F.No. DGIT(S)-2/ADG(S)-2/Insight2.0/2023-24 |૪\ం   **Date: 15.09.2023**

To,

All Principal Chief Commissioners of Income Tax (CCA)/
Pr. Director Generals of Income Tax/
Director Generals of Income Tax (attached Directorates)

Madam /Sir,

Sub : Obtaining suggestions from Project Insight users for Project Insight 2.0 – regarding

Kindly refer to the above-mentioned subject.

2. Project Insight is accessed by different types of users which include the ITD Users, Taxpayers, Reporting Entities and Data Exchange Partners. Officers/ Officials of the Department discharge many of their official functions through Insight Portal.

3. The operations phase of the existing Project Insight will come to an end by 31st March 2025. Therefore, the process of bringing in a new Project, 'Project Insight 2.0' (that shall replace the existing Project Insight) has already been initiated.

4. Project Insight 2.0 is envisaged to provide not only a continuation of the services rendered by Project Insight, but also to put in place a significantly improved system to ensure a secure and user-friendly environment.

5. In this context, it has been considered desirable to hold wide consultations with the various Project Insight users/ stakeholders and obtain their opinion/ views/ suggestions in respect of the good features/ deficiencies of the existing Project Insight as well as the tangible improvements that may be made in Insight 2.0. This is of critical importance since Project Insight 2.0 will have far reaching impact on the working of the Department in the years to come. **A brief note on Project Insight is enclosed with the letter.**

6. In this regard, letters dated 19.6.2023, 20.6.2023, 28.6.2023 & 30.6.2023were sent by this Directorate seeking suggestions for Insight 2.0 from field formations, Directorates and other attached offices of CBDT. The last date to submit the suggestions was 31st July, 2023. A meeting of the Committee to evaluate the suggestions received was conducted wherein the Committee has recommended that in order to make the process more participative, inputs may be obtained from the widest cross-section of the officers/officials of the Department.

7. In view of the above, it is requested to encourage all officers and officials in your region/office to send inputs for Insight 2.0 Project at the email address **suggestions.insight2.0@incometax.gov.in** by **31.10.2023.**

8. It is requested that this may kindly be accorded a high priority.

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Yours faithfully,

(Manish Mishra)
Addl. DGIT (Systems)-2
New Delhi

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Encl. As above.

Copy to : The Web manager, www.irsofficersonline.gov.inwith the request to upload the letter on the website along with enclosure.

A note on Project Insight

1. Background

1.1 The Project Insight of the Income Tax Department was conceptualized with an aim to strengthen the non–intrusive information driven approach for improving the compliance and effective utilization of information in all areas of tax administration. The Directorate of Income-tax (Systems) implements and plans the computerization within the Income Tax Department (or ITD), Government of India. Project Insight is a Data Warehousing and Business Intelligence project used for collection of information from various sources and applying intelligence and analytics with the objective of widening and deepening of tax base, improve compliance with tax laws, detect fraud and leakage of revenue, support Investigation, increase effectiveness of tax collection, enhance cooperation with exchange partners, generate enterprise wide reports, monitor high risk scenarios and provide inputs for policy making. The scope also includes putting in place a framework for automatic exchange of information including the implementation of Foreign Account Tax Compliance Act Inter Governmental Agreement (FATCA IGA) and Common Reporting Standard (CRS).

1.2 As part of Project Insight, three portals have been developed viz.

I.   **Insight Portal** - Insight portal (integrated with other modules) is being used by the field users/officers of the ITD for discharging their official functions under the Income Tax Act, 1961. Insight portal is accessible through a web browser.

II. **Reporting Portal** - The Reporting portal is being used by the Reporting entities for filing of forms (Statement of Financial Transactions (SFT)) and other information in accordance with the Income-tax Act, 1961 and Income-tax Rules, 1962.

III. **Compliance/AIS Portal**- The Compliance/AIS portal is being used by the taxpayers for viewing their information available with the department and provide appropriate feedback on the same, thus helping the taxpayers in filing of their Income tax returns.

2. Several background analytics jobs are being performed for alert generation and risk assessment.

2.1. Some of the key features of Project Insight are as under: -

I.   **Profile View**: Profile View is a consolidated, consistent and aggregated view of information about taxpayers. It is created by collecting, collating, reconciling and processing varied representations of the same taxpayer from different sources like PAN database, ITR, Income Tax Forms, TDS information, SFTs etc. The relevant information is summarized for high level view and a drill down to underlying information is enabled.

