

PASSING OUT PARADE

State Taxes Department, J&K



kar-taryuā
कार प्रगल्भान्, राष्ट्रं नो रलाण

A Periodical

by

**Jammu & Kashmir
STATE TAXES DEPARTMENT**

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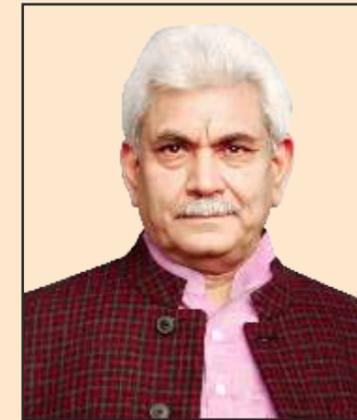




**A Contingent of State Taxes Department
participating in the Republic Day Parade in Jammu**



**RAJ BHAWAN,
JAMMU**



**Lieutenant Governor
Jammu & Kashmir**



MESSAGE

I am happy to learn that State Taxes Department, J&K, is publishing the First Edition of its Newsletter '**KARTAVYA**' to highlight the initiatives and milestones achieved by the department, which has been working diligently to make the tax administration more efficient, user-friendly, besides enhancing tax compliance behaviour amongst all stakeholders.

The introduction of Goods and Services Tax in July, 2017 has changed the economic landscape of Jammu and Kashmir with monthly tax revenue increasing from Rs. 300 Crore in 2017-18 to Rs. 600 Crore in 2022-23. It is heartening to see that this year in GST collection till December-2022, J&K has recorded 19% year on year growth which in itself is a testimony to the fact that State Taxes Department has been working tirelessly for increasing tax compliance leading to enhanced tax efficiency and consequently higher revenue achievement. The tax collected is used for carrying out various welfare schemes of the Government of India/UT, which further contributes, in socio-economic development of the country, thus leading to nation building.

I believe the recent initiatives of State Taxes Department like setting up Helpdesks in all Circle offices, organizing Traders Convergence meets, etc. have provided a valuable platform to general public to make them aware of the GST laws, rules and recent amendments. This has also improved tax compliance among general public and helped them to become a contributor in the development.

I convey my greetings to all the members of State Taxes Department, J&K, for publishing its newsletter and wish them success in their future endeavours.

Manoj Sinha
Manoj Sinha



Advisor to Lieutenant Governor
Jammu & Kashmir



MESSAGE

I am pleased to note that State Taxes Department is releasing its maiden edition of newsletter "KAR-TAVYA". I am happy to note that the appreciable work done by the department in last one year is getting reflected in this edition of "KAR-TAVYA".

It is heartening to see that Jammu & Kashmir has shown extraordinary growth in tax collections. Proper tax planning, effective monitoring and ensuring greater transparency and accountability has contributed towards growth in revenue collection in Jammu & Kashmir. I am sure that State Taxes Department shall continue to work with same zeal and reinforced drive towards achieving the laid down goals in the next financial year also.

I congratulate Dr. Rashmi Singh, IAS, Commissioner, State Taxes, J&K and all the officers & officials of the department for their dedication and concerted efforts in ensuring that State Taxes Department becomes an important stakeholder in the development process through awareness, trainings and outreach programs.

I wish all the best to the Department for their future endeavors.

Rajeev Rai Bhatnagar



Chief Secretary,
Jammu & Kashmir



MESSAGE

I am glad to learn that State Taxes Department under the guidance of Dr. Rashmi Singh, IAS, Commissioner, State Taxes, J&K has come up with the novel initiative of bringing out regular bulletins in the newsletter highlighting the administrative efficiency besides enhancing tax compliance behaviour amongst all stakeholders.

As the implementation of GST Act has completed its 6th year in J&K, the Union Territory is witnessing a significant increase in transparency, tax compliance and overall revenue collection. The Act has streamlined the taxation system and created a unified common market. The successful implementation of GST in J&K has widened the Union Territory's tax base, regularized the unorganized sector and strengthened fiscal federalism.

It is with great satisfaction that I reflect on the several steps taken by the State Taxes Department for revenue augmentation. There has been a consistent improvement in return filing, number of registrations and use of data analysis to identify the wrongdoers. Steps like GST Audit, setting up SIU and Zonal Convergence Forums are some of the commendable initiatives of the Department that have led to optimization of human resource and have ensured appreciable growth in revenue collection in J&K.

I am hopeful that State Taxes Department would continue to further enhance the tax compliance and revenue generation. I wish State Taxes Department all the best in the years ahead.


Dr. Arun Kumar Mehta, IAS



Commissioner,
State Taxes, J&K



From the Editor's Desk

At the outset I would like to thank the team members for their spirited participation in all initiatives of the department besides staying focussed in executing the core statutory responsibilities as cast on them. This newsletter is a visible outcome of our collective endeavours taken during recent months.

The Department has come a long way in augmenting revenue as demonstrated by achievement of average monthly GST collection now at Rs. 610.00 crores viz a viz Rs 300.00 crores in the first year of GST i.e, 2017-18. For the period between April to January, 2023 GST Revenue collection in the UT of J&K rose at the rate of 19%. An amount of Rs.6102.4 crores stands realized till January ending under GST, Rs 408.51crores as Stamp duty and Rs 1313.18 crores under MST. This year more than 22000 new taxpayers have been added. Further compliance under GST have shown remarkable progress which can be judged from the fact that the return filing percentage of GSTR 3B monthly returns has crossed 97 percent ,showing an increase of 28.69 percent in comparison to the last FY for the same period.

In the FY 2022-23, a number of new strategies have been adopted to augment revenue. Our effort has been multi-pronged, combining both regulatory and promotive measures. While exercising our statutory mandates, we are simultaneously trying to get this habit inculcated in every business enterprise and also consumers to pay taxes with due diligence and pride. While having targeted intervention to meet our short term goals, we are also focussing on a long term approach which secures sustainable development through augmentation of human resource capacity engaged in tax administration.

Our strategies have ranged from Mass Awareness Programs for stakeholders to establishing Facilitation centres with internet facilities so as to enable taxpayers to file timely returns , apply for new registration and also respond timely to clarifications sought or technical glitches raised by taxpayers. Setting up of GST Suvidha Kendra / facilitation centres in remote areas of Kupwara , Doda, Kishtwar, Rajouri, Poonch etc.

has helped taxpayers to overcome problems of connectivity especially in winter season.

In order to improve synergy in our various units, our recent initiative has been to set up Convergence Forums headed by the officers of the rank of Dy. Commissioners. This proved to be an ignition point in revitalizing the tax collection growth during the current financial year. Further to reduce compliance cost, a time bound process for cancellation of the dormant as well as non-compliance taxpayers has been initiated resulting in cancellation of more than 6000 registrations during the financial year.

With a view to rationalize Revenue collection from works contract service providers, a series of sensitization programs have been organized by the department for Drawing and Disbursing officers (DDOs) with the objective to make them understand their roles and responsibilities under GST and the same also fetched great results. The number of DDO registrations have tremendously increased from 3000 to 7000 during the last three months and the impact on Revenue collection through works contract service providers has also shown a significant result.

