ❑ In case the “Specified Person” is **individual** , any relative of specified person
- ❑ In case the “Specified Person” is a **Company, Firm, AOP or HUF** –Director of Company, Partner of the Firm, Members of AOP or family or any relative of director, partner or member
- ❑ Any person having substantial interest in the above entities

SEC 245D PROCEDURE ON RECEIPT OF APPLICATION

- ❑ Submission of Application –Form 34B
- ❑ Hearing u/s 245D(1)
- ❑ Hearing u/s 245D(2C)
- ❑ Report under Rule 9 by PCIT and reply of Applicant thereon
- ❑ Hearing u/s 245D(3)- Time allowed to IT Department for investigation
- ❑ Hearing u/s 245D(4) & Final Order

SEC 245D PROCEDURE ON RECEIPT OF APPLICATION

- ❑ Section 245D of the I T Act set out the procedure which is to be adopted by ITSC on receipt of an application u/s 245C
- ❑ The applicant is required to submit application in Form 34B in seven copies along with all documents and evidences to the Office of ITSC along with application fees of Rs. 500.
- ❑ Copies of all documents/agreement/MOUs on which applicant wishes to rely and translation in English Language thereof, if they are in vernacular language, need to be submitted.

SEC 245D PROCEDURE ON RECEIPT OF APPLICATION

- ❑ On receipt of application u/s 245C the ITSC shall within 7 days from the date of receipt of application shall issue a notice to the applicant requiring him to explain as to why the application made by him be allowed to be proceeded with. Hearing u/s 245D(1)
- ❑ In the hearing u/s 245D(1) it the applicant and Bench members are present. IT department does not remain present in 245D(1) hearing
- ❑ ITSC within a period of 14 days from the date of application by order in writing, reject the application or allow the application to be proceeded Order u/s 245D(1)

PRE-REQUISITES OF A VALID APPLICATION

- ❑ ITSC can reject an application if it does not satisfy the following prerequisites
- ❑ Form NO 34B is required to be submitted along with all and complete details. The most important is Statement of Facts (SOF) which should be in a very detailed manner.
- ❑ Additional Tax along with interest u/s 234A, 234B or 234C must be paid before filing an application and the proof of the payment must be enclosed with application
- ❑ Pendency of the proceedings before AO or IT authority needs to be demonstrated or proved

SEC 245D PROCEDURE ON RECEIPT OF APPLICATION

- **Manner of Earning of Additional Income** declared before ITSC is required to be mentioned and proved at the time of hearing u/s 245D(1)- e.g. receipt of money by builders, secret commission, income which is not previously declared before ITSC, interest earned on deposits, Gold Ornaments/jewellery for which there is no source.

SEC 245D PROCEDURE ON RECEIPT OF APPLICATION

- ❑ **True and complete disclosure of additional income** must be made in the application. In case of incomplete or part declaration an application is liable to be rejected
- ❑ IT Authority needs to be intimated in Form 34BA (**Not the application**) on the date of application failing which application may be rejected.
- ❑ ITSC can reject the application if the applicant does not satisfy the essential conditions mentioned in section 245C
- ❑ An applicant cannot withdraw the application after filing before ITSC Section 245C(3)

SEC 245D PROCEDURE ON RECEIPT OF APPLICATION

- ❑ An application can be rejected by Commission during the course of proceedings u/s 245D(1) within 14 days of filing of application
- ❑ As per proviso to section 245D(1) if the application is not rejected within 14 days it is deemed to have been admitted
- ❑ Application can be rejected if applicant does not satisfy the essential condition mentioned in section 245C

SEC 245D PROCEDURE ON RECEIPT OF APPLICATION

- ❑ On receipt of application Commission shall issue the notice within seven days to the applicant requiring him to explain as to why the application made by him be allowed to proceeded with.
- ❑ On hearing the applicant Commission shall within a period of 14 days from the date of application by an order in writing reject or allow the application to be proceeded further

SEC 245D PROCEDURE ON RECEIPT OF APPLICATION

- ❑ A copy of every order u/s 245D(1) shall be sent applicant and Pr. CIT or CIT & the applicant
- ❑ ITSC shall call for a report from Pr. CIT or CIT within 30 days of receipt of communication from Commission if the application is allowed to proceed
- ❑ Report is called for in terms of section 245D(2B) r. w. Rule 6 of the ITSC (Procedure) Rules

SEC 245D PROCEDURE ON RECEIPT OF APPLICATION

- Where a Report of Pr. CIT or CIT called for u/s 245D(2B) has been furnished the Commission may on the basis of the Report and after giving an opportunity of hearing to both sides, within a period of 15 days by an order under s. 245D(2C) in writing, declare the application as valid or invalid and send the copy of the same to the applicant and Pr. CIT or CIT
- There is no appeal against the rejection and only remedy is to challenge the rejection before High Court on the ground that procedure is not followed by ITSC or natural justice is not given. There can be no appeal on merits of the order.

