

BRIEF ABOUT SYSTEMS INITIATIVES

The System's Directorate is not in position to provide a list of registers outdated as result of automation in the department however the following reform initiatives in last few years have been undertaken by harnessing latest technology to enable a System driven business environment in the Department. These measures are aimed to introduce objectivity and reduce human interface between the taxpayer and the officials. The following initiatives have been taken:

- Undertaking a comprehensive Business Process Re-engineering (BPR) study to understand AS-IS processes and to recommend TO-BE processes;
- Setting up of Tax Information Network;
- Taxnet project for networking of all its offices across the country;
- Setting up of Centralized Processing Center at Bangluru
- Setting up of Centralized Processing Cell (TDS) at Vaishali
- E-filing of returns,
- Refund Banker Scheme to improve channel delivery of refunds;
- Sevottam Scheme for monitoring of dak and grievances;
- Dedicated Call Centre
- Comprehensive Website that consolidated all e-services etc.

Through comprehensive computerisation initiatives, the department has enabled end-to-end e-delivery services that inter alia include:

- E-Payment of taxes
- E-filing of TDS statements
- E-Processing of TDS statements
- E-view of tax credits
- E-filing of Income Tax Returns
- E-Processing of Income Tax Returns
- E-Matching of tax Credits
- E-tracking of processing of the Income Tax Returns
- E-Delivery of Refunds
- E-tracking of Refunds

Therefore the present initiatives of the department have made it possible to comply with the tax obligations without visiting the Income Tax Office and on anywhere, anytime basis.

E- Governance Activities undertaken by the Directorate of Systems can be briefed as under :

1. Project Name: Issue of PAN.

- PAN (Permanent Account Number) is a 10 digit alpha-numeric number allotted by the Income Tax Department to taxpayers and to the persons who apply for it under the Income Tax Act, 1961. This number enables the department to link all transactions of the "person" with the department. These transactions include tax payments, TDS/TCS credits, returns of income/wealth, specified transactions, correspondence, and so on.

PAN, thus, acts as an identifier for the “person” with the Income tax department. In fact, PAN has now taken on the role of “identifier” beyond the Income tax department as it is now required for various activities like opening of bank account, opening of demat accounts, obtaining registration for Service Tax, Sales Tax / VAT etc.

- The services like receiving PAN application forms, verification of the documents submitted, digitizing the PAN application form, upload the data on the NCC (National Computer Centre), printing PAN cards and dispatch of PAN cards have been outsourced to Service Providers, M/s UTIITSL and M/s NSDL. The Service Providers through their network of 11,143 front offices (PAN centres), receive and process the PAN application submitted by applicants. However, the PAN is generated through robust software at National Computer Centre (NCC) of the Income Tax Department and thereafter printed and dispatched through service providers.
- New PAN application forms have been notified. FORM 49A is notified for use of Indian Citizens/Indian Companies/Entities Incorporated in India/Unincorporated entities formed in India whereas FORM 49AA is for Individuals not being a Citizen of India/Entities incorporated outside India/ Unincorporated entities formed outside India.
- Space for proving AADHAAR Number by PAN applicant has been added in the PAN application Form 49A. As on 5.12.2012 1,75,136 unique AADHAAR numbers have been seeded into PAN database. The work of establishment of on-line AADHAAR authentication facility is under process.

2. Project Name: E-filing of Income Tax Returns

Project Description

The e-filing project is an eminent e-governance and e-delivery measure taken by the Income Tax Department for better services to the taxpayers and was notified in 2006-2007. During the current F Y 2012-13, the e-filing website has been revamped and made live on 9th November, 2012 with many new utilities like extension of electronic filing of all other forms as prescribed in the I-T Rules 1962, enabling access to history of returns filed, and other Services in the e-filing website. The project is aimed at enabling E-filing of Income tax returns, Audit Reports and other forms of the Income Tax over Internet directly by taxpayers and through e-return intermediaries (ERIs) on Virtual Private Networks, enabling e-filing of Income Tax Returns and other web enabled services using XML to enable public private participation in the filing of returns. A portal <https://www.incometax.gov.in/iec/foportal> is functional with a host of services to taxpayers. The new system also offers personalized services including pre-filing of returns with assessee details and 26AS data; online and offline filing of returns etc. The system include submission of online rectifications, verification of status updates for receipt of ITR-V, processing status and refunds for e-filed returns processed at CPC, Bangaluru. Select information is also available through a mobile interface.

