

ON THE CARDS

Automated system to plug I-T mismatches

No documents needed; dept won't send notice

MANOJIT SAHA

Mumbai, 9 February

The income-tax (I-T) department is set to launch a screen-based automated reconciliation system for plugging mismatches between returns filed by taxpayers and information processed by the department. In some select cases, people who did not file I-T returns (ITR) can use the automated reconciliation facility.

In the first phase, information mismatches related to financial years 2021-22 and 2022-23 will be considered. Sources said no notice needed to be issued for this, and the I-T department would send alerts through SMS and email to taxpayers where mismatches were identified.

Taxpayers can log in to their e-filing account and access the mismatch details in the compliance portal to furnish their response to reconcile the response.

“As the process is machine-driven, about 700,000 cases will be taken up initially,” said a source. “Gradually, coverage will be increased, leveraging technology, such as artificial intelligence (AI), machine learning (ML), and natural language processing (NLP).” Only unreconciled mismatches or unresponsive cases will be selected for the issue of notices.

Sources said no documents needed to



EASIER PROCESS

- ▶ **About 700,000 cases** to be taken up initially
- ▶ **Only unreconciled mismatches or unresponsive cases** will be selected for issue of notices
- ▶ **The I-T department has started displaying annual information statement** of all registered taxpayers from October 2021
- ▶ **AIS is followed up** with e-verification
- ▶ **Third cycle for e-verification** in March 2024 may take up about 300,000 cases

be given for reconciliation. Taxpayers unable to explain the mismatches can file an updated I-T return to make good any under-declaration. The department has started displaying the Annual Information Statement (AIS) for all registered taxpayers from October 2021.

Turn to Page 6

against Paytm Payments Bank.

Other concerns included not maintaining an arm's length with the promoter group (OCL), non-disclosure of payments to promoters, false submissions of compliance, and an overall sense of disregard for compliance and transparency.

In a separate note, OCL denied reports of an Enforcement Directorate investigation against the company, its associates, and the founder and chief executive.

The banking regulator had on Thursday clarified that its directive issued last month concerned Paytm Payments Bank, not the Paytm app. The RBI also announced plans to release a list of frequently asked questions (FAQs) on the payments bank issue next week.

Automated system to plug I-T mismatches

Officials said the AIS was the main contributor to the recent spike in the number of filing of ITR and increasing the I-T collection in recent years.

The department is already in possession of information about 380 million PAN holders.

The AIS is followed up with e-verification. The e-verification scheme 2021, notified in December 2021, aims to provide a quick mismatch reconciliation process. Mismatches are identified using data analytics and rule engines. During this financial year, 63.5 million taxpayers viewed the AIS.

Under the new provision of the I-T Act, [Section 139 (8A)], if the mismatch detected is not explainable, the taxpayers can file an updated ITR for two years with additional tax -- 25 per cent for the first year and 50 per cent for the second year.

Sources said a pilot project with a limited number of cases started in September 2022, where about 68,000 notices were issued to explain the mismatch.

"The project resulted in updating about 4,300 ITRs. About 30,000 ITRs are identified as having serious mismatches, which may be taken up for detailed examination," a source said.

In the second cycle, issuing notices began in May 2023, and about 270,000 cases have been identified for e-verification. In the first batch of about 90,000 cases, 12,000 ITRs updated their ITR.

The third cycle of e-verification will be launched in March, when about 300,000 cases may be taken up.

Kerala plans drive and charge infra for EVs

Later, vehicle receivers installed on the EV transfer energy directly to the engine. Such receivers can be installed on vehicles or companies can come up with special vehicles for that. According to a *BBC* report, the cost of such a project comes to around \$2 per mile, casting a shadow on its viability.

