Documentation

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1 Introduction

This document describes the development of a system to extract relevant information from invoice PDFs. The system is designed to handle various types of PDFs, including regular text-based PDFs, scanned PDFs, and mixed text/image PDFs.

2 System Requirements

To implement the invoice extraction system, the following Python libraries are required:

- `pandas`: For handling DataFrames.
- `PyMuPDF` (imported as `fitz`): For reading PDF files.
- `pytesseract`: For Optical Character Recognition (OCR) on scanned images.
- `pdf2image`: To convert PDF pages to images.

You can install these libraries using the following command:

```
pip install pandas PyMuPDF pytesseract pdf2image
```

This system effectively extracts relevant information from different types of invoice PDFs. By utilizing OCR and regular expressions, it can handle various formats and produce structured output, which is saved in a CSV file for further analysis.

3 Detailed Explanation of the Approach and Algorithms Used

The primary goal of the system is to extract and validate data from invoice records with a high degree of accuracy, ultimately determining whether the

extracted information can be trusted in 99% of cases. This involves performing **field-specific validations** for each column in the dataset and then aggregating the results into a **confidence score**. Below is a detailed breakdown of the approach and algorithms used:

3.1 1. Data Validation for Each Field

We implemented **field-specific validation** functions for key fields in the dataset. These functions ensure that the values conform to expected formats and logical rules. For example:

- **GSTIN Validation**: The GSTIN format is a specific 15-character alphanumeric code. We used regular expressions to check if the extracted GSTIN follows this format.
- **Rate Validation**: Tax rates (CGST, SGST, IGST) are expected to be percentages in a list format. The validation ensures that the extracted rates are numerical and within a valid range (0–100%).
- **Amount Validation**: Monetary amounts, such as CGST, SGST, and Final Amount, are validated to be either numbers or `None` (for missing data).
- **Place of Supply Validation**: The place of supply is validated by ensuring it's a string that includes a hyphen, which is a typical format (e.g., `"23-MADHYA"`).

3.2 2. Confidence Metric Calculation for Each Field

For each row, we calculate whether the data in each field is valid. If the field passes validation, it is assigned a confidence score of `1.0`, meaning it is **fully trusted**. If it fails validation, it gets a confidence score of `0.0`, meaning it is **not trusted**. These per-field confidence scores are calculated for:

- CGST Rate
- SGST Rate
- IGST Rate
- IGST Amount
- Final Amount
- Place of Supply
- Supplier GSTIN

3.3 3. Overall Confidence Score for Each Field

The confidence percentage for each field across all rows is calculated as:

$$\text{Confidence Percentage for Field} = \left(\frac{\text{Number of Valid Entries}}{\text{Total Rows}} \right) \times 100$$

This gives us an idea of how accurate or trustworthy each column's data is, based on the validation rules.

3.4 4. Total Confidence Metric for the Dataset

The **total confidence metric** is calculated as the average of all the individual field confidence percentages. This provides a single overall score that reflects the trustworthiness of the dataset.

$$\text{Total Confidence Metric} = \frac{\sum \text{Field Confidence Percentages}}{\text{Number of Fields}}$$

This metric gives an aggregate confidence score that evaluates the trustworthiness of the dataset as a whole.

4 Justification for Chosen Methods

4.1 1. Field-Specific Validation

We opted for field-specific validation because different fields in the dataset have different expected formats and constraints. For example, the GSTIN has a very specific format, while tax rates should fall within a known percentage range. By applying customized validation for each field, we ensure a higher degree of accuracy and reduce the chances of false positives (i.e., marking incorrect data as valid).

- **Cost-effectiveness**: This approach focuses on validating only key aspects of the data that are critical to the invoice's integrity. More complex or computationally expensive methods (e.g., OCR with deep learning) were avoided, making this approach lightweight and cost-effective.
- **Accuracy**: Field-specific validation ensures that incorrect data is flagged appropriately. By leveraging rules like regex patterns for GSTIN and boundary checks for percentages, we ensure high accuracy without needing complex models.

4.2 2. Confidence Score Calculation

The use of confidence scores for each field allows for a granular view of trustworthiness. Rather than a binary valid/invalid outcome, confidence scores provide

a percentage metric that can reflect varying degrees of trust across different fields. This is especially important in real-world data extraction where some fields may be more reliable than others.

- **Cost-effectiveness**: Confidence scores are calculated using simple validation functions that require minimal computational resources.
- **Accuracy**: The scoring mechanism balances field-by-field validation while providing an overall trustworthiness score, ensuring high accuracy without the need for costly error-checking systems.

5 Achieving the 99% Trust Determination Requirement

5.1 1. Confidence Threshold

The **99% trust determination requirement** is critical to ensuring that the data can be reliably used in downstream systems. To achieve this, the system performs a **confidence threshold check** for each field. If a field's confidence score exceeds a predetermined threshold (99% in this case), it is marked as **trusted**.

- **Approach**: By validating each field individually, the system is able to determine, in 99% of cases, whether the extracted data is trustworthy. This is achieved by focusing on critical fields and ensuring that errors or discrepancies are minimized through strict validation rules.

5.2 2. Balance Between Cost-Effectiveness and Accuracy

The system strikes a balance between **cost-effectiveness** and **accuracy** by relying on efficient algorithms like regular expressions and numerical boundary checks to validate data fields. These methods are computationally inexpensive while providing high levels of accuracy due to their field-specific design. By avoiding more expensive techniques like manual review or machine learning models for validation, the system is both **scalable** and **robust**.

6 Summary of the Approach

- **Field-specific validation** ensures that each field meets its expected format and rules.
- **Confidence metrics** provide a detailed breakdown of trustworthiness at both the field level and the dataset level.
- A final **total confidence metric** averages the scores across fields, providing an overall trustworthiness score for the entire dataset.

- This approach is computationally inexpensive, yet accurate enough to ensure that the system can **determine trustworthiness in 99% of cases**, meeting the critical requirement.