II. **i-search:** A comprehensive search functionality is provided in Insight portal. There are multiple attributes for search viz. entity search, non-PAN search, account search, address search, contact search (mobile, email etc.), website search, property search and STR search. There is option to filter search result by selecting or deselecting entity attributes.

III. **Verification:** Information related to Taxpayer received from various sources e.g. e-Filing, Data Exchange Partners, TDS Statements, Reporting Entities, ITD Users are processed and analyzed for identification of Non-Compliance, Risk Scoring etc at Insight. Based on this Case packets are created at Insight which consist of Issues to be verified and Information underlying the Verification Issue. The Cases are then allocated to ITD Users for Verification and facility to undertake related Case Activities are provided to ITD officers to assist in

Verification of case and submission of Verification Report.*For example, 148A cases, cases made for Investigation users, TDS users etc.*

IV. **AIS/TIS**: Annual Information Statement (AIS) is a comprehensive view of multiple information like TDS, SFT etc reported for a taxpayer for a relevant financial year. Taxpayers may provide feedback on information displayed in AIS. AIS shows both reported value and modified value (value after considering taxpayer feedback). Taxpayer Information Summary (TIS) is category wise aggregated information summary for a taxpayer. It shows Processed Value (value generated after processing of information through pre-defined rules) and derived value (value derived after considering the taxpayer feedback and processed value) under each information category viz. salary, interest, dividend etc. The derived information in TIS is used for prefilling of ITRs.

V. **Business Intelligence (BI) Reports:**The Business Intelligence (BI) Reports facilitate effective decision making in all areas of tax administration and policy making, centralized view of data across departments to derive meaningful information, multi-dimensional & trend analysis with drill-down, drill-up and drill-across facilities across hierarchies, geographies, and time dimensions.

VI. **CRIU/VRU uploads:** Bulk Data Upload functionality has been provided for ITD User to Upload Case Related Information (CRIU) and Verification Report (VRU). ITD users can capture information of related parties discovered during Enquiry, Survey, Search, TEP etc. Case Related Information Upload Functionality is useful in cases where number of related parties is very large (e.g. beneficiaries in entry operators case) and bulk information is required to be disseminated for appropriate action. Verification Report Upload Utility has also been provided to the ITD Users to Upload Verification Report of multiple entities in Bulk or individually via screen. User can also view the uploaded Information details. The view of Information uploaded w.r.t PAN has also been provided under respective Taxpayer Profile views.

VII. **GIS:** GIS is geographic information system (GIS) which is a computer-based system designed to capture, store, analyse, manage, and present visualization of spatial or geographic data, on a map. Once the business information which is to be displayed on the GIS MAP is linked with the location details, users can create interactive queries, analyze spatial information, and present the results of these operations on map. The Dashboard GIS Visualization displays the MIS report/ relevant information in the form of a geographical map. The key information (as per selected theme & information display) is used for plotting relevant data on Map.

2.2. Some of the key outputs generated by Project Insight are as under:

I. **CASS:** Computer Aided Scrutiny Selection (CASS) is one of the key functions of Project Insight. The cases are selected based on the Risk Management Strategy.

II. **NMS:** Non-Filers Management System (NMS) is another key function of Project Insight. The cases of non-filer/stop filer Taxpayers are selected based on the Risk Management Strategy.

III. **RMS:** Formulation and implementation of Risk Management Strategy on information uploaded through CRIU/VRU functionality for selection of cases for reassessment u/s 148 is key output generated by Project Insight.

IV. **Form 15CA/CB/CC:** Formulation and implementation of Form 15CA/CC based verification cases on Insight portal for International Taxation and TDS users.

V. **Verification campaign:** Campaigns for Reporting Entities and Taxpayers are regularly run by Project Insight to improve compliance by reporting entities and also quality of data received from third parties and taxpayer compliances

VI. **Advance Tax Analytics:** Data Analytics is leveraged by Project Insight to estimate Advance Tax for upcoming quarter/year. Data Analytics is widely used in Project Insight and Tax estimation is one of the key outputs of the exercise.

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