The new e-filing project has following features, apart from the earlier ones:

- Facility to download Pre-filled XML File -(after Login feature).
- PAN Details at one place (Name, D.O.B, Status, Gender, Address) -(after Login feature).
- Request for Intimation - Earlier there was no option to download if mail not received. (Submit request for resend print of Intimation to ITR/PAN Address/New Address or via Email) – (After Login Feature).

- For New Users, Resend Activation Link Feature - Helpful if link not received or mail deleted earlier.
 - User Password can be changed now with Digital Signature Verification also.
 - Feedback Option for User.
 - User can register as a Legal Heir to do e-Filing on behalf of the deceased. This is a new feature provided for Individual user.
 - Quick e-File for ITR-1 (No need to download any utility, No requirement of any software. Just Fill and Submit like an Online Application Form).
 - Mobile Services can be availed using the url <https://incometaxindiaefiling.gov.in/mobile/>.
 - Forms to be authorized by CA with Digital Signature and XML to be uploaded in e-filing portal. (3CA, 3CB, 3CD, 3CEB, FORM 29B).
 - Tax Professional (CA for now) is a new user on this portal. They can e-File Income Tax audit report Forms (other than Income Tax Returns).
- In the new e-filing project there is dedicated call centre and help desk to deal with any query or grievance related to e-Filing.

Going ahead in e-filing the following activities would be added:

- Validation of third party Utilities,
- Access to internal users such as Assessing Officers over departmental intranet,
- E enabling all forms of the Income Tax department.

3. Project Name: Centralized Processing Center (CPC) for Income Tax Returns

Project Description

Enabling Centralized Processing of all E-filed Income tax returns and paper returns of Karnataka and Goa at Bangalore.

Status and Achievements

- The establishment of the Centralized Processing Center (CPC), Income Tax Department, Bengaluru was approved by the Union Cabinet in February 2009. By October 2009, the business rules for computation and financial accounting system were tested and first set of I-T returns were processed. The digitization and processing of paper filed salary returns of A.Y. 2008-2009 of Bengaluru were commenced by January 2010 and the processing of E-filed returns of A.Y. 2009-2010 was taken up by April 2010.
- Average processing time reduced to 47 days, less than the period specified in citizens' charter (6 months) and much less than performance in manual processing (~14 months). Prior to CPC, average processing capacity of the department has been approx. 2.5 cr return per annum against receipt of more than 3 cr returns each year.
- Over 497 lakh digitally signed PDF based intimations sent by email; over 29.37 lakh SMS alerts sent; over 111 lakh Intimations sent by Speed post for preceding years, all over the country.

- Launch of Digitization friendly forms with features such as anchor points, colour drop out, bar codes on each page etc – ITR 1-SAHAJ and ITR 4S- SUGAM for AY 2011-12 and AY 2012-13 designed by officers at CPC for CBDT based on learning from digitization of paper returns at CPC.
- **Demand Management:** To deal with the issue of cleaning and updating of arrear demands, September 3rd to 14th, 2012 was observed as the Demand Management Fortnight which was further extended to 24.09.2012 ending on 05.10.2012. Under this 46 Nodal Officers nominated across the country as single point of contact for taxpayers. The arrear demands as uploaded by AOs are also displayed on “My Account” of e-filing website for information of taxpayers. The correction to arrear demand upload as on date is 62,34,370 entries amounting to Rs.3,53,820 Crores.
- This project Enabled Centralized Processing of all E-filed Income tax returns and paper returns of Karnataka and Goa at Bengaluru.