For data analytics and fraud detection, a specialized wing (Special Investigation Unit) has been created recently which provides much needed backend data support to the field enforcement units and other supervising authorities for targeted intervention.

Audit in GST holds a great significance especially when the system is based on voluntary compliance of the taxpayers. In order to ascertain facts and to verify the genuineness of the declarations made by the taxpayers, a dedicated Audit Cell has been set up using in-house resource pool of manpower and the process of audit is underway for the financial year 2017-18 and 2018-19.

Another new initiative of conducting regular meetings with Central Tax administration officials has been started with the objective to improve coordination for revenue augmentation and exploring areas of possible synergies

The aforesaid initiatives may be small steps but hopefully will lead to progressive returns with time as the effort has been to build institutional capacity to the fullest.

In the sections that follow, we illustrate these initiatives in a user friendly manner and make our team members also visible as they take different tasks with determination.

To conclude, I would like to thank everyone involved in this journey for the confidence, trust and co-operation towards the common visioning that we have been inculcating at different levels. In the last page of this newsletter, our vision for the future is illustrated so that we can further align our efforts towards the shared goal as we march ahead.

Dr. Rashmi Singh, IAS

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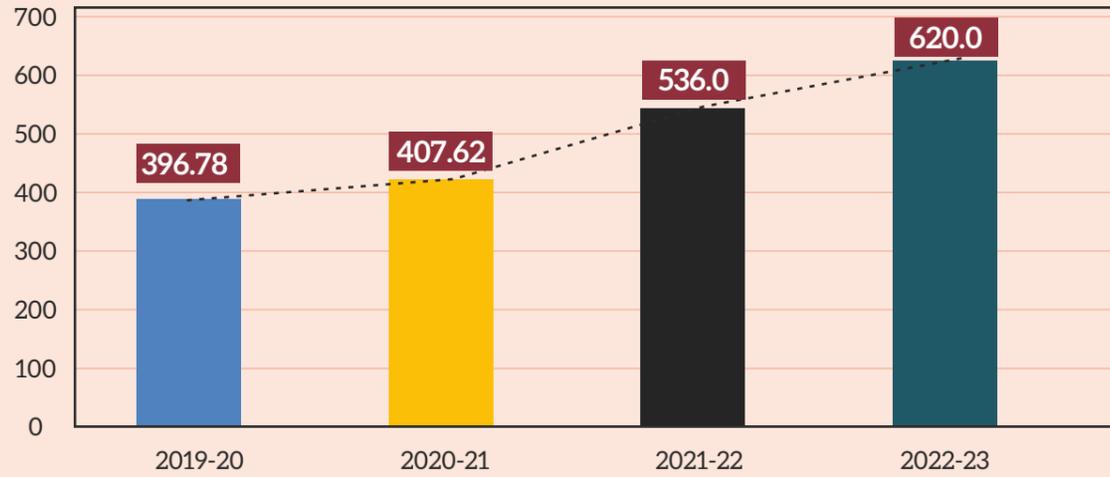
Milestones

01
PERFORMANCE
MILESTONES

A Comparative Picture of Average monthly GST Revenue Realization

Year	Average Monthly Revenue Realization
2019-20	396.78
2020-21	407.62
2021-22	536.0
2022-23	620.0

Average Monthly GST Revenue

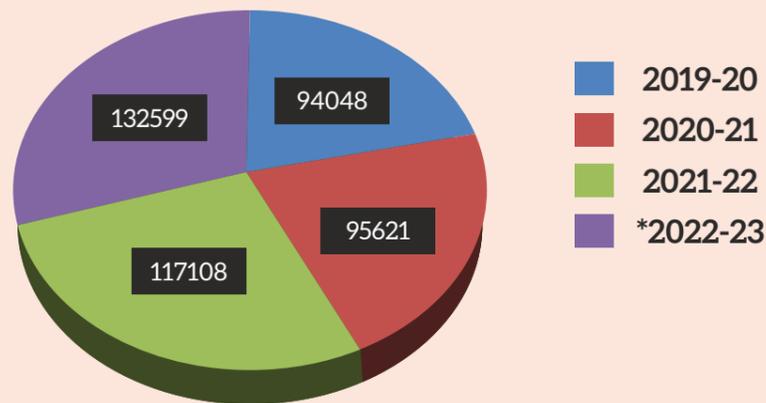


Growth in GST Registrations

Year	Registrations
2019-20	94048
2020-21	95621
2021-22	117108
*2022-23	132599

* Fig. till 20th February, 2023

Growth in Registration

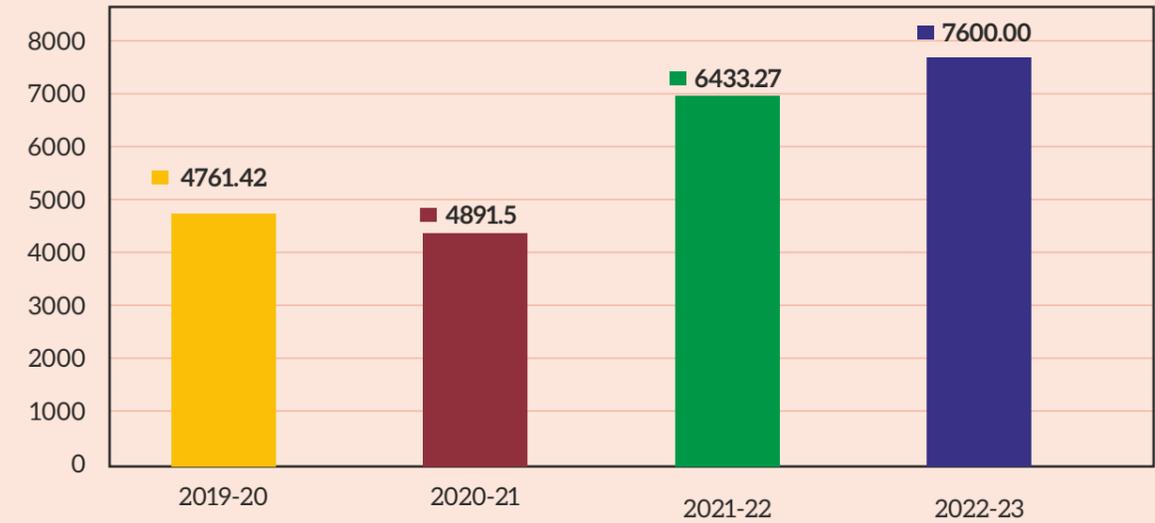


Growth in GST Revenue

Year	Revenue (fig. in Crore)
2019-20	4761.42
2020-21	4891.5
2021-22	6433.27
*2022-23	7600