SEC 245D PROCEDURE ON RECEIPT OF APPLICATION

- ITSC in respect of an application which has not been declared as invalid u/s 245D(2C) the information contained in the annexure and statements and other documents accompanying such annexure shall be sent to PCIT with the direction that the PR. CIT or CIT to furnish the Report under Rule 9 of Settlement Commission Procedure Rules 1997 to be furnished within period of 45 days of communication from Commission.

INQUIRY AFTER RULE 9 REPORT

- After examination of such record/Report under Rule 9 received from PCIT if ITSC is of the opinion that any further enquiry or investigation in the matter is necessary, it may itself or direct PCIT to make or cause to make such further enquiry or investigation and furnish report on the matters covered by the application or any matters connected with the case. PCIT shall furnish report within a period of 90 days from the date of receipt of communication from ITSC

ORDER U/S 245D(4)- FINAL ORDER

- Section 245D(4)-Settlement Commission after examination of the records and the Reports of the Commissioner, if any, received under sub-section (2B) or Sub-Section (3) and after giving an opportunity to the applicant as also to the PCIT may pass such order in accordance with the provisions of the Act on the matters covered by the applicant and any other matter relating to case not covered by the applicant but referred to in the report of the commissioner

SEC 245D PROCEDURE ON RECEIPT OF APPLICATION

- Order u/s 245D(4) must be passed in 18 months from the date of application. As per section 245(6) every order passed u/s 245D(4) must provide for the terms of settlement including any demand by way of tax, penalty or interest, the manner in which any sum due under the settlement is to be paid and all other matters to make the settlement effective.

SEC 245D PROCEDURE ON RECEIPT OF APPLICATION

- ❑ ITSC may grant time and instalment for payment of any additional taxes on amount enhanced by ITSC.
- ❑ In the Order u/s 245D(4) ITSC must provide that the settlement would be void if it was subsequently found by ITSC that it had been obtained by fraud or misrepresentation of facts.
- ❑ CIT Vs Om Prakash Mittal 273 ITR 326 (SC)

Whether disclosure made in application can be revised?

- ❑ A scheme of Chapter XIX-A does not contemplate revision of the income so declared in the application. Revision would amount to fresh application not permitted under the scheme.
- ❑ True & Full Disclosure of income not declared before AO, manner of deriving undisclosed income and payment of tax plus interest on additional income are pre-requisite of a valid application.
- ❑ Ajmera Housing 326 ITR 642 (SC)

FULL & TRUE DISCLOSURE AND MANNER

- ❑ The applicant is required to make “Full & True Disclosure” of additional income and the “Manner” of deriving the undisclosed income in the application which is a vital point for an application to be allowed to be proceeded with.
- ❑ The settlement application passes through several stages before the final order u/s 245D(4) is passed by ITSC. The application can be rejected at any stage section 245D(1), Section 245D(C2) or 245D(3)

FULL & TRUE DISCLOSURE AND MANNER

- ❑ The first stage is under section 245D(1)
- ❑ The next step is 245D(2C). Finally the order is passed u/s 245D(4) providing terms of settlement
- ❑ Order u/s 245D(1) & 245D(2C) are not final orders and they are subject to the order passed u/s 245D(4)
- ❑ Issue of “Full & True Disclosure” & “Manner” is open till final order u/s 245D(4)

EFFECT OF FILING APPLICATION TO ITSC

- Once the application is filed before ITSC, the jurisdiction for I T & Wealth Tax purposes gets shifted to ITSC for assessment proceedings. The jurisdiction shifts not from the date of admission but from the date of submitting application.
- Once the intimation of filing of application for particular assessment year or years is given to AO no notice or summons etc can be issued by the IT Department to the applicant.

EFFECT OF FILING APPLICATION TO ITSC

- From the date of filing of application to ITSC all proceedings are abated and all further proceedings are as per the directions of ITSC till the time Order under section 245D(4) is passed or proceeding are abated before ITSC as per section 245HA

CHALLENGE TO ITSC ORDER

- The Order of ITSC can be challenged in High/Supreme Court by filing a writ petition when
 - Principles of natural justice are violated
 - Mandatory procedural requirements of law were not complied with.
- Normally Courts do not go into the merits of the case unless order is perverse.