CPC and e-filing is leading the Income Tax Department to

- Paper-less office, and
- Paper-less delivery by phasing out paper based notices, intimations, letters and replacing by email, SMS, website driven delivery to taxpayers,

4. **Project Name: Refund Banker**

Project Description

Refund Banker project is a system driven process for determination, generation, issue, dispatch and credit of refunds and enables efficient and safe delivery of Income Tax refunds. It introduces a third party into the physical issue or credit of refunds so as to make the process completely automated, speedy and transparent, and to achieve a faster Turn Around Time.

Key Features and Achievements

- Under Refund Banker Scheme, the paper and electronic refunds determined by the Income Tax assessing officers are sent in separate electronic files by Income Tax Department to the State Bank of India (SBI), which has been designated as agent (Refund Banker) of the Department. The Refund Banker is then required to, in case of paper refunds, print and dispatch the refund cheques (payable at par through Core Banking all over India), and send NECS or Direct Credits to the bank accounts, where the refunds have been processed for electronic payment. The refunds are dispatched by speed post to the tax-payers or credited to the taxpayers’ accounts within 1 day of data being delivered to SBI. The electronic method of payment has reduced delivery time to 1-2 days as against paper refunds which takes 4-8 days. The Assessing Officer’s role in issuing refunds is limited to processing the return of income on computer.
- The project was initially launched on 24 January, 2007 in a few Salary charges in Delhi and Patna. After completion of pilots, the Scheme was extended to 6 stations viz., Kolkata, Mumbai, Bangalore, Chennai, Delhi and Patna. In October 2009, the Scheme was extended to nine more stations viz. Ahmadabad, Allahabad, Bhubaneswar, Chandigarh, Cochin, Hyderabad, Kanpur, Pune and Trivandrum, as well as to the refunds issued by CPC, Bangalore. With effect from August/September 2010, the Scheme has been extended to the non-corporate charges all over India.

- A web based status tracking facility in collaboration with India Post and National Securities Depository Ltd. (NSDL) is available under the Scheme.
- The State Bank of India has set up remote printing facility for Income Tax refunds at Chennai, Kolkata, Delhi, Bangalore, Mumbai, Jaipur, Patna, Hyderabad, Bhopal and Lucknow.
- The status of refunds is updated on the departmental application with reasons for non-payment in case of unpaid or returned refunds, to enable the assessing officer re-send the refund for payment after removing the deficiency.
- Audit trail and MIS on unpaid/unpicked refunds (with ageing) are available on system for monitoring status of issue of refunds.

5. Project Name: System Integrator (SI) Project for Data base Consolidation

Project Descriptions

System Integrator project of CBDT has been purported to integrate the regional database contained in 36 Regional computer Centers (RCCs) into a Single National Database (Referred to as Primary Database Center-PDC). The SI initiative also envisages a Data Replication & Disaster Recovery Planning, by setting up the replica of PDC at Mumbai as a full-fledged Business Continuity (BCP) Site and a Disaster Recovery (DR) Site, at Chennai which will act as data storage. The DR site, however, is not expected to have ability to run applications, but will have an exact copy of the storage system as that of the Primary site. Under the SI project the data will be replicated from the Primary site to the BCP and DR sites on a regular basis. The inherent advantages of SI are:

- Managing a consolidated RCC database is simpler as compared to 36 RCCs in terms of manageability and resource cost
- Version control of software will be simple as will be applied in one RCC
- Global view of data will be available to the MIS.
- A 3-tier architecture has better scalability and unique features like; Messaging Solution.
- Infrastructure Management –ERM Solution, Anti-Virus & Data Security Solution and Data Replication Solution.
- The Project has an inbuilt flexibility and capability to scale up hardware requirements keeping the future growth requirement of the department

Achievements:

Un-interrupted services are rendered at Primary Data Centre (PDC), Business Continuity Process (BCP) and Disaster Recovery Site (DR) to the Income-tax department.