* Estimation for the FY 2022-23 is based on current Revenue Realization Trend

Growth in GST Revenue

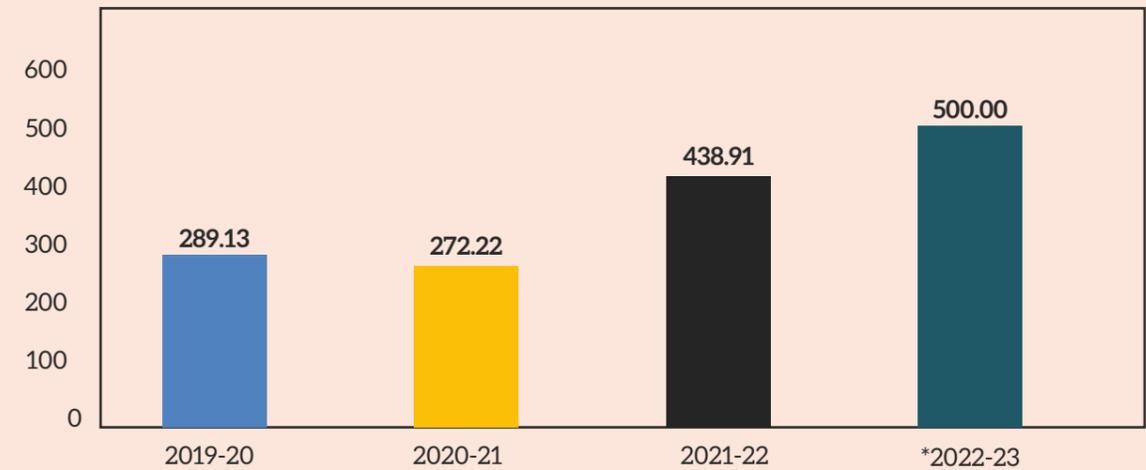


Growth in Stamps Revenue

Year	Revenue (fig in Crore)
2019-20	289.13
2020-21	272.22
2021-22	438.91
*2022-23	500

* Estimation for the FY 2022-23 is based on current Revenue Realization Trend

Growth in Stamps Revenue





BARAMULLA



RAJOURI



PAHALGAM



KATHUA



UDHAMPUR

STAKEHOLDERS OUTREACH



KOKERNAG



ANANTNAG



RAJOURI



LOWER MUNDA



BILLAWAR

02 DEPARTMENTAL INITIATIVES

Stakeholders Outreach

As a part of the good governance initiative, series of outreach programmes were held by the Department in the districts of Anantnag, Baramulla, Srinagar, Samba, Jammu, Doda, Rajouri, Poonch and Udhampur. In each such outreach, Commissioner State Taxes and other senior officers of the Department including Additional Commissioner, Zonal DCs were personally present marking a first of its kind outreach to reach the last mile.

During the outreach programmes, interactive sessions with the representatives/ office bearers of trade and Industrial associations, manufactures, hoteliers, retailers, industrialists and banquet hall owners were held. Threadbare discussions regarding operational issues related to CGST, SGST and IGST were taken up. Participants were made aware about updates in GST through Power Point presentations. The underlying idea was to incorporate principles of responsibility, accountability, awareness, impartiality and transparency among all stakeholders for effective compliance of the provisions of GST. Suggestions by the stakeholders were also welcomed with a view to ensure hassle-free experience in tax compliance.



Districts covered	Location	Date of Public Interface
Jammu	Jammu	14-07-2022 & 30-09-2022
Bandipora, Baramulla, Kupwara, Sopore	Baramulla	15-09-2022
Samba, Kathua	Samba	27-09-2022
Udhampur, Reasi, Kishtwar, Doda, Ramban	Udhampur & Doda	28-09-2022 to 30-09-2022
Anantnag, Kulgam, Shopian, Pulwama, Kokernag	Pahalgam & Kokernag	15-11-2022 & 16-11-2022
Rajouri-Poonch	Rajouri & Poonch	21-12-2022 to 22-12-2022

Suvidha Kendras

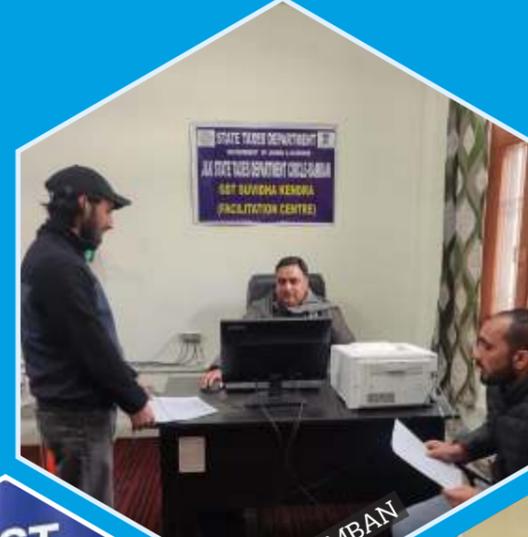
In a resolve to assist and handhold taxpayers, the Department's continuous thrust has resulted in setting up of Suvidha Kendras in all the districts of the union territory of J&K. Trained staff members with an uninterrupted internet facility operate as a bridge between Taxpayers & Administration. Facilities like assistance in filing returns, applying for fresh registrations, refunds and redressal of general grievances are provided at the Suvidha Kendras.



SAMBA



BARAMULLA



RAMBAN



DODA



JAMMU



UDHAMPUR



BANDIPORA



KISHTWAR



GANDERBAL



RAJOURI



KATHUA



REASI



KULGAM



SRINAGAR



Special Investigation Unit

The State Taxes Department J&K, has constituted an in-house intelligence wing on the lines of the best practices being followed by Central agencies.

Objective is to have a dedicated source of information and intelligence through logical and State of the Art Data analytics. Facility for the Special Investigation Unit of State Taxes Department was launched by Dr. Rashmi Singh, IAS Commissioner State Taxes J&K in State Taxes complex, Rail head Jammu on 1st Feb, 2023.

The SIU will work under the command and control of Additional Commissioner State Taxes (Tax Planning, Policy & Advance Ruling) J&K, Ms. Ankita Kar (IRAS)

"Taxes are the lifeblood of government and no taxpayer should be permitted to escape the payment of his just share of the burden of contributing thereto."

-Arthur Vanderbilt

THE CHARTER OF GOALS, OBJECTIVES AND TARGETS FOR SIU:

To detect fraudulent practices through logical analysis and detection of data patterns.

To detect willful evasion and marking of risky dealers via existing GST Prime, Bo-web, E-way bill, BIFA portals.

Support data-driven decision making - by detecting relation between parameters and developing models that allow 'what if and other detection criteria.

Enablement of risk-based auditing, enforcement and recovery.

To facilitate and improve dealer compliance .



'APNA TDS' Portal Launched

In order to keep a tab on the tax deducted at source on payments made by the Government Departments to the work contractors and subsequent payment of full tax liability by them, the department in collaboration with the NIC designed and rolled out "Apna TDS Portal". The initiative for designing the portal was led by Mr. Shakeel Maqbool, ICAS, Additional Commissioner, State Taxes (Adm. & Enf.) Kashmir with Mr. Sunil Bhagat, Programmer, as nodal officer for coordinating with NIC.

Zonal Convergence Forums

To improve tax administration and augment the revenue collection under GST, Zonal Convergence Forums have been established each headed by a Deputy Commissioner. The initiative has proved to be the ignition point in revitalizing the tax collection growth during the current financial year. The DCs along with the team of STOs together work on cases of tax evasion identified through data analysis and monitoring of taxpayers.



Features

01

Direct Window to the JKPaysys portal to get the details of works contract payment made by DDOs instantly.

02

Timely compliance, monthly return by DDO concerned who has deducted TDS.

