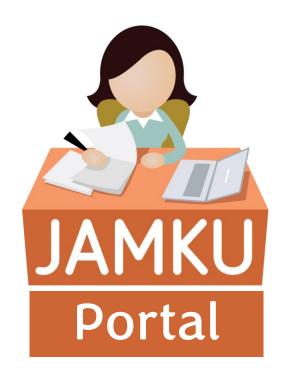
Introduction

This document demonstrates the AI capabilities built by team Jamku till date (12th June 2024)

We delve into the utilization of open-source AI models within the context of summarizing notices, particularly aimed at aiding tax teams in efficiently navigating through extensive documents spanning multiple pages and files. Through a fusion of prompt engineering and contextual understanding, the AI system is adept at discerning the essence and purpose of these notices, facilitating rapid summarization and comprehension for enhanced workflow efficiency.

Further we have provided framework for creating AI generated reply to the tax notices







Limitation of the Al Models

For tax litigation, we use text-based AI models. Although these models are trained on extensive datasets, they do not possess complete knowledge.

Small AI models (3 to 7 billion parameters), such as Phi, Mistral, and Llama, lack detailed knowledge of Indian tax laws but can run on consumer-grade hardware.

Large AI models (over 400 billion parameters), like GPT-4, Claude 3, and Gemini Ultra, have a broader understanding of Indian tax laws but may not include the latest changes in tax laws or all case laws. Due to these limitations, the solution is to provide AI Model the context of applicable and updated tax law and rules.

Steps for automating AI reply creation





Automated fetching



- 1. The tax department doesn't offer an API to access litigation data.
- 2. Frequent changes to the website's structure cause RPA failures.
- 3. Some notices are missing from the tax portals.



Auto fetch

notices

1. Implement RPA to retrieve notices from tax portals.

Text

Extraction

Identify

context

Reply

creatior

- 2. Continuously monitor and update the RPA to adapt to webpage structure changes.
- 3. Allow users to upload notices manually if they are unavailable online.



Solution

Extracting Text



- 1. Notices come in various file formats such as PDF, ZIP, and Word documents.
- 2. Some notices are scanned images.
- 3. Notices may be in local languages instead of English.



- 2. Use OCR technology to extract text from scanned images.
- 3. Translate notices into English during preprocessing.





Providing Context



- 1. AI models lack full context of the latest laws and rules for drafting replies.
- 2. Tax laws and rules aren't available in a machine-readable, structured format.
- 3. Laws and rules are frequently updated.
- 4. Old notices require context from laws and rules relevant to the specific assessment year.

