



TRANSPOSE PAN - AADHAAR

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INTRODUCTION

From April 1, 2019 it has become mandatory to quote and link Aadhaar number while filing income tax return (ITR), unless specifically exempted. An individual cannot file ITR without linking the two first. If your PAN is not linked with Aadhaar by the extended deadline, then as per current laws PAN will become inoperative. While quoting Aadhaar in lieu of PAN, the two are linked.

If both are not linked and a person quotes his Aadhaar in lieu of PAN, then he will be issued another PAN. In July 2019 Budget, the government had allowed quoting of Aadhaar number in lieu of PAN wherever quoting of PAN is mandatory. The Central Board of Direct Taxes (CBDT), then issued a notification on August 30, where it stated that if someone without a PAN card quotes their Aadhaar number to make a financial transaction, then the income tax department will consider this an auto-application for PAN and it will be issued to the individual.

PAN and AADHAR are interchangeable for Income-tax purpose

Section 139A lays down the conditions in which a person is required to obtain PAN. In current scenario, PAN has to be mentioned in all communications with the Income-tax Dept. and in specified financial transactions which exceed the threshold limit.

It has been noticed by the Govt., that sometimes persons entering into high-value transactions, such as purchase of foreign currency or huge withdrawal from the banks, do not possess a PAN. Thus, the mandatory conditions [Applicable from September 1, 2019] for obtaining PAN have been mandated to be relaxed as under:

1. A person may furnish his Aadhaar number in lieu of PAN, and such person shall be allotted a PAN in the prescribed manner;
2. Every person who has been allotted a PAN, and who has linked his Aadhaar number with PAN as per section 139AA, may furnish his Aadhaar number in lieu of a PAN for all the transactions where quoting of PAN is mandatory as per Income-tax Act.

Consequential amendments have also been proposed in the penal provisions of Section 272B so as to levy a penalty of Rs. 10,000 for each default in the following cases:

- If person (i.e., banks, financial institution, etc.) fails to receive or authenticate the PAN or Aadhaar.
- If assessee fails to quote or authenticate his PAN or Aadhaar in specified transactions.

PAN will be inoperative if not linked with Aadhaar

As per existing *proviso* to Section 139AA(2), PAN allotted to a person shall be deemed to be invalid if he fails to intimate his Aadhaar to the Dept., on or before the notified date. As a result, the PAN shall be deemed to be invalid even in all those financial transactions, or Income-tax return, which have been done or filed, as the case may be, before the date on which PAN is deemed to be invalid.

Thus, in order to protect the validity of transactions carried out previously through such PAN, it is amended the said *proviso* [Applicable from September 1, 2019] so as to provide that if a person fails to intimate the Aadhaar number, the PAN allotted to such person shall be made inoperative (without declaring it invalid) in the prescribed manner.

The due date for such linking had been extended at multiple occasions and the latest date is December 31, 2019.

Easy Linking of PAN with Aadhaar by sending an SMS

- The PAN can be linked with the Aadhaar number by sending an SMS to **567678** or **56161** from the registered mobile number.
- In order to do so, you need to type UIDPAN<12-digit Aadhaar><10-digit PAN> and send SMS 'UIDPAN Aadhaar-number PAN-number' to **567678**.
- **Example:** If Aadhaar number is 111122223333 and PAN is AAAPA9999Q; then send SMS to 567678 or 56161 as: UIDPAN 111122223333 AAAPA9999Q
- NSDL and UTI won't charge you for this. However, SMS charges as levied by the mobile operator will be applicable.

Manual linking by filing up a form (Annexure-I)

CBDT has provided for a manual method as well to ease the problems of taxpayers in case the person is unable to sort out the problem of mismatch in the data of PAN and Aadhaar through other methods. Any person can visit service centre of PAN service provider, NSDL or UTIITSL. There, he will be required to fill in the form 'Annexure-I' along with the supporting documents i.e. copy of PAN card and Aadhaar card.

Unlike online services, this service is not free of charge. An individual is required to pay a prescribed fee to them. The fee charged depends on whether while linking, correction is made in the PAN or Aadhaar details. For any correction in the PAN details, the fee charged is Rs 110. On the other hand, for correcting Aadhaar details, the prescribed fee is Rs 25. Biometric authentication is compulsory in case there is a major mismatch in data of PAN and Aadhaar.

Aadhaar Card-PAN Link – Online

One can easily link Aadhaar Card with PAN by visiting the Income Tax Department of India's official website: www.incometaxindiaefiling.gov.in

- Step 1: After visiting Income Tax Department of India's official website, look for link Aadhaar and click on it
- Step 2: Enter Permanent Account Number (PAN)
- Step 3: Enter Aadhaar Number
- Step 4: Enter the name as mentioned on Aadhaar Card
- Step 5: Enter Date of Birth
- Step 6: Enter Captcha code.
- Step 7: Cross-check all the details and click on 'Link Aadhaar'

After the process is complete, users can view the status of their Link Aadhaar request here <https://www1.incometaxindiaefiling.gov.in/e-FilingGS/Services/AadhaarPreloginStatus.html>

Conclusion:

The Central Board of Direct Taxes (CBDT) is likely to declare all PAN cards that are not linked to Aadhaar as "invalid" or not in use. In case of failure to intimate the Aadhaar number, PAN allotted to the person shall be deemed to be invalid and other provisions of this Act shall apply, as if the person had not applied for allotment of PAN.

All such PAN cards not linked to Aadhaar will become "inoperative" after the deadline is over. However, there is a possibility that the income tax department might allow revival of such inoperative PAN cards later on after the linkage is done. Since there is no clarity on the revival clause, it is better to not take risk and link the two cards now.