PAN Aadhaar linking-This is what happens if PAN not linked with Aadhaar by Mar 31

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- **The Centre has on numerous occasions extended the deadline for linking PAN with Aadhaar, and March 31, 2022, would be the latest due date.**

Your Permanent Account Number (PAN) card will become inoperative if not linked with your Aadhaar card by end of this month. The latest deadline for linking PAN with Aadhaar is set on March 31, 2022. A PAN holder will face various issues if they did not link their card to the 12-digit random number unique identity, Aadhaar.

The linking of PAN with Aadhaar has been motivated by the government for quite some years now. Meanwhile, the Centre has on numerous occasions extended the deadline for linking PAN with Aadhaar, and March 31, 2022, would be the latest due date. There are chances that the Centre may extend this date further as well.

If not linked, PAN will become inoperative and that will be considered as PAN not furnished or intimated wherever required. Furthermore, individuals will face a series of consequences for non-furnishing of PAN. For instance, if PAN becomes inoperative, then the issue will arise during opening a bank account, filing for an income tax return or investing in equity shares or other capital market instruments, etc. Not just that, an individual will also face various penalties under certain sections of the IT Act for not furnishing his or her PAN card.

Under Section 139AA of the Income Tax Act, the department directed that every person who has been allotted with PAN as of July 01, 2017, and also holds an Aadhaar number - is required to link their PAN and Aadhaar. Further, the section states that every person who can obtain Aadhaar should quote their 12-digit unique number in the PAN application form along with the return of income starting July 2017. However, failure to intimate Aadhaar number would result in the PAN number being inoperative.

However, the Supreme court has given relief by declaring that non-obtaining of an Aadhaar number will not lead to PAN card becoming inoperative. But this simply means that, if you do not have an Aadhaar number but have a PAN card - this would not result in the latter being inoperative. Notably, the Income Tax Department has notified in this manner by stating that PAN will become inoperative if not linked with your Aadhaar card before a specified due date.

PAN-Aadhaar linking is mandatory to those who are eligible for Aadhaar number and qualify as residents. Notably, a resident individual is someone who has resided in India for 182 days or more in a year immediately preceding the date of application for Aadhaar enrolment. However, there is a possibility that a taxpayer may qualify as a resident under the Income Tax Act while with chances of being declared as non-resident under the Aadhaar act - for these taxpayers non-quoting of Aadhaar number in their return of income is allowed.

Penalties in case PAN is not linked with Aadhaar:

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If PAN is not linked with Aadhaar before the due date, then a host of penalties await for individuals. Under section 234H of the IT Act, a penalty of Rs1,000 is levied if failed to link PAN with Aadhaar.

Further, a penalty of Rs10,000 is imposed under section 234F of the IT Act for non-filing of returns of income. Taxpayers will not be able to furnish their PAN number in return for income if failed to link it with Aadhaar. Not just that, interest will be charged on the late filing of return of income.

Also, a penalty of Rs10,000 is applicable under non-compliance with the provisions of Section 139A. The section makes it mandatory to link PAN with Aadhaar for certain financial transactions and if PAN becomes inoperative then that would lead to non-compliance.

Meanwhile, tax deducted at source (TDS) and tax collected at source (TCS) will be deducted at a higher rate under section 206AA and 206CC of the IT Act if PAN is not furnished.

Can you link your PAN with Aadhaar after missing due date?

YES! An individual can link their PAN with Aadhaar even if they missed their due date. However, a PAN card can become operative only from the date of linking it with an Aadhaar number. So you will have to link it with Aadhaar. Also, there will be a certain amount charged as a penalty or fees under section 234H for linking PAN with Aadhaar after the due date. Most likely, the penalty is seen at a maximum of Rs1,000.

Upon finishing the process of PAN-Aadhaar linking after the expiry date and paying penalty - then your PAN will become operative and you can avail financial transaction services.

The penalty on linking after the expiry date, however, was not imposed until April 2021. The penalty provision was announced last year and came into effect from April 1, 2021, as section 234H was added to the IT Act.

How to link PAN with Aadhaar?

One of the easiest ways to link PAN with Aadhaar is through the Income Tax portal. You can complete the process in 8 simple steps.

1. Open the Income Tax e-filing portal - https://incometaxindiaefiling.gov.in/

2. Register on it (if not already done). Your PAN (Permanent Account Number) will be your user id.

3. Log in by entering the User ID, password, and date of birth.

4. A pop-up window will appear, prompting you to link your PAN with Aadhaar. If not, go to 'Profile Settings' on the Menu bar and click on 'Link Aadhaar'.

5. Details such as name date of birth and gender will already be mentioned as per the PAN details.

6. Verify the PAN details on the screen with the ones mentioned on your Aadhaar. Pls. note that if there is a mismatch, you need to get the same corrected in either of the documents.

7. If the details match, enter your Aadhaar number and click on the "link now" button.

8. A pop-up message will inform you that your Aadhaar has been successfully linked to your PAN

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You can also link PAN with Aadhaar through SMS. An individual will have to send an SMS to 567678 or 56161 from your Aadhaar-registered mobile number in a format such as - UIDPAN<12-digit Aadhaar Number> <10-digit PAN>.

Lastly, you can also visit a designated PAN Service Centre and follow a manual process for linking your PAN with Aadhaar. However, this process can be time-consuming and lengthy.