Solution

Auto fetch

notices

1. Integrate the latest applicable laws and rules with the notice text for the AI model.

Text

Extraction

Identify

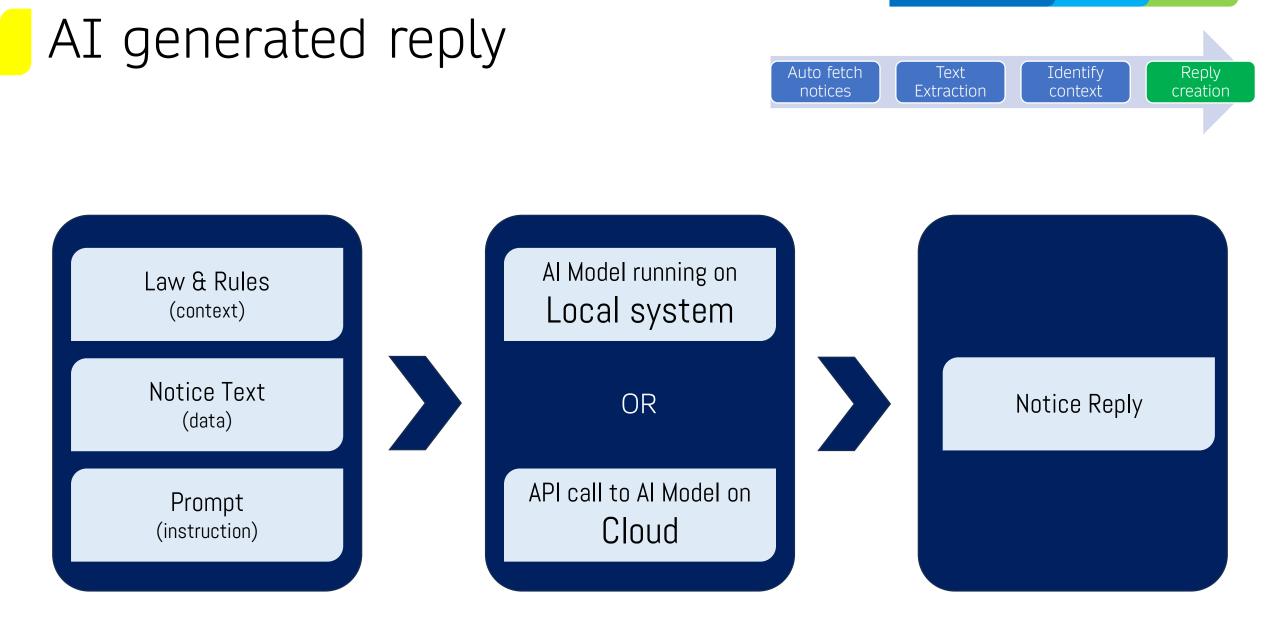
context

Reply

creatior

- 2. Develop a searchable database of laws and rules using vector search.
- 3. Regularly update the database to reflect changes in laws and rules.
- 4. Tag the database with the applicable years for each law and rule.







GST Notice – Sample 1

This is how the notice appears on the Jamku Portal software. The notice is for "Scrutiny of returns". The communication from GST Department is spread across 4 files.

Case Details					× (<u>)</u> \
	;				
Scrutiny of returns 8	Notice NOTICE	Files			
View List of Additional Notio	2021-2022	🕒 SR_NOTICE_2 🕒 Para 070.pdf 🔀			
Ref Id Issue Date	〒 29 Jan 2024	Para 073 074.pdf 🖸	3		
Due Date	→ 29 Feb 2024				
Section Tax Officer Name	61 (42)	은 User Fields			
		Target Date	No Target Date		
		User Description	No User Description	1	
Tags tහි 🕚 No tage	s set for this Case	+ Read			

Sample 1

The first file of the notice uses the standard ASMT 10 format. This file does not delve into the issues pertaining to scrutiny of returns.

GST ASMT - 10 [See rule 99(1)]

Referen	ce No.		Date:
GSTIN Name Addres		~ ~ ! !! !! !	
Tax peri	od: APR 2021 - MAR 2022	F.Y.: 2021-2022	Type of Return: GSTR
	Act	t/ Rules Provisions :	
		99(1)	
discrepa You are mention If no exp in the m	o inform that during scrutiny on incies noticed have been mer hereby directed to explain the ed in the table below. Information is received by the sa atter and proceedings in according any further reference to you in	ntioned in the attached an e reasons for the aforesai hid date, it will be presume ordance with law may be	eriod referred to above, nnexure d discrepancies by the date ed that you have nothing to
Sr. No.	Description	Particulars	7
1	Section under which notice i	is issued 61	
2	Date by which reply has to b	e submitted 29/02/2024	4
		Signature)





Sample 1

Para summery

GSTIN_ID/TIN	NAME OF	RISK PERIOD	Remarks/Descript	Total Risk	PARAMETER-	PARAMETER-	PARAMETER-	PARAMET
	THE DEALER		ion		0070	0073	0074	ER-0080
	1	01/04/2021-	Scrutiny					
C120	E	31/03/2022						

PARAMETER-0070 (SCRUTINY PARA2_GSTR1_3B_BIFA): Excess outward tax in GSTR 1 compared to GSTR 9/GSTR

3B:

Rs.

GSTIN/TIN	Trade_Name	_	GSTR1_FILING_C					_
			OUNT	_COUNT	ed	led	F_FY	Supply_R1
			12	12	01-09-23	01-08-23	01-03-22	

Total_Tax_R1	Outward_Su pply_R3B	 Difference_Outw ard_Supply	Difference_Tot al_Tax	Per_Difference _in_Tax_Liabilit	_	_	TOTAL_TA X_4G
			-	y			-

CAMT_4N	SAMT_4N	TOTAL_TAX_4N	GSTR9_FILERS_FL	R9_VALUE	NEW_FINAL_DI
			AG		FFERENCE



Sample 1

PARAMETER-0073 (SCRUTINY PARA5_GSTR3B_2A_GSTR9): Excess ITC claimed in GSTR 3B/9 which is not confirmed in GSTR 2B 8A of GSTR 9 & RCM tax paid

GSTIN/TIN	Financial_Yr	ASSIGNED_TO	Trade_Name_Legal_ Name	 T8B_TOT_TAX_ CESS	 	DIFF_8B_8A_ NEW
	2021-22	STATE				

