

**Government of Jammu and Kashmir
Finance Department,
Civil Secretariat, J&K**

Subject: Large scale fraudulent claims of refunds by employees of various Departments of UT of Jammu and Kashmir-regarding.

Ref. F.No.PR-CIT/SGR/Bogus Refunds/2023-24/6327 received from Office of the Principal Commissioner of Income Tax, J&K and Ladakh.

CIRCULAR No. 03-FD of 2024

D a t e d : 15-03 -2024

Through the communication under reference, the Principal Commissioner of Income Tax, J&K and Ladakh has informed that majority of employees from different Departments (viz. Education, Health, PDD, PHE, Cooperatives, Sports, Tourism, Industry, PWD, Police and other Departments) have been found to be indulged in claiming excessive deductions under various sections of the Income Tax Act viz. 80C, 80D, 80DD, 80DDB, 80EB, 80E, 80EE, 80EEB, 80G, 80GGC etc., for which they were ineligible and such deductions were also found to be inconsonant with their income profile.

The Income Tax department has informed that the defaulters/erring employees may face following actions from the department:-

- a. Selection of cases of erring employees for detailed scrutiny which will result in levying of tax along with penalty @ 200% of tax evaded by them and interest on tax computed in their respective cases.
- b. Prosecution under section 276C and 277 of the I.T Act which may lead to rigorous imprisonment for a term ranging from 3 months to 7 years along with fine.
- c. Attachment of bank accounts of defaulters to recover the fraudulently claimed amounts from them.
- d. Apart from above, non-compliance to Department's communication will also attract a penalty of Rs. 10,000/- for each default.

It has been further informed that in order to avoid any coercive action or harsh communication from the Department, the defaulter employees may file updated ITR u/s 139(8A) of the I.T Act and withdraw

incorrect claims made by them and pay taxes under section 140B of the Act. The timelines to file updated ITRs for different years is as following:

Financial Year	Assessment Year	Last date to file updated ITR
2020-21	2021-22	31 st March 2024
2021-22	2022-23	31 st March 2025
2022-23	2023-24	31 st March 2026

Further, it has been advised that updated ITRs for the relevant years may be filed immediately without waiting for due dates, as delay in filing ITRs will result in issuance of show cause notices/selection of cases under scrutiny besides payment of additional taxes as per following details:

- If ITR is filed within 12 months from the end of relevant Financial year - the assessee will have to pay 25% of the total amount of tax and interest as additional tax.
- If ITR is filed within 12 to 24 months from the end of relevant Financial year- the assessee will have to pay 50% of the total amount of tax and interest as additional tax.

It is, therefore, impressed upon all the Administrative Secretaries/Heads of Departments to issue advisories in this regard, besides, directing the Drawing and Disbursing Officers under their control to ensure that the defaulter employees file updated ITR u/s 139(8A) of the IT Act and withdraw incorrect claims made by them and pay taxes under section 140B of the Act within the prescribed timelines to avoid any coercive action from the IT Department.

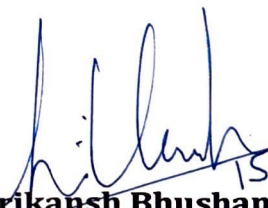
Sd/-
(Santosh D Vaidya) IAS
Principal Secretary to the Government
Finance Department
Dated: 15.03.2024

No. FD-Cord/61/2024-03

Copy to the:

1. Ld. Advocate General, High Court, J&K.
2. All Financial Commissioners (Additional Chief Secretaries).
3. Director General of Police, J&K.
4. Director General Institute of Management Public Administration and Rural Development, J&K.
5. Principal Accountant General, J&K.
6. Principal Chief Conservator of Forests, J&K.

7. Principal Secretary to Hon'ble Lieutenant Governor.
8. All Principal Secretaries to the Government.
9. Joint Secretary (J&K) Ministry of Home Affairs, Govt. of India.
10. Chief Electoral Officer, J&K.
11. Principal Commissioner of Income Tax, Srinagar.
12. All Commissioner/ Secretaries to Government.
13. Divisional Commissioner, Jammu/Srinagar.
14. Principal Resident Commissioner, J&K Government, New Delhi.
15. Chairman J&K Special Tribunal.
16. Principal Secretary to the Chief Justice J&K High Court Jammu/Srinagar.
17. Director Anti Corruption Bureau, J&K.
18. Director General Codes Division, J&K.
19. Director General Budget Division, J&K.
20. Director General Accounts and Treasuries, J&K.
21. Director General Local Fund, Audit & Pension, J&K.
22. Director General Funds Organization, J&K.
23. Director General Audit & Inspection, J&K.
24. Director General Resources, J&K.
25. Director Information, J&K for vide publicity in the leading daily newspapers.
26. All Heads of Departments/ Managing Directors/ Chief Executive of State / PSU's/ Autonomous Bodies / Societies.
27. Secretary, J&K Public Service Commission, J&K.
28. All District Development Commissioners.
29. Secretary, J&K Legislative Assembly.
30. Senior Technical Director & Scientist F, NIC, J&K.
31. Director Accounts & Treasuries Jammu / Kashmir.
32. Principal, Northern Zonal Accountancy Training Institute, Jammu.
33. All Director Finance / Financial Advisors & CAO'S.
34. All Directors (Planning)/Joint Director (Planning).
35. Joint Director Funds Organization Jammu / Kashmir.
36. Principal Accountancy Training Institute, Srinagar.
37. General Manager, Government Press for publication in Government Gazette.
38. All Drawing and Disbursing Officers / Treasury Officers for compliance.
39. Pvt. Secretary to Advisor (B) to the Lieutenant Governor.
40. Pvt. Secretary to the Chief Secretary, J&K.
41. Pvt. Secretary to Principal Secretary, Finance Department, J&K.
42. I/c Website, FD (www.jakfinance.nic.in).
43. I/c Website, GAD (www.jkgad.nic.in).
44. Relevant File.


Trikansh Bhushan (JKAS)
Under Secretary to the Government
Finance Department
15/03/2024
15/03