RECTIFICATION OF ORDER U/S 245D(4)

- ❑ Whether the Final Order passed u/s 245D(4) can be rectified?
- ❑ Section 245D(6B) Finance Act 2011 permits rectification of order within six months from the date of receipt of order
- ❑ Order can be rectified on application by Pr. CIT or applicant. Application may be filed by CIT or applicant within 6 months from the receipt of application

APPLICATION TO ITSC –ONCE IN LIFE TIME OPPORTUNITY

- ❑ Benefit of settlement application can be availed by taxpayer only once in life time
- ❑ Section 245K provides that in case an application is rejected after being allowed to be proceeded with u/s 245D(1) then the applicant as well as “Related persons are debarred from making settlement application in life time
- ❑ Explanation to section 245(K)(2) defines “Related Person” as follows

CONSEQUENCES OF REJECTION OF APPLICATION

- Where the applicant is individual then any company in which such person holds more than 50% of the shares carrying voting rights, a firm or AOP or Body of Individuals in which such person is entitled to more than 50% of the profits or HUF of which such person is karta
- Where the applicant is a company any individual who held more than 50% of shares or voting rights at any time before the date of application

CONSEQUENCES OF REJECTION OF APPLICATION

- ❑ In case of the applicant is a firm or AOP or BOI any individual who was entitled to more than 50% of profits
- ❑ In case the applicant is HUF the karta of such HUF
- ❑ An applicant whose application has been rejected u/s 245D(1) can still file application for settlement. CIT Vs Bhaskar Picture Palace 247 ITR 391 (SC). This is due amendment by Finance Act 1991 deleting section 245D(1A).

CONSEQUENCES OF REJECTION OF APPLICATION

- ❑ Whether the AO or any other Income Tax Authority is entitled to use all material or evidences information produced or collected during the proceeding before ITSC in the course of proceedings before him?
- ❑ Section 245HA(3) entitles the AO or other Income Tax Authority to use all such material in any proceeding before him.
- ❑ Vikas Shipping Corporation Vs UOI 301 CTR 213 (Guj)

POWERS OF SETTLEMENT COMMISSION

- As per section 245H the ITSC, has power to grant immunity from prosecution that can be initiated under any section of I T Act and immunity from penalty under any section of I T Act penalty . However, this power to grant immunity is subject to following conditions
 - a) ITSC is satisfied that the applicant has co-operated with Settlement Commission in the proceedings before it.

POWERS OF SETTLEMENT COMMISSION

- b) Applicant has made a full & true disclosure of his income; &
 - c) Applicant has disclosed the “Manner” in which such income has been derived.
- ITSC has to record the reasons for granting such immunity to the applicant.

LIMITATIONS ON POWERS OF ITSC

- ❑ Whether Settlement Commission has power to reduce or waive interest chargeable under section 234A, 234B or 234C
- ❑ The honourable Supreme Court has held that ITSC does not have power to reduce or waive interest u/s 234A, 234B or 234C as the interest payable under the said sections is mandatory
- ❑ CIT Vs Anjum Ghaswala & Ors 252 ITR 1 (SC)

LIMITATIONS ON POWERS OF ITSC

- ❑ ITSC cannot grant any immunity where the proceedings for prosecution for any offense have been instituted before the date of receipt of application u/s 245.
- ❑ Institution of prosecution does not mean a show cause notice issued by IT Authority to the assessee to explain as to why no proceedings should be initiated.
- ❑ Initiation of prosecution proceedings means filing of criminal complaint in the court of law.

BENEFITS OF SETTLEMENT COMMISSION

- ❑ Settlement Commission benefits both, assessee approaching ITSC as well as IT Department as follows
- ❑ Long, continued and protracted litigation in complicated cases is over and Department gets doubtful revenue that too at an early date
- ❑ Assessee has a forum wherein complicated matters could be decided by one forum provided the disclosure of income is full and true and the manner is explained properly
- ❑ Application is processed in time bound manner of 18 months

BENEFITS OF SETTLEMENT COMMISSION

- ❑ Telescopic Benefit of addition of income against assets/expenditure, taxing of peak of cash credits etc are available rather easily because the approach of ITSC is to resolve the tax dispute.
- ❑ Time consuming litigation in regular appellate procedure is avoided by Department as well as assessee.

BENEFITS OF SETTLEMENT COMMISSION

- Recent changes in penalty provisions – Section 270A – Misreporting of income 200% of tax payable on under-reported income. Penalty u/s 271AAD -100% of false or omission of entry can also be avoided
- Now a days initiation of prosecution proceedings under various sub-sections of section 276 is a normal feature which can be avoided by approaching ITSC

BENEFITS OF SETTLEMENT COMMISSION

- ❑ If the disclosure is full and true & applicant cooperates in proceedings, immunity from penalties under all sections and prosecution is available to the assessee.
- ❑ Confidentiality of the assessee's disclosure is maintained, as the same could be used only in settlement commission except as provided in section 245HA(3) of the Act.
- ❑ In case the application is rejected during section 245D(1) hearing the applicant can again file application. Similarly, no information is sent to IT Dept if application is rejected in 245D(1)

THANK YOU



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