DIFFERENCE	GSTR_9_TOT	TOTAL_3B_2A_
_6CDF_4G	AL_DIFF	СОМВ

PARAMETER-0074 (SCRUTINY PARA6_ITC_RC_CANCELLED) : In-eligible ITC claimed from RC is cancelled suppliers:

G	STIN/TIN	REG_NAME_	FIN_YEAR	GSTIN_NGTP_RCC_N	REG_NAME_	TRADE_NAME_	TAXABLE_VA	CGST	SGST
		BENEFICIARY		F	NGTP_RCC_	NGTP_RCC_NF	LUE		
					NF				
			2021-22						
L									

TOTAL_TAX	FLAG	SUPPLIER_CANC ELLATION_DATE	_	SOURCE_NG TP_FILE_NO
	_			



PARAMETER-0080 : Interests on delayed payments made with GSTR 3B

GSTIN/TIN	GSTIN1	RETURN_P	FIN_YEAR	FILING_DATE	PRECEEDING_F	LATE	CGST_PAI	CGST	BALANCE_	SGST_PAI	SGST_INTE	BALANCE_	TOTAL_TA	TOTAL_IN	BALANCE_
		ERIOD			IN_YEAR_TUR	_BY_	D	_INT	CGST_INT	D	REST_PAY	SGST_INTE	X_PAID	TEREST_P	TOTAL_IN
					NOVER	DAYS		ERES	EREST_PA		ABLE	REST_PAY		AYABLE	TEREST_P
						18		T_PA	YABLE			ABLE			AYABLE
						PRC		YABL							
						NT		E							



Response from AI Model

Next 3 pages provides the summary of the notices generated by AI Models. We are currently experimenting with 3 AI models. Hence three separate responses.

Note: To protect privacy, the confidential information from the response was removed and replaced with generic word with a strike. Example: name or for number 0000



This is a notice from the Goods and Services Tax (GST) Department, specifically the State Tax Officer, Address. The notice is addressed to Name, a GSTIN holder, and is related to discrepancies found in their GST returns for the period April 2021 to March 2022 (FY 2021-2022).

The notice mentions that during the scrutiny of the return, the following discrepancies were noticed:

- 1. Excess outward tax in GSTR 1 compared to GSTR 9/GSTR 3B (Rs. 0000)
- 2. Excess ITC claimed in GSTR 3B/9 which is not confirmed in GSTR 2B 8A of GSTR 9 & RCM tax paid (Rs. 0000-/-)
- 3. In-eligible ITC claimed from RC is cancelled suppliers (Rs. 0000-/-)
- 4. Interest on delayed payments in GSTR3B (Rs. 0000-/-)

The notice requires name to explain the reasons for these discrepancies by the date mentioned in the table below (29/02/2024). If no explanation is received by the said date, it will be presumed that the taxpayer has nothing to say in the matter, and proceedings may be initiated against them without further reference.

The notice also provides some additional information, such as the total risk parameter, GSTR 1 and GSTR 3B filing counts, and the last filed dates for these returns.

This model provides faster response. Open-source Al model



The notice from the Tax Department indicates several discrepancies found during the scrutiny of the GST return filed by name for the tax period of April 2021 to March 2022 (financial year 2021-2022) under GSTR-3B.

1. An amount of Rs. 000000 is mentioned as interest on delayed payments made with GSTR 3B. This indicates that there were delays in tax payments, resulting in interest charges.

2. A sum of Rs. 00000 is mentioned as a difference between the total tax cess reported in forms T8A and T8B. There's a discrepancy in the tax cess amount reported.

3. An amount of Rs. 00000 is indicated as excess ITC claimed in GSTR 3B/9, which is not confirmed in GSTR 2B 8A of GSTR 9 & RCM tax paid. This suggests that the Input Tax Credit claimed exceeds the eligible amount as per the reconciliation with GSTR 2B and other relevant filings.

4. Ineligible ITC claimed from RC cancelled suppliers is mentioned, without specifying the exact amount. 5. A parameter scrutiny indicates excess outward tax in GSTR 1 compared to GSTR 9/GSTR 3B, with a total risk amount mentioned.

6. Discrepancies are mentioned regarding the filing frequency and dates of GSTR-1 and GSTR-3B. For instance, GSTR-1 and GSTR-3B were filed 12 times, but the last filing dates differ. Also, there's a difference noted in the outward supply amounts between GSTR-1 and GSTR-3B.