6. Project Name: E-Payment

Project Features

- All Direct Taxes e.g. Income Tax, Corporate tax, FBT, BCTT, TDS, Advance tax, self assessment tax can be paid online using net banking facility.
- Ease of payment: anytime, anywhere
- Data quality can be monitored effectively.
- Credit for taxes given efficiently.

- Income Tax and Corporate Tax can also be paid through ATMs of specified banks
- With effect from 1 April, 2008, e-payment of direct taxes has been made mandatory for all Companies and 44AB cases.
- E-payment can be made using net banking account of the taxpayer or of any other person on behalf of the tax-payer.
- E-payment facility has been now extended by to 30 agency banks collecting direct taxes. SBI has started the e-payment facility online through its debit cards as well.
- Facility of payment of direct taxes has been launched through ATMs of Corporation Bank, Bank of Maharashtra, Axis Bank, Central Bank, Bank of India, HDFC Bank, Canara Bank, Union Bank of India, Punjab & Sind Bank, Punjab National Bank, Indian Bank, UCO Bank, Andhra Bank, Bank of Baroda and Oriental Bank of Commerce.

7. **Project Name: E- TDS**

Project Features

- Filing of e-TDS Returns has been made compulsory for following categories of tax payers:
 - All Corporate deductors
 - All 44AB deductors
 - All Govt. deductors both Central and State Govt.
 - For all deductors where number of deductee records is 20 or more.
- Filing of newly introduced Form No. 24G has been made compulsory by Pay & Accounts Officer/Treasury Officer/Cheque Drawing & Disbursing Officer (PAO/TO/CDDO) on monthly basis which is the basis to generate BIN (Book Identification Number), to be used for reconciliation of TDS paid without production of challan in the cases of Central/State Governments Deductors.
- The Department has taken a new initiative of online dissemination of tax payer specific information in form 26AS (Tax credit statement) which contains the details of TDS/TCS deducted by the deductors, advance tax/self-assessment tax/regular assessment tax and paid refunds. Besides the statements also contains details of certain high value transactions that are being reported by third parties in Annual Information Return (AIR). This is to facilitate taxpayer about ascertaining tax liabilities. Till 30th November, 2012, more than 1.54 crore taxpayers have viewed such statements online. The scheme is intended for online verification of all tax credits available with the ITD and mismatch, if any, to be followed by the tax payer for proper credit. The benefits of form no.26AS include seamless processing of income tax returns and speedy credit of refunds and the verification of tax credits and refunds by the tax payers. Online facility to view Tax Credit Statement (26AS) has been enabled for net banking users of 31 banks.
- Centralized Processing Centre (CPC) at Vaishali, Ghaziabad for processing of TDS statements has gone live and under trial run. TDS CPC will generate the annual tax credit statement (Form 26AS) and process TDS statements in a time bound manner so as to ensure speedy credit of taxes paid as well as identification and resolution of TDS defaults. CPC (TDS) will open up new channels of communication including Portal, Call Centre, Document Management Systems etc., to manage the defaults detected in processing of TDS statements and to resolve issues relating to TDS mismatches. Besides it will employ Business Intelligence tools for sensitivity analysis and effective MIS to field officers for enabling enforcement.

8. **Project Name: OLTAS (Online Tax Accounting System)**

Project Description

OLTAS project, a part of TIN (Tax Information Network) of the Income Tax Department, was designed to integrate online tax payments made by tax payers directly into designated banks to the running ledger accounts of tax payers maintained by the department for tax credit. The project objective was to do away with the paper trail for tax credit and paper validation system. The scheme was uniquely placed to reduce the tax payers' grievances and hence OLTAS project has been one of the landmark e-governance initiatives undertaken by the department.

