

Demonetisation: Private entities to analyse data vis-a-vis ITR, TDS

With an estimated Rs.15 lakh crore in junked notes back in the banking system post demonetisation, the Income Tax department has started the process of engaging private entities to match the data with I-T return or other information of assesseees.

The I-T department has already found that post demonetisation more than Rs 2 lakh was deposited in over 60 lakh bank accounts and the total amount deposited in these accounts is over Rs 7.34 lakh crore.

"The I-T department intends to leverage technology and deploy data analytics for matching and analysis of demonetisation data with return/other information for effective segmentation, grouping and prioritisation," it said.

Further, the department also plans to implement new business processes to ensure effective utilisation of demonetisation data and analytical outputs to achieve desired outcomes.

The I-T department has already asked banks to share details of deposits between November 10-December 30, 2016. Also banks have to give to the I-T department figures of deposits in similar accounts for the period April 1-November 8, 2016, by January 31, 2017.

The Managed Service Provider (MSP) for Data Analytics would be required to match and analyse the demonetisation data with return/other information, the tax department said.

The MSP for Business Process Management (BPM) would be to design and operationalise business processes and campaign for stakeholder engagement, improving response rates and response quality.

"The underlying approach should have ease of use from taxpayer's perspective," the I-T department said.

The data analytics MSP would be required to design and operationalise analytical solution for collation of data received from banks, post offices and other sources for linking of information and identification of duplicate data.

They would also be required to match and integrate the PAN based demonetisation data with information in Income Tax database such as I-T returns, TDS information, Third Party Reporting, tax payments, activity and response on the portal to build a comprehensive profile for the taxpayer.

The firms would also be required to cluster PAN linked and non-PAN demonetised data using identified relationships as well as common address, mobile number, email address, bank branch etc.

The I-T department intends to select two MSPs to help in Data Analytics relating to demonetisation data and one MSP for Business Process Management and the bidders are required to submit their bid by February 3.

With truck loads of data coming in post demonetisation, the I-T department has to analyse instances of deposits and seek information to identify possible cases of tax evasion.

Hence the department intends to enhance its capability to utilise large volumes of demonetisation related data which has come in the form of statement of financial transactions, non-PAN data, suspicious transaction reports, cash transaction reports, information request, by leveraging services of experts in data analytics and business process management, the I-T department said.

As per I-T department findings, an estimated Rs.3-4 lakh crore of tax evaded income were deposited during the 50-day window provided to get rid of the junked Rs 1,000 and old Rs 500 notes.

It has come to the notice of I-T department that Rs.25,000 crore in cash was deposited in dormant bank accounts while nearly Rs.80,000 crore of repayment of loans was done in cash since November 8, 2016 when demonetisation was announced.

The I-T Department and the ED have been provided with details of cash deposits of more than Rs.16,000 crore in cooperative banks.

The deposits of more than Rs.13,000 crore in Regional Rural Banks have also been disseminated.

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