Overall, the notice outlines various discrepancies related to tax payments, input tax credit claims, and filing inconsistencies. Name is directed to provide explanations for these discrepancies by the specified deadline to avoid further legal proceedings.

This model provides slow response. This uses proprietary Al Model.

The tax department has identified several discrepancies in name GST return (GSTR-3B) for the period April 2021 - March 2022 (financial year 2021-2022) based on scrutiny. Here's a breakdown of the issues:

1. Interest on Delayed Payments (Rs. 0000):

You made late payments on your GST dues through GSTR-3B filings.

The notice specifies the interest amount payable for the delay.

2. Difference in Taxable Amount (Rs. 0000):

A mismatch exists between the total tax cess reported in GSTR-3B and the one reflected in GSTR-9.

This difference could be due to errors in calculation or reporting of tax cess.

3. Excess Input Tax Credit (ITC) Claimed (Rs. 0000):

You claimed Input Tax Credit (ITC) in GSTR-3B/9 that wasn't confirmed by your suppliers in their GSTR 2B (8A) filing for GSTR-9.

Additionally, you claimed credit for Reverse Charge Mechanism (RCM) tax.

4. Excess Outward Tax in GSTR-1 (Rs. 0000):

The outward tax liability declared in your GSTR-1 filing is higher compared to what's reflected in GSTR-9 or GSTR-3B.

This could be due to mistakes in reporting outward supplies in GSTR-1.

This uses proprietary Al Model.



IT Notice – Sample 2



GOVERNMENT OF INDIA MINISTRY OF FINANCE INCOME TAX DEPARTMENT OFFICE OF THE PRINCIPAL COMMISSIONER OF INCOME TAX PCIT, Thane-1

Approval u/s 151 of the IT Act. 1961

_	4	Name of the assesse	
	1. 2.	Address and e-mail of the assesse	_
	3.	PAN	-
	4.	Status	-
	5.	Circle/ Ward/ Range/ CIT Charge	
	6.	Assessment year	_
	7.	The quantum of income which has escaped assessment	in the second
	8.	Approval needed for	Issue of notice u/s 148 where there is no requirement for passing order u/s 148A(d)
	9.	Time limit for current proceedings covered under	u/s 149(1)(a) - for 3 years
	10.	Limitation date for issuance of notice u/s 148	
	11.	Whether the show cause notice u/s 148A(b) contains the details of the information, as per explanation-1 of Section 148.	DEPARTMET
	12.	(i) Enquiry conducted (if any), u/s 148A(a)	N/A
		(ii) Whether the show cause notice u/s 148A(b) contains the details of results of enquiry conducted 148A (a).	N/A
	13.	Date of issue of show cause notice to assessee u/s 148A(b)	
	14.	Date by which assessee was required to submit reply to show cause notice u/s 148A(b) or the final extended date	N/A
	15.	Whether any reply received from assessee u/s 148A(b)?	N/A
	16.	Whether personal hearing requested by assessee	N/A
	17.	Whether the provision of Sec, 150(1) are applicable.	
	18.	Reasons for the belief that income has escaped assessment.	Refer Annexure for reasons
	19.	Recommendations of the Additional/ Joint CIT	Remarks: I have gone through facts of the case, material on record and proposal submitted by JAO and I recommend this as a fit case for



Sample 2 page 2

		issuance of notice u/s 148 of the Income Tax, 1961, if approved.		
20.	Recommendations of the CIT/PCIT (where CCIT/PCCIT is the specified authority)	Remarks: N/A Name: N/A Designation: N/A Date:		
21.	Recommendations of the CCIT (where PCCIT is the specified authority)	Remarks: N/A Name: N/A Designation: N/A Date:		
22.	Reasons for according approval/ rejection by the specified authority for issuance of notice under section 148 of the Income Tax Act, 1961?	Remarks: I have perused the facts of the case vis-à-vis information/material available on record and found the case to be a fit case for issue of notice u/s 148 of the I.T. Act 1961. Accordingly, the proposal submitted by the AO to issue notice u/s 148 of the I T Act is approved.		
	Sty 4 NCOME TAX	ent ave		

Sample 2 page 3

ANNEXURE

Satisfaction Note recorded by the Assessing officer for issuing Notice u/s 148 of the IT Act in the

As per the information received from , a search action u/s. 132 of the Income Tax Act, 1961 was conducted on

t was found that it had m ade certain purchases from I to ascertain the genuineness of the transactions, summons u/s. 131(1A) of the Act was issued to requesting him to present himself in the office of the along with details such as ledger of transactions, invoices , lorry receipts, e-way bill, delivery challan, inward/outward register and other documentary evidences in support of the transactions. In reponse to the said summons, has made his submission vide letter dated whrein the assessee has submitted the ledger account of along with copy of all the invoices.

