

PAN not linked with Aadhaar by March 2023 end to be rendered 'inoperative'-IT Dept.

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- **A circular issued by the CBDT on March 30 said once a PAN becomes inoperative, an individual shall be liable to all the consequences under the I-T Act and will have to suffer a number of implications.**

The Income Tax department on 24 December issued an advisory saying that those permanent account numbers (PAN) not linked with Aadhaar by the end of March next year will be rendered "inoperative".

"What is mandatory, is necessary. Don't delay, link it today!" the department said in a public advisory.

"As per Income-tax Act, 1961, it is mandatory for all PAN holders, who do not fall under the exempt category, to link their PAN with Aadhaar before 31.3.2023. From 1.04.2023, the unlinked PAN shall become inoperative," it said.

According to the notification issued by the Union Finance Ministry in May 2017, the 'exempt category' are those individuals residing in the states of Assam, Jammu and Kashmir and Meghalaya. The exempt category also include a non-resident as per the Income-tax Act, 1961 or individuals of the age of 80 years or more at any time during the previous year and a person not a citizen of India.

On 30 March, the Central Board of Direct Taxes (CBDT) issued a circular saying once a PAN becomes inoperative, an individual shall be liable to all the consequences under the I-T Act and will have to suffer a number of implications.

Once the PAN becomes inoperative, the person will not be able to file I-T return, pending returns will not be processed, pending refunds cannot be issued, pending proceedings as in the case of defective returns cannot be completed and tax will be required to be deducted at a higher rate.

"In addition to the above, the taxpayer might face difficulty at various other fora like banks and other financial portals as PAN is one of the important KYC (know your customer) criterion for all kinds of financial transaction," the circular said.

The CBDT frames policy for the Income Tax department.

While Aadhaar is issued by the Unique Identification Authority of India to a resident of India, PAN is a 10-digit alphanumeric number allotted by the IT Department to a person, firm or entity.

With PTI inputs.

This story has been published from a wire agency feed without modifications to the text. Only the headline has been changed.