03

Identifying the tax defaulters as well as DDOs who are making or uploading incorrect deductions.

04

Revolutionising the process of tax collection from taxpayers eligible for TDS.



Database for Recovery Wing Created

The State Taxes unit in the Kashmir division led by Shakeel Maqbool, ICAS Additional Commissioner (Adm. & Enf.), Kashmir has developed a database for its recovery wing aimed at digitizing and safeguarding the legacy details of previous tax regimes in respect of tax defaulters. The database shall provide criteria for identifying any particular tax defaulter. The entire database has been created in-house without any outsourcing or expenses thereof. The initiative will improve the e-governance infrastructure in the organization and augment the revenue collection through recovery.



Coordination Meeting of Central and State GST Authorities:

As a new initiative, CGST and SGST Coordination meetings have been conducted with the objective of better synergy between the Centre and the State along with exchange of best practices to improve the GST Revenue Collections. Several such meetings are convened time to time with the idea of creating a coordinated action plan for revenue augmentation and to jointly curb tax evasion in J&K.



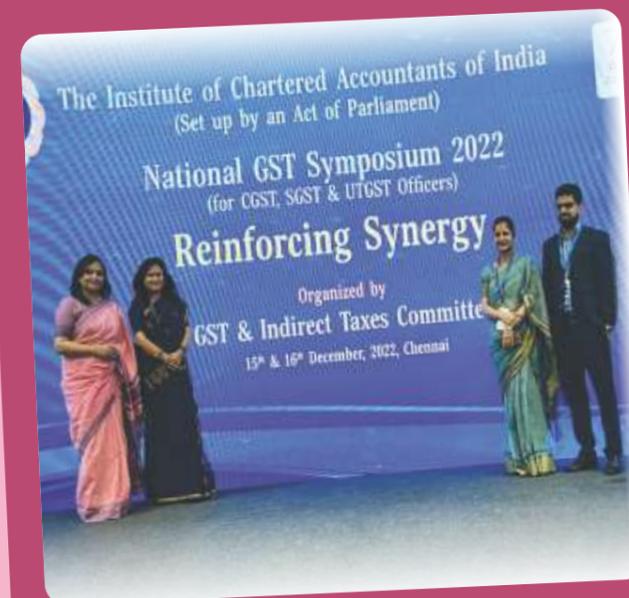
Exchanging Good Practices

Tax reforms & performance milestones achieved by J&K were discussed in the National GST symposium 2022 organized by the Institute of Chartered Accountants of India. The symposium was organized to bring together the Central Tax, State Tax & UT Tax Officers on one platform to foster synergy, discussions & exchange of ideas & to flag issues & brainstorm resolutions. J&K was one of the participants amongst 22 states.



Commissioner, Department of Commercial Taxes Jharkhand Shri Santosh Kumar Vatsa, IRS interacted with State Taxes Department, J&K in the month of June, 2022 sharing good practices, enforcement actions and data analytics.

On the sidelines of the event, the team was invited by Principal Commissioner of Tamil Nadu for a discussion on various aspects of the working of the department like advance ruling, enforcement action, audit action and routine assessment activities.



Combating Tax Evasion through Enforcement action on field

03
FIELD
ACTION



Targetted Intervention for Creating Deterrence

Acting on complaints of tax evasion, more than 20 coaching centers & other business establishments were inspected by the State taxes department in Central Kashmir. On directions given by Additional Commissioner, State Taxes Department Mr. Shakeel Maqbool, 20 teams led by senior officers inspected prominent coaching institutes in Parraypora area of Srinagar district. To ascertain the facts, search teams seized books of accounts and other electronic devices for further scrutiny. This step aims at creating a deterrence for any such tax evasion in future.

Awareness Drive for better Compliance

Extensive market survey was undertaken in service sector by Additional commissioner (Adm. & Enf.) Ms. Namrita Dogra, JKAS and other officers. Dealers dealing in services of beauty, fitness, catering, banquets, boutique and lodges were visited to evaluate their scope of business, timely filing of returns, and proper declaration of turnover & payment of taxes thereof. The aim of the drive was to raise an awareness on tax compliance. Consumers were also made aware about the GST billing & its role in improving the overall system of taxation.



Surveillance on Sensitive Commodities

DC Enforcement Udhampur, Mr. Anil Chandel, JKAS along with his team of field functionaries realized a penalty of 16.26 lacs from tobacco dealers with the help of prior data analysis and timely enforcement action. Analytic tools like E-way bill portal generated inputs and helped in successful interception of vehicles carrying sensitive commodities like tobacco, timber & cement etc.



Syncing Ground Intelligence and Data Trends

During the current financial year, Samba Enforcement under the supervision of Sanjay Gupta, JKAS Deputy Commissioner has put a continued focus on Tax evasion by scrap dealers. Trails and trends on Data Analytics were followed and by syncing them with ground intelligence 78 vehicles laden with scrap were seized and a penalty to the tune of Rs. 52,16,944 was realized in the current financial year. A crack team headed by Aijaz Qaiser, JKAS Assistant Commissioner has been specially constituted for the said purpose.

As on date, scrap contributes around 44% of the total penalty realized by Samba Enforcement and accounts for 40% of all the commodities penalized so far. This has resulted in the increased compliance of the taxpayers.



3.31 Crores realized from major contractors

Around 3.31 crores stands realized from some major contractors of circle L, Jammu as a result of rigorous monitoring of payments made to these contractors by the Departmental DDOs and detailed data analysis under the supervision of Ms. Kanchan Bala, JKAS, Deputy Commissioner (IT)Jammu as a part of convergence action of zonal convergence forum.



Rs.9 Lac realized as penalty from Scrap dealers by South Kashmir Enforcement team

In two separate actions Rs.4, 66,000 and Rs.4, 34,220 was realized in the month of November and December 2022 respectively from Copper Scrap dealers indulging in Tax evasion by the team of Deputy Commissioner, Enforcement, South Kashmir, Shahnawaz Shah, JKAS. The action shall serve as a deterrent to unscrupulous elements in trade who indulge in such malpractices.



Emotional Wellbeing Workshop for Sub Inspectors at IMPARD, Srinagar

A three-day workshop on emotional wellbeing and stress management was conducted by Art of Living Foundation at J&K Institute of Management, Public Administration & Rural Development (J&K IMPARD). The State Taxes Department sponsored this training particularly tailored for frontline government workers as a move towards prioritizing mental wellness at work.

Dr. Samia Jabeen, Course Coordinator, Centre for ID &UA moderated several sessions during the three day workshop.

On day one, Dr. Jahan Ara Jabeen, Director Training emphasized on the topic of self-governance paving way for good governance slogan given by the government. In the beginning of the programme, Dr. Rashmi Singh, Commissioner State Taxes Department, motivated the participants to learn stress management, behavioral modification skills, personal and organizational values, empathy, teamwork, smart goal concept, and so on through this workshop. She urged the participants to fully utilize this once-in-a-lifetime opportunity by focusing on reorientation skills, attitudinal adjustments, mental fortitude, and other key abilities for all phases of life in today's environment. Avinash Tikku, Program Director, Youth affairs at The Art of Living conducted a session on breath work and meditation.