On perusal of the submission it was found that the assessee had shown sales of Rs. Including GST) in F.Y. 2019-20 tc The assessee had submitted invoices. However, the assessee has not submitted any other documentary evidences viz purchase order, lorry receipts, delivery challans to prove genuineness of the transaction made with In view of the it was established that no physical delivery of the goods had happened to

06. In view of the above mentioned facts, the assessee

s squarely covered within the provisions of clause(iv) of explanation 2 of section 148 and exceptional clause (c) of section 148A of the IT Act. Therefore, I am satisfied that an amount of Rs. has escaped assessment and hence the assessee's case is a fit case to initiate proceedings u/s 148 of the IT Act, 1961 for



a california alla sellenari di POSPI.

This is a notice from the Income Tax Department of India, specifically from the Principal Commissioner of Income Tax (PCIT) in location. The notice is related to an individual taxpayer, name, with PAN ABC1234 and Assessment Year 2020-21.

Purpose: The notice is seeking approval to issue a notice under Section 148 of the Income Tax Act, 1961, which allows the Income Tax Department to reopen an assessment that has already been completed. **Reasons for reopening**: The notice states that a search action was conducted by the Department of Income Tax (Inv) on date, in the case of name. During the search, it was found that name had made certain purchases from name2, a company owned by name3. The Department issued a summons to name2 to provide documentation supporting the transactions, and name2 submitted a ledger account and invoices. However, the Department found that the documentation was incomplete and did not provide evidence of physical delivery of goods to name.

Conclusion: Based on the investigation, the Department is satisfied that an amount of Rs. 0000/- has escaped assessment and that name2 case is a fit case to initiate proceedings under Section 148 of the IT Act, 1961, for Assessment Year 2020-21.

Next steps: If the approval is granted, the Department will issue a notice to Ghate under Section 148 of the IT Act, 1961, requiring him to provide additional information and documentation to support his income and tax liability for Assessment Year 2020-21.

Time limits: The notice states that the time limit for current proceedings under Section 149(1)(a) is 3 years, and the limitation date for issuance of notice under Section 148 is March 31, 2031.

This model provides faster response. Open-source Al model

This notice is from the Income Tax Department of the Government of India and pertains to the assessment year 2020-21 for the individual taxpayer named name, whose PAN is ABC1234. Here's a breakdown of the key points in the notice:

Quantum of Income Escaped Assessment: It indicates that an amount of Rs. 0000 has been identified as income that has escaped assessment.

Purpose of the Notice: The notice is issued under Section 148 of the Income Tax Act, 1961, which allows the Income Tax Department to reassess or reopen a case if they believe income has escaped assessment. Time Limit: The notice mentions that the time limit for the current proceedings under Section 149(1)(a) is three years, and the limitation date for issuing the notice under Section 148 is 31/03/2031.

Reasons for Belief of Escaped Assessment: The annexure provides the reasons for believing that income has escaped assessment. In this case, it's related to transactions between M/s. name and name, where certain purchases were made but the physical delivery of goods didn't occur, indicating potential irregularities.

Continued

This model provides slow response. This uses proprietary Al Model.

Continued

Recommendations and Approval: The notice includes recommendations from various authorities within the Income Tax Department, including the Additional/Joint CIT and the PCIT (Principal Commissioner of Income Tax). The approval has been accorded by the PCIT, for issuing the notice under Section 148.

Enquiry Conducted and Responses: It mentions whether any enquiry was conducted under Section 148A(a), details of the show cause notice issued under Section 148A(b), and whether any response was received from the assessee.

Reassessment Proceedings: The notice indicates that the reassessment proceedings are being initiated due to discrepancies identified in the taxpayer's transactions.

Overall, the notice informs the taxpayer about the initiation of reassessment proceedings for the mentioned assessment year based on the belief that certain income has escaped assessment. It provides details of the reasons behind this belief and the procedural steps taken by the Income Tax Department in this regard.

This model provides slow response. This uses proprietary Al Model.