- All payments made in bank are uploaded on T+3 basis.
- Cash payment can be mapped with the bank and the assessee with PAN/TAN irrespective of the place of payment.
- Country wide 30 agency banks and their 13,000 branches including 3 private sector banks are authorized by the RBI for collecting direct tax payments.

- OLTAS is now fully operational and is being implemented in close coordination with RBI, Agency Banks and TIN (presently being managed by NSDL).
- With effect from 1 June, 2008, computerized acknowledgement receipt to the taxpayers has been made operational for the tax payments.
- Modified File validation instructions have been got installed in the software of all collecting banks and at TIN to ensure better data quality.
- The banks enter data of tax payment challans in their computer system and transmit the challan information online to the server of the Tax Information Network (TIN) of the Income-tax Department, maintained by NSDL.
- The collecting and nodal branches of banks can verify the status of the tax payment data transmitted by them to TIN through TIN website **tin-nsdl.com**.
- NSDL extracts the data, prepares OLTAS files and transmits the same to the OLTAS server maintained at NCC, New Delhi. From there, the data is populated into the ITD OLTAS database, enabling the Assessing Officers to give due credit to the taxpayers for the tax payments made by them, and generation of Collection reports for AO/Range Head/CIT/CCIT based on PAN/ TAN jurisdiction, irrespective of the place or mode of payment. Reports on top advance tax payers and TDS payers with quarter-wise comparative analysis w.r.t. previous financial year are also made available to the Commissioners of Income Tax and Commissioners of Income Tax (TDS) for monitoring of collections.
- Monthly MIS reports are generated by TIN for Income Tax Department as well as for Pr. CCA, CBDT and RBI, for monitoring and follow-up.
- TIN is providing OLTAS dashboard to the collecting bank branches, their nodal branches as well as their link cells for monitoring upload of tax payment data and for its reconciliation with funds remitted by them to RBI.

A separate OLTAS dashboard facility has also been introduced through TIN website for the Finance Minister, senior functionaries of CBDT, Chief Commissioners/Director Generals of Income Tax, Commissioners of Income Tax (TDS) and Commissioners of Income Tax (Computer Operations) for monitoring direct tax collections on a daily basis.

9. Project Name: Annual Information Return (AIR)

Project Description

AIR is a tool for collecting 'high value financial transaction' information in a structured manner, through computer media with PAN as unique identifier for ensuring tax compliance, widening and deepening of tax-base, creating a tax-payer profile and to lead to Data warehousing/Business Intelligence. The scheme for filing of AIR by the main nerve centres of financial activities such as Banks, Credit card companies/institutions, Companies (issuing

public/rights issue of shares and bonds/debentures), Registrars of immovable property, Mutual Funds and RBI (issuing RBI bonds), has been in operation since August, 2005 in respect of specified financial transactions registered/recorded by them during the financial year (beginning on or after 1 April, 2004).

Achievements

- The facility for electronic filing of Annual Information Return (AIR) has been provided both on-line (on the Tax Information Network website tin-nsdl.com) and through front offices of NSDL (National Securities Depository Ltd.) called TIN Facilitation Centres (there are at present 2,205 TIN FCs spread over 729 locations all over the country). For this purpose, the Return Preparation and Validation utilities have been made available on the TIN website. Further, AIR Information Booklet and FAQs have also been provided on the TIN website.
- The information on transactions available in the Annual Information Returns is uploaded on departmental systems to be utilized for generating list of non-filers, and for selecting cases for scrutiny under Computer Assisted Scrutiny Selection (CASS). Data (with PAN) coming through AIR, TDS returns, CIB information & OLTAS, and uploaded into ITD database is used to populate ITS (Individual Transactions Statement).
- Individual Transactions Statement (ITS) provides a 360 degree view of a taxpayer. The ITS information is made available to AO/Range-head/CIT/CCIT for use/monitoring in scrutiny assessment proceedings as well as for aiding recovery efforts. The information is also made available to Income Tax enforcement authorities such as Directorates of Investigation and Directorates of Intelligence for investigation and tax-payer profiling.