I really enjoyed the insights given by mentors. It was an overwhelming & enthusiastic experience
- Manpreet Kaur, SI

Such events helps to make a person happy overall... these activities should continue in future
-Jatinder Pal Singh, SI

Such wonderful workshop have a great impact on one's life and I would be happy to be a part of more workshops like this.
-Sakshi Koul, SI



State of the Art Induction Training organised for Sub Inspectors under PM Package from 07-06-2022 to 04-09-2022

Revenue generation & Collection is one of the most important aspects of an effective and efficient administrative machinery. Since ancient times, there has always been a well planned and just system of revenue collection in India. We too, in Jammu and Kashmir have a well defined State Taxation Department which contributes to the bulk of revenue generation.



In the PM's Special Package amongst various relief measures rolled out by the Hon'ble Prime Minister Sh. Narinder Modi the provision to provide 3000 State Government jobs to Kashmiri Migrants and non migrant Kashmiri Pundits have further strengthened the department.

Prioritising their appointments, Hon'ble Lt. Governor of Jammu & Kashmir Sh. Manoj Sinha decided to complete the recruitment process on Fast-Track basis without compromising on the merit and suitability of the candidates. Accordingly 350 Sub-Inspectors of State Taxes Department were deputed for further duties. State Taxes Department J&K decided to impart two months training to the said batch of Sub-Inspectors at J&K Excise & Taxation Training Institute, Nagrota. Out of them 245 trainee officers with the following break up & profile have completed their induction training successfully.

No. of Trainees	245
Male	164
Female	81
B.E/B.Tech/M. Tech	118
Post Graduates	54
Graduates	71
BDS	02

The current training programme was based on the module encapsulating four major areas, academics, physical training, mental



preparedness and personality development. It was aimed to ensure that the probationers acquire necessary knowledge, skills, attitude, understanding and behaviour required for effective discharge of their



basic duties. Focus was laid on promoting all-round development of the personality traits which includes collaborative working, communication skills, motivation,



leadership, time and stress management etc. The interface of trainees to the latest technology involved in different stages of working was also ensured. The predominant methodology adopted comprised of lectures supported by case studies, group discussions, mock exercises, practicals, workshops, presentations and seminars etc. Residential facilities were also made available to the trainee officers on need basis.



Resource persons from Central Universities, Experts on GST, Narcotics and Advocates dealing with Tax laws were roped in for delivering lectures covering the legal aspects of GST implementation. Commissioner State Taxes, J&K, Excise Commissioner J&K & other experienced senior departmental officers interacted with the trainee officers from time to time. The course also comprised of field visits to various wings and circles of the department for improved understanding of the ground working, challenges and new innovations required for an efficient public service system.



Every batch of trainees was deputed for on-job-sessions in different wings of the State Taxes Department.



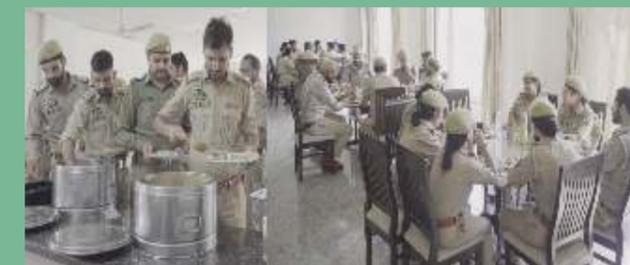
During on-Job practical training, emphasis was laid on GST Portal, data analysis using Assessments, field visits, Naka duties and other enforcement activities so as to give them a first hand knowledge of implementation of GST Act and State Taxes Department.



Apart from this, the course also focused to prioritize mental health and quality of life, therefore Yoga and Meditation was made an essential and integral part of the training curriculum. In addition to this, trainees were also provided with the opportunity to play various indoor as well as outdoor games for physical strengthening and to instil the sportsman spirit.



Keeping in view their physical as well as their mental growth, nutritious and quality food was provided to the trainees for their overall good health. During the course of the training, trainees were also encouraged to participate in a wide array of curricular activities and celebration of various days of national & international importance was arranged in between.



These officers of the state tax department will be implementing the provisions of GST/Other State Taxes effectively and will surely contribute to the overall objectives of department, thereby strengthening the economic fabric of the country in general and UT of Jammu & Kashmir in particular.

DDOs Orientation Programme

S.No.	Name of Department	Date of Training
1.	Chief Engineer R & B Kashmir	20/12/2022
2.	Chief Engineer P.MGSY, Kashmir	20/12/2022
3.	Chief Engineer MED, Kashmir	20/12/2022
4.	Chief Engineer PHE (Jal Shakti), Kashmir	20/12/2022
5.	Chief Engineer I&FC, Kashmir	21/12/2022
6.	MD JKSPDCL, Kashmir	21/12/2022
7.	Chief Engineer DIQC, Kashmir	22/12/2022
8.	Commissioner SMC, Kashmir	22/12/2022
9.	Chairman LCMA, Kashmir	23/12/2022
10.	Chairman SDA, Kashmir	23/12/2022
11.	Labour Commissioner, Kashmir	24/12/2022
12.	Director Tourism, Kashmir	24/12/2022
13.	Director H & P, Kashmir	25/12/2022
14.	Director Information	25/12/2022
15.	Director Animal Husbandry, Kashmir	27/12/2022
16.	Director Sheep Husbandry, Kashmir	27/12/2022
17.	Director Agriculture, Kashmir	28/12/2022
18.	Director Horticulture, Kashmir	28/12/2022
19.	Director Industries and Commerce, Kashmir	30/12/2022
20.	Director Handicrafts, Kashmir	30/12/2022
21.	Director Health, Kashmir	31/12/2022
22.	Director Rural Development, Kashmir	31/12/2022
23.	Director Tribal Affairs, Kashmir	02/01/2023
24.	Director Estates, Kashmir	02/01/2023
25.	Director Floriculture, Kashmir	03/01/2023
26.	Director Employment, Kashmir	03/01/2023
27.	Director Social Welfare, Kashmir	04/01/2023
28.	Director Food, Kashmir	04/01/2023
29.	Director Forest, Kashmir	05/01/2023
30.	Director Wildlife, Kashmir	05/01/2023
31.	Divisional Commissioner, Kashmir	06/01/2023
32.	Deputy Commissioner, Srinagar	06/01/2023
33.	SSP Office, Srinagar	07/01/2023
34.	Director Accounts and Treasuries Kashmir	07/01/2023

In a major step towards solving GST-related issues faced by Drawing and Disbursing Officers of all executing agencies of J&K, training cum awareness programmes were organised in different batches in which the DDOs were made aware of the various technicalities regarding the GST Portal i.e DDO Registration, Disbursement of Bills, Deduction of Taxes thereof, Offences & Penalties and filing of GST Returns etc and different issues faced by them on a day to day basis.