The income tax department is issuing you a notice under Section 148 of the Income Tax Act, 1961. This means they believe you did not report all your income for the tax year 2020-2021.

Here's a breakdown of the notice: Assessee: name PAN: ABC1234 Assessment Year: 2020-2021 Amount in question: Rs. 0000

Reason for Notice: The income tax department conducted a search on a company named name They found that PDSPL had purchased goods from name2, during the financial year 2019-2020. The department then issued a summons to you, requesting documents related to these transactions. While you provided invoices, you did not provide other documents such as purchase orders, lorry receipts, or delivery challans. Because of this, they believe no physical delivery of goods happened, and the income was not genuine.

What to do next: This notice is informing the Principal Commissioner of Income Tax (PCIT) of their decision to issue a notice under Section 148. It has been approved. You likely will receive a separate notice with more details on how to respond.

This uses proprietary Al Model.



Automated Tax Litigation Management

Tax litigation necessitates timely adherence to the requirements of the Tax Department for continuous compliance and reporting. The storage and tracking of data can be a labor-intensive endeavor, particularly when dealing with historical data. The intricate nature of managing data, compounded by its sheer volume and various sources, adds to the arduous and daunting task of monitoring information.

Our 'Tax Litigation' solution represents a comprehensive web-based platform that facilitates effective coordination and monitoring of information, data, and documents across the entire organization. This solution has been meticulously crafted to efficiently handle and analyze information, ensuring compliance with the time-sensitive submission requirements imposed by tax authorities.

Our suite of technological solutions has been developed to cater to the intricate tax requirements of businesses, in response to the ever-evolving regulatory landscape and the increasing demands of the business environment.





Challenges and Solution

Challenges faced while compiling data for tax litigations:

Delays in Actions: Significant delays in executing tasks and follow-up actions, coupled with the absence of real-time tracking for new notifications.

People-Dependent Processes: There is a heavy reliance on personnel for value-added tasks, primarily due to the absence of standardized data.

Manual Procedures: Notice and reply tracking carried out manually, which can be time-consuming and prone to errors. Time-Consuming Monitoring: The process of tracking court dates, follow-up actions, and the status of open or closed items and positions, as well as appeals, can be laborious. Inadequate Data Storage: There is a lack of capability to efficiently store historical data and working documents required for litigation management.

Digital Records Urgency: There is an immediate need to digitize tax litigation records and establish a centralized repository to facilitate remote work for teams.

Jamku Portal - The solution:

Standardized approach to record, manage, consolidate, and report on both direct and indirect tax litigation information across multiple entities within the corporate group. Seamless digitization of tax-related documents and the introduction of electronic tracking for tax proceedings, streamlining the management of litigation without the need for physical paperwork. This approach not only saves time but also reduces the risk of errors and omissions inherent in manual data processing. Robotic process automation for the extraction of information from notices, submissions, and final orders obtained through the tax portals.

Intelligent alerts, notifications, and reminders to ensure timely compliance with upcoming hearings and pending actions, enhancing the effectiveness of our compliance efforts. Carefully curated and interactive dashboards and reports, offering valuable data insights for monitoring ongoing tax proceedings as well as current and past litigations, thus aiding in informed decision-making.



Jamku portal – Automated Tax Litigation Tracking

Manually tracking			Automated tracking		
Notice missed	Multiple emails from department		Never miss any communication	Daily single email for all entities	
Time consuming	Delay in communication		Consolidated Dashboard	Never miss any communication	
Rigid and slow UI	No Dashboard		Intuitive and fast UI related information	Actionable Dashboard	



About

Madrecha Solutions Pvt Ltd, a company based out of Mumbai specialises in Data Privacy Law, Cyber Security, Supply Chain Solutions and Robotic Process Automation (RPA). The software division of the company focuses on Practice Management Software, Notice Management Solution under the brand name "Jamku". Other software products include Joilo, Counting Dues.

Madrecha Solutions was founded by CA Adarsh Madrecha with goal of being leader in each software segment it ventures into. Jamku practice management software was started in 2013. It is currently India's largest practice management solution with over 2100 Firms choosing Jamku to manage their practice. Jamku Portal is India's first automated tax litigation management solution. It is used by 2100+ CA firms and 150+ large corporates.

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Software Solutions



Jamku Portal

Automated notice, proceedings tracking from Income Tax, GST, TDS (Traces) Website

Jamku Practice Management Office management software for CA, Tax Consultant, Advocate, Cost Accountant, Company Secretary