



**GOVERNMENT OF JAMMU AND KASHMIR**  
**FINANCE DEPARTMENT**  
**(www.jkdat.nic.in)**

**Subject:-** Fraudulent claims of refunds by employees of various departments of Union Territory of Jammu and Kashmir regarding.

**Ref.:-** Office of the Pr. Commissioner of Income Tax, Srinagar No. PR.CIT / SGR / REFUNDS / 2022-23 / 4075 dated 17.03.2023.

**C I R C U L A R**


Principal Commissioner of Income Tax, Srinagar vide above referred communication has brought to the notice of Chief Secretary J&K that Income Tax Department has done analysis of the refund issue to the Tax payer of Jammu and Kashmir for the Assessment Year 2020-21, 2021-22 and 2022-23 and some disturbing trends have been identified in respect of refund claims by the salaried persons which are untrue, erroneous, improbable and not based on the facts. Under the Income Tax Act 1961, Tax payer has direct legal and personal responsibility for willful claims that are false. Large number of individual Tax payers particularly those who derive income from salaries have claimed excessive deductions under various sections of the Income Tax Act without actually being eligible for such deductions.

Various employees have claimed the refunds of Tax Deducted at Source (TDS) made by their respective DDOs, either substantially or fully. It has also been noticed that some employees have claimed to have paid as much as 50% of their salaries as donation to political parties and claimed deduction under Section 80GGC of the Income Tax Act besides claiming other deductions, leaving hardly any balance out of their salary for meeting household expenses.

In order to ease the compliance for tax payers, the Income Tax Department does not ask them to upload documents evidencing the deductions under various sections of the Act, as the department trusts the tax payer and the Centre Processing Unit (CPU) process the return of income and issue refunds without asking any questions/ details. Returns so filed by the tax payers are analyzed subsequently, by Director General of Income Tax (Systems) and the cases of fraudulent claims / bogus refunds are selected for scrutiny and in that eventuality the tax payer has to pay heavy price that includes levy of tax and penalty upto 200% for making fraudulent claims.

The Income Tax Department provides a limited window in a shape of ITR-U under section 139(8A) which provides that the tax payers can update their returns of the Income Tax by paying their actual due tax alongwith penalty which is 50 % of the additional tax + interest for Financial Year 2019-20 (AY 2020-21) and 25% for Financial Year 2020-21 (AY 2021-22) if the ITR-U is filed before 31.03.2023. The possibility of future coercive actions under the law can be mitigated through truthful and voluntary tax payment and declaration of the correct income.

Given the short time available for corrections which is 31.03.2023, it is impressed upon all the Administrative Secretaries / Heads of the Department / Drawing and Disbursing Officers of the UT of Jammu and Kashmir to convey to all the employees under their charge to avail the benefit in case they have claimed in correct deduction for refund of TDS.

  
**(Mahesh Dass), 28/3/23**  
Director General,  
Accounts & Treasuries,  
Finance Department.

Dated:28.03.2023

No. DGAT/PS/8/2023 (7157658cc)/85

Copy to the:

1. Ld. Advocate General, High Court J&K.

2. All Financial Commissioners (Additional Chief Secretaries).
3. Principal Accountant General, J&K.
4. Director General of Police, J&K.
5. Principal Chief Conservator of Forests, J&K.
6. Principal Secretary to Hon'ble Lieutenant Governor.
7. All Principal Secretaries to the Government.
8. Joint Secretary (J&K) Ministry of Home Affairs, Govt. of India.
9. Principal Resident Commissioner, J&K Government, New Delhi.
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. Chairman J&K Special Tribunal.
15. Principal Secretary to the Chief Justice J&K High Court Jammu / Srinagar.
16. Director Anti Corruption Bureau, J&K.
17. Director General Audit & Inspection, J&K.
18. Director General Budget Division, J&K Jammu.
19. Director General Local Fund, Audit & Pension, J&K.
20. Director General Codes Division, J&K.
21. Director General Funds Organization, J&K.
22. Director General Institute of Management Public Administration and Rural Development, J&K.
23. Director Information, J&K for wide publicity in the leading daily newspapers.
24. All Heads of Departments/ Managing Directors/ Chief Executive of State / PSU's/ Autonomous Bodies / Societies.
25. Secretary, J&K Public Service Commission, J&K.
26. All District Development Commissioners.
27. Secretary, J&K Legislative Assembly.
28. Senior Technical Director and Scientist 'F', NIC J&K Unit is advised to keep provisions for calculation of Income Tax in respect of employees in the JK Paysys.
29. Director Accounts & Treasuries Jammu / Kashmir.
30. Principal, Northern Zonal Accountancy Training Institute, Jammu.
31. All Director Finance / Financial Advisors & CAO's.
32. All Directors (Planning)/Joint Director (Planning).
33. Joint Director Funds Organization Jammu / Kashmir.
34. Principal Accountancy Training Institute, Srinagar.
35. General Manager, Government Press for publication in Government Gazette.
36. All Drawing and Disbursing Officers / Treasury Officers for compliance.
37. Pvt. Secretary to Advisor (B) to the Lieutenant Governor.
38. Pvt. Secretary to the Chief Secretary, J&K.
39. Pvt. Secretary to Administrative Secretary, Finance Department, J&K.
40. I/c Website, FD ([www.iakfinance.nic.in](http://www.iakfinance.nic.in)).
41. I/c Website, GAD ([www.jkqad.nic.in](http://www.jkqad.nic.in)).
42. Relevant File.

*mahesh*  
*28/3/23*