	DATE	NAME OF OFFICES
PHASE-I	10/11/2022	i. Director, Floriculture, Jammu ii. Director, Animal Husbandry, Jammu iv. Director of Central Veterinary Hospital, Jammu v. Director Agriculture, Jammu
PHASE-II	14/11/2022	i. Managing Director, SIDCO/SICOP Jammu ii. Director, General Industries and Commerce, Jammu
PHASE-III	19/11/2022	i. Director, Health Services, Jammu ii. Director, Ayush, J&K, Jammu iii. Principal, Dental College, Jammu iv. Administrator, Associated Hospital v. FA & CEO, Jammu and Kashmir, Medical Supplies Corporation Limited Plot No. 58, Friends Colony, Marble Market, Jammu.
PHASE-IV	24/11/2022	i. Chief Engineer, PWD, (R&B), Rail Head, Jammu ii. Chief Engg. (Irrigation) iii. Chief Engg. (PMGSY) Jammu.
PHASE-V	01/12/2022	i. Chief Engg. PDD (JPDCL), Jammu ii. Chief Engg. Jal Shakti (PHE), Jammu iii. Chief Engg. (Mech. Div.) Jammu

MS-Excel Training at NIELET Jammu and Srinagar Campuses



NIELIT CAMPUS, UNIVERSITY OF JAMMU

Five days advanced MS-Excel training programme for Officers and Officials was conducted at the National Institute of Electronics & Information Technology, Jammu and Srinagar Campuses to acquaint the officials of State Taxes with various advanced features of MS-Excel. The training contributed to the up-skilling of the officials by building their capacities in terms of IT skills. Certificates of course completion were also distributed among participants after completion of training.



NIELIT CAMPUS, UNIVERSITY OF KASHMIR

Constitution Day 2022 Observed

05
EVENTS



HEAD OFFICE, JAMMU



National Voters Day 2023 Celebrated

National Voters Day was celebrated on 25th January, 2023 across all offices in J&K to motivate and encourage all officers and officials to participate in the electoral process. Theme of this Voters Day was "Nothing like voting, I vote for sure." All the officers and officials took a pledge together to uphold the values of democracy.

To observe Constitution day, an oath taking ceremony of Preamble across all offices of department to commit towards the objective & socio-economic goals through constitutional processes.



LOWER MUNDA, ANANTNAG



BANDIPORA



HEAD OFFICE, KASHMIR

Celebration of **REPUBLIC DAY**

Republic day was celebrated with great fervor in all the offices of the department across the UT of J&K to cherish the spirit of independent and sovereign India. National flag was unfurled with great enthusiasm and national anthem was sung with proper decorum. All officers and officials unanimously vowed for their contribution in furthering the Nation's development and progress.





Kattal Batal, Nagrota to Aithem via Pehad Devta



Such outings help de-stress, relax and refresh and maintain a healthy work life balance
-Anissa Nabi, STO



This event helped in healthy interaction among the officers & officials & also recharged our mind and body
-Mavesh Ara, STO



Trekking Expedition & Nature's Walk

One day trekking expedition & nature's walk from kattal batal, Nagrota to Aithem via Pehad Devta was organized in collaboration with Department of Tourism to begin the New Year on a healthy note & to re-establish a connection between mind, body & soul. The purpose of the event was to promote fitness of body, alertness of mind & dutifulness of soul. The underlying idea behind this initiative was to give a rejuvenating message to our youth for befriending nature as a counsellor to overcome anxiety, stress etc.



Looking beyond the horizon to explore infinite possibilities and meeting new challenges-Officers of State Taxes Department



“Ek Kadam Vikas Ki Aur”

To generate awareness on tax discipline & compliance, a walkathon under the theme “Ek Kadam Vikas Ki Aur” was organized on 3rd Feb, 2023 by State Taxes Department in Jammu. The event was flagged off by the Chief Secretary, J&K, Dr. Arun Kumar Mehta, IAS. Officers and officials of the department along with the students of IIT Jammu, IIM Jammu and University of Jammu walked while holding the placards propagating the significance of billing, e-invoicing, digital payments & E-way bills. In a new feat, Senior Officers of the Department including Commissioner, Add. Commissioner interacted with the shopkeepers en route and explained to them the benefits of getting into the tax fold.

*Glimpses From The Passing Out Parade - 2022 of
Sub Inspectors under Hon'ble Prime Minister's Package*



Awardees on Passing Out Parade-2022



★ OUTDOOR BEST ★

★ INDOOR BEST ★

★ ALL ROUND BEST (MALE) ★

★ ALL ROUND BEST (FEMALE) ★

- All Round Best (Male) - Abhimanyu Zutshi
- All Round Best (Female) - Monika Jamwal
- Indoor Best - Aayush Bhat
- Outdoor Best - Mohd. Iqbal Bhat
- Best Visiting Faculty (Male) - Sachin Gupta, STO
- Best Visiting Faculty (Female) - Anissa Nabi, JKAS, STO

In-House Sporting Talents



Sajad Hussain
Junior Assistant

is a powerlifter and bodybuilder. He has won several gold medals in State and National Strength championships in 2010, State Bench Press championship in 2013 & 2018, silver medal in National Bench Press Championship in 2018. He stood 12th in the world bench press championship held at Tokyo, Japan.



Manvinder Singh
Inspector

An ace gymnast has bagged several National medals and participated in World championships at Bulgaria in 2004, China in 2006, Thailand in 2006, Macau in 2007, Thailand in 2007, Vietnam in 2009. He has recently won a silver medal in 16th Aerobic Gymnastic National Championship, 2022 held at Bengaluru. He has also been conferred with Sher-e-Kashmir Award.



Arya Vir Singh
Inspector

has participated in more than 30 National championships and also represented India in Asian games at Nagano Japan in 1995, South Korea in 1997, Roller hockey world championship at Macau in 1998, Asian roller skating championship at Taiwan in 2001, Copa do Brasil in 2022 & Master Roller Hockey Championship in Argentina. Has Played more than 6 Nationals in Athletics including Indo Bangladesh athletics meet.



Ritesh Gupta
Inspector

is a National Roller-Skating player who has represented J&K in more than 15 National Roller-Skating Championships and brought laurels to the State. Senior National Silver medallist in 36th National Roller-Skating Championship held at Visakhapatnam. He has also participated in 32nd National Games 2002 & Recently won gold medals in Masters Category in Jammu district and J&K UT Roller Sports Championship held in Oct. & Nov. 2022 respectively.



Surinder Singh Bagal
Sub Inspector

A left arm medium pace bowler has represented J&K in Deodhar Trophy, Duleep Trophy and Ranji Trophy. He has also attended India Camp Probables against Australia and Zimbabwe at Chennai and Bangalore. He has also played for India-B, Board President Eleven and rest of India. Presently he is selector for the Ranji Trophy in uttarakhand.

The Advance Ruling Committee of the Department has been re-constituted by Finance Department vide S.O. No 654 dated 05.12.2022, is now active, with the following composition; namely:-

1.	Additional Commissioner State Taxes (Tax Planning, Policy and Advance Ruling) J&K	Member
2.	Joint Commissioner, CGST Commissionerate, Jammu	Member

Advance Ruling is defined under section 95 of the JKGST Act wherein it is stated "Advance Ruling" means a decision provided by the Authority or the Appellate Authority to an applicant on matters or on questions specified in sub section (2) of the section 97 or sub section (1) of section 100, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant".