Online View has been provided on the TIN website to the AIR Filers, to show the status of AIR files uploaded/submitted by them, i.e. whether (Accepted/ Rejected/ Duplicate etc.). Further, a feedback is provided to the AIR filers on the total no. of Invalid PANs in the AIR furnished by them, as well as the details of such invalid PANs and the corresponding record numbers in the AIR.

10. Project Name: Aayakar Sampark Kendra (ASK)

Project Description

Aayakar Sampark Kendra (ASK) is a Taxpayer Information and Services Center of the Income Tax Department to answer queries related to the Status of PAN and TAN applications, Procedure of filing of Income Tax and Wealth Tax returns. Categories of assesses mandatorily required to file e>Returns or to make e-payments. Procedure of e-filing of income tax returns, with or without digital signature. A facility to register grievances on telephone or through email and assist in getting them resolved.

There is a National Call Centre at Gurgaon and four Regional Call Centres at Jammu, Jangipur, Shillong & Kochi and catering to taxpayers in Hindi, English and eight other regional languages.

Deliverables

Deliverables from Aayakar Sampark Kendra (ASK) are

- Country wide facilities for assistance in e-filing of income tax returns with or without digital signatures and information related Challan and return preparation software

- Assistance in downloading various forms:- Income Tax Return Forms, Wealth Tax Return Forms
- Facility to send forms by e-mail
- Procedure of making tax payment, including e-payment and payment through ATM.
- Answering queries related to the status of PAN and TAN applications & related procedures.
- Status of Refunds.
- Answering Queries related assessment jurisdiction.
- Procedure of viewing Tax Credit Statement and registration for Tax Credit Statements.
- List of Tax Information Network Facilitation Centers and the PAN Service Centers.
- Handling misc. queries

11. Project Name: IT Website/<http://incometaxindia.gov.in>

Project Description

- Provides dissemination of information to taxpayers on the department and its activities.
- The field offices and various Directorates have also got their independent pages at the cadre controlling Chief Commissioner level and at DGIT level respectively.
- Provides tax law related information and downloads online like Acts, Rules, Circulars, Notifications, Returns, Forms and Challans etc. Tutorials on Income- Tax returns and TDS statement, Exempted Institutions and Feedback on Black Money etc. have also been made available during the F.Y. 2011-2012.
- Provides e-services by acting as an umbrella website which links to various services like e-filing of returns, PAN, TAN, TDS, online tax payment, view of tax credit, refund status, etc. Further, online services, like Tax Return Preparer Locator, Bank Branch Locator for Tax Payment, Challan Correction Mechanism, TIN Facilitation Locator and Public grievances have also been added.

12. Project Name: AST

The AST is an on-line, menu driven and windows based software. Presently the majority of work of processing, rectification, completion of assessment order etc is processed through AST for all the paper returns and the e-filed returns transferred from CPC. AST includes calculation of tax, calculation of interest under various sections, selection of cases for scrutiny, time barring checks; deductions limit validations, due date checks and various business rules and validations.

AST supports flexible queries on various system entities such as summary assessment, assessment proceedings, appeals, revisions, and rectifications to meet user requirements. In AST there is provision to generate various reports like list of cases selected for scrutiny, Challan, Demand Notice, Refund Voucher, assessment related portion, Notices u/s 142(1), 148, 143(2), list of non filers and various register like penalty register, Appeal register, Revision Register, Return Register & Audit registers.

This has not been included in the past as it was never a separate project.

As informed by DIT(O&MS) the following registers have been computerized and made available on AST :-

1. Internal Audit Register
2. Revenue Audit Register
 - (a) Receipt Audit Objection Register
 - (b) Draft Audit Para Register
3. Appeal Register
4. Register for rectification u/s 154
5. Grievance Register
6. Penalty Register
 - (a) Register of Penalties other than u/s 271 (1) (c)
 - (b) Register of Penalties u/s 271 (1) (c)