Section 97 of JKGST Act 2017 Stipulates:

- (1) An applicant desirous of obtaining an advance ruling under this Chapter may make an application in such form and manner and accompanied by such fee as may be prescribed, stating the question on which the advance ruling is sought.
- (2) The question on which the advance ruling is sought under this act, shall be in respect of,-
 - (a) Classification of any goods or services or both;
 - (b) Applicability of a notification issued under the provisions of this Act;
 - (c) Determination of time and value of supply of

- (d) goods or services or both;
- (e) Admissibility of input tax credit of tax paid or deemed to have been paid;
- (f) Determination of the liability to pay tax on any goods or services or both;
- (g) Whether applicant is required to be registered;
- (g) Whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.

This section is pertinent because it allows legal recourse to taxpayers even before the commencement of the taxation and allows them to make an informed decision for paying the taxes as per the correct tax rate. This will reduce litigations and increase ease of doing business.

The Advance Ruling cases are handled by Tax Planning, Policy and Advance Ruling Wing of the Department.



Establishment of dedicated GST Audit in J&K

The GST is an efficient consumption based tax system wherein the tax payer through self-assessment declares his/her tax liability and files returns. To ensure that the taxpayers have correctly self-assessed his/her liability, concept of audit has been incorporated under GST Act. An efficient and effective audit system will assist the government in its pursuit of increasing taxpayer's voluntary compliance and facilitate the tax administration's aim of getting "The right tax at right time".

The State Taxes department, in order to ensure that the statutory obligation of GST Audit is complied with, drew on its internal resources to form a dedicated Audit cell of 67 officers /officials. Thus, the Audit cell was constituted on 3-10-2022 with 10 teams.



The process of GST audit has begun with a fair method of selection without any human discretion as the cases so far allotted have been through GSTN's state of art business portal (BIFA). Currently 580 cases for FY 2017-18 and 2018-19 are being taken up by the audit teams. The process is being monitored by statutory committee (MCM) reporting to Commissioner, State Taxes Department, J&K.

Thus GST audit is not only for reconciliation of tax liability and payment thereof but it also encompasses the verification of compliance with the provisions of the GST laws by a registered person and educating the tax payer to be more compliant with the law & procedure.

The Impact of Tax Policy Initiatives, Systemic improvements and Efforts at Departmental Transparency – The J&K Story

Ankita Kar (IRAS)

09
ARTICLES



It is now the end of the year 2022 and the last of the Compensation Amounts to the States/UTs are being released after due Reconciliation of Accounts by office of CAG. The initial Toddler years are giving way to the Adolescence of this new Regime. The States and UTs, so far protected by Section 7 of the GST (Compensation to States) Act, 2017, which allowed for release to the States/UTs (during the transition period of first five years) of the difference amount between Projected Revenue, which could have accrued to a state/UT in absence of the GST, and the actual revenue that Financial Year, are now required to come of their own.

Given such a Scenario, it is important for the States/UTs to buckle up in order to ensure that the void caused by end of compensation doesn't affect their revenues in a massive way. J&K has also taken this understanding seriously. A few facts are in order.

1. The Financial Year 2022-23 has seen an enthusiastic approach by the State Taxes Department, J&K, to expand the Tax Net and compliance through its Trade/Industry Stakeholders/DDOs outreach and awareness campaigns and setting up of District-level GST Facilitation Centres/Suvidha Kendra across all 20 districts of J&K. The number of new registrations this year due to the aforementioned efforts is over 20,600 till date (at the time of writing) and counting.

2. A Special investigation Wing (SIU) for generating intelligence inputs through the multitude of Advanced IT tools and ground intelligence was set up by the Department. This was an innovation and first of its kind effort in creating home-grown intelligence

for preventive action against Tax Evasion. This SIU has already submitted a couple of initial reports with intelligence on anticipated tax evasion cases apart from a constant analysis of the mammoth data that the IT driven GST system generates for putting out actionable tasks for field operatives. To give an example, the Monthly Red Flag Data that the GSTN churns out for assistance to Model 2 States/UTs for increasing compliance by showcasing mismatches such as liability mismatch in GSTR 1 and GSTR 3B, ITC availed and accrued mismatch, mismatch in outward e-way bill and GSTR 3B, etc., and leads to compounding data every month which indicates some form of compliance issue. In order to ensure that not every data becomes a cause of strong action or to unburden the field offices from tasks of data analysis to the extent possible, SIU is tasked with centralized filtration of data on parameters of risk and uniqueness.

3. GST is essentially a Self-Assessment Regime but the Taxation authorities are also duty bound to ensure that Taxpayers are guided and motivated for compliance from time to time. 2017-18 was a transition year where the system was just setting in and that year's compliances needs some amount to checking in order to ensure that the revenue that was assured during VAT was not left out from the GST ambit in that transition year. Hence the J&KGST Act's sections like Scrutiny (u/s 61 of the J&KGST Act) of previous years, especially 2017-18 and GST Audit (u/s 65) become pertinent. The J&K Taxes Department has now commenced with the statutory obligation of GST audit for the Financial Years 2017-18 and 2018-19 before they get time barred. Scrutiny of cases of those years is also being taken up in right earnest. IT tools are utilized to ascertain Taxpayers with risk propensity during those years and follow the procedure as warranted by the GST Audit Manual. The Department has shown some initiative to operationalize a working Audit Cell drawing on its previous resources until the setting up of a full-fledged establishment.

4. The recent re-constitution of an Advance Ruling Authority to give a pre-emptive recourse to Taxpayers to gain interpretation of important aspects of the GST as elaborated in Section 97 (2) of the GST Act was also much needed. As the GST

system matures, Taxpayers will require some assistance in interpreting issues of classification of any goods, services or both; applicability of a notification issued under the provisions of the Act; and other such issues flagged in the aforementioned section of the Act.

5. As per the decision taken in the GST Council, the Taxpayer base has been promptly divided between the Central and UT Authorities. Further, as Revenue Collections are not just the mandate of the State/UT governments but also that of Central GST Authorities and their actions mutually benefit each other, hence a Coordination platform with CGST for achievement of common goals has been established. Two Coordination meetings have already been held so far with a range of overlapping issues having been discussed.

6. The GST had subsumed over 17 central and state taxes and 13 cesses and aligned India with global tax regimes. In the case of J&K, like all other States/UTs, the legacy of old tax regimes still remains and the Department is trying to take a coherent Tax-payer friendly approach to ensure that all pending issues are being addressed through its recovery, appeals and judicial mechanisms. With a little bit of support from the Industry and other Taxpayers, the previous pendency can be disposed off effectively. The Department, under its dynamic Commissioner, has opened its doors to issues that affect the industry and its traders with an open channel of dialogue which will allow maximum accommodation of demands without compromising the Revenues of the Government.

Finally, this Newsletter is one such initiative to bring transparency in the working of the department. As an Additional Commissioner of this Department, working in a vibrant space where Policy is not a matter of the backburner and the Act is being taken up in letter and spirit, this outing with the GST system will remain a lasting professional learning experience.

- The Author is presently Additional Commissioner
(Tax Policy, Planning & Advance Ruling)
State Taxes Department, J&K

Sustainability, Future Readiness Benchmarks for State Taxes Deptt's Capacity building initiatives

Namrita Dogra (JKAS)



be imparted training in different modules starting from the basic usage of computer data compilation skills and subsequently it will be upscaled to more usage of advanced data analytic tools. Accordingly the first batch of trainees comprising of 114 officers and officials were given training in Advanced Features of MS-Excel which laid the edifice for developing professionalism in the department through a systemic change in the working. The Training was imparted in batches of 40 trainees in six different sessions held in two shifts. In Kashmir Division also a similar training was imparted to the officers and officials of the Department.

The taxation officers and officials skillsets needed to grow in a manner that department of State Taxes transform into a multidisciplinary institution stewarding the change and developing future professionals. Its functioning needed to include data analysis, effective communication, relationship building and management, creative and critical thinking and tech savviness among others to make it in tune with the present day requirement of a professional organisation leading the Union Territory's revenue collection under GST.

With a view to bring a sustainable change, the department has incorporated the concept of holding regular training sessions in different field of expertise for all the

officers and officials working in the Department. The endeavour is to strengthen the human resource base by endowing them with the basic tools of technology needed for ensuring tax compliance and checking tax evasion under GST thereby improving the revenue collection. The focus has been on ensuring that the State Taxes Officers stay up to date and develop understanding of laws/rules laid down under GST Act and keep themselves updated about the use of technology thereby making the discharge of their statutory duties much more simpler under various laws. For this online training sessions are being held regarding various amendments and changes in the GST Act by professionals of National Academy of Customs, Indirect Taxes and Narcotics (NACIN), Chandigarh. This has tremendously helped the officers in keeping themselves abreast with the latest developments in the GST Act & Rules enabling them to execute their duties in a more professional and aware manner.

Apart from imparting training to officers and officials of the department, both through online and offline mode, the department is also focusing on health and mental well-being of the employees. For this a number of initiatives like organisation of leisure activities and Yoga sessions are being planned on a regular basis. These initiatives have enabled the employees to de-stress themselves and improve the efficiency of the organization. Training session on mental health conducted by IMPA and trekking expedition from Nagrota to Pair Devta in Jammu are some such activities organised by

the Department this year.

The new initiatives taken by the Department has led to a paradigm shift in how the State Taxes Department employees perceive their duties as tax collectors. Employee having a healthy mind and body and equipped with technical and knowledge expertise are now better equipped to meet the challenges of tax collection. However the journey was bumpy and full of impediments. The biggest challenge in undertaking the new initiative was the fact that the Taxation officers needed to fight the instinct of "we always do it this way" that had led to stagnation. Simply because they had operated in one way in the past did not mean that there cannot be better alternatives. Thinking out of box and coming up with solutions rather than being a part of problem is needed if the Department has to meet future challenges. Tax defaulters and fraudsters are everyday coming out with new ways to evade tax and the tax officers needed to be prepared for tackling the challenges in an informed manner. In future also the department envisages to continue its efforts to transform itself into a professional organization meeting the future needs. The vision laid down in the areas of capacity development will no doubt ensure that in the coming days the technical gaps within the department are overcome.

- The Author is presently Additional Commissioner State Taxes (Adm. & Enf.) Jammu

Understanding and Combating Novel Tax Evasion Schemes in GST

Shakeel Maqbool, (ICAS)



covered by paying of tax by using ITC availed from their suppliers. They are paying minimal cash thus evading taxes on value addition at their end . This practice can be caught by regularly checking the stocks of taxpayers, which, in the above scenario will not match the difference between purchases made and sales disclosed. The difference can be calculated from ITC accumulated and the opening stock and comparing the same to the sales shown. Regular stock checking exercises have now been started in the tax jurisdictions of the union territory of Jammu and Kashmir to check this practice and is yielding impressive results.

An even more sinister and dangerous trend has come to fore in the form of fake invoicing, fraudulent ITC and circular trade rackets. Many taxpayers are not just suppressing sales beyond tax liability covered by ITC but also passing on the ITC accumulated on their purchases to fake entities by raising fake invoices without actual supply and receipt of goods or services. Thus, instead of showing sales to end consumers by issuing genuine tax invoices and reflecting them in their GST Returns, they are showing fraudulent sales/invoices which ultimately land in the account of fake entities either directly or through intermediaries. The suppliers of these fake invoices are able to reduce their stocks in books of accounts and avoid sale purchase mismatches. Besides, they also get a commission on the ITC passed to fake entities who have found ways to convert such ITC to cash.

The fake entities created and registered,

accumulate huge and unnatural amounts of ITC by the above methods and then attempt to cash this ITC. This is done in many ways including by exploiting the distortions created by inverted duty structure where in the output supplies are taxed at a lower rate than the input supplies. This generally involves Scrap Dealers who may show input supplies from various entities including fake invoice traders while showing scrap as their output supply, thus exploiting the tax difference to convert fraudulent ITC to cash. Some works contractors also show fake purchases from such entities in order to evade tax by showing minimum expenditure on the labor component and paying their tax liability through the fake ITC sourced by fake invoices created in lieu of highly inflated input material supplies; often in violation of the terms of contract.

It has also been observed that a chain of genuine and non genuine tax payers create a huge circular chain of ITC trade, starting and ending at the same taxpayer. This is known as circular trade. It works like a circular conveyor belt where the ITC accumulated on account of suppression of sales is cashed round after round till it vanishes from the system. Besides the above methods of cashing accumulated ITC, malicious taxpayers also become part of such fake invoicing rackets in order to avail fraudulent ITC refunds, to show increased turnover for higher valuation, to obtain large bank overdraft facilities and at times to avail export refunds.

The above discussed menace has emerged as the biggest challenge to the GST taxation system, thus affecting revenues of both Central and State/UT governments. As a result the focus of tax authorities in combating it has increased many-fold.

Advanced Data Analytics, Machine learning and Artificial intelligence tools like BIFA are being put to use to identify suspicious supply chains. Certain patterns have been found useful in identifying fake ITC chains. These include multiple registrations against a single PAN, incorrect or fake address in registration details. Huge purchases from Return non-filers, unnatural increase in turnover, mismatch in HSN of purchases and HSN of sales, mismatch in volume of transactions in GSTR1 viz-a-viz E-Waybills generated, frequent high value transactions not commensurate with the scale of business, huge ITC to cash ratio etc.

GST Act provides wide ranging powers to tax authorities in order to combat such practices, these include the power to block ITC (Rule 86A(1)), impose monetary penalties (Section 122) and in ITC frauds beyond a threshold to even to arrest tax offenders . Under section 132 of the GST Act, such offenses have been made cognizable and non bailable.

The GST Administration in the Union Territory of Jammu and Kashmir is fully cognizant of the gravity of the problem and has given full attention to combating it. Many fake invoicing chains have been identified and proceedings have concluded in some and are underway in others. Special and dedicated MIS cells and investigation units have been deployed for this purpose. Many Informed Enforcement actions based on latest data analytics have taken place and others are in the pipeline to combat and eradicate the problem of suppression of sales, fake ITC, circular trade, fake invoicing and other forms of tax evasion. It is hoped that in coming months decisive results will be visible on this front.

- The Author is presently Additional Commissioner State Taxes (Adm. & Enf.) Kashmir

Encapsulating our Vision and Future Roadmap

To ensure sustainable and equitable economic development by enhanced revenue realization through effective and efficient implementation of Goods and Services Tax and other Taxes.





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