

FILING I-T RETURNS

Aadhaar-PAN linking must from July 1

● CBDT issues clarification a day after the SC judgment

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THE GOVERNMENT ON Saturday made it clear that the linking of the Aadhaar and the Permanent Account Number (PAN) will be a "must" for filing income tax returns (ITRs) and obtaining PAN from July 1. The assertion comes a day after the Supreme Court upheld the validity of an I-T Act provision making Aadhaar mandatory for allotment of PAN cards and for ITR filing, but had put a partial stay on its implementation till a Constitution bench addressed the issue of right to privacy.

The Central Board of Direct Taxes (CBDT), a policy-making body for the I-T department, said the apex court's order had only given "partial relief" to those who do not have an Aadhaar or an Aadhaar enrolment ID, and the taxman, hence, "will not cancel" the PAN of such individuals.

The Board said it was issuing



a three-point gist of the SC order and called it the "effect of the judgment" in order to clear any doubts in the minds of taxpayers. "From July 1, 2017 onwards, every person eligible to obtain Aadhaar must quote their Aadhaar number or their Aadhaar enrolment ID number for filing of ITRs, as well as for applications for PAN. Everyone who has been allotted PAN as on the 1st day of July, 2017, and who has Aadhaar number or is eligible to obtain Aadhaar number, shall intimate his Aadhaar number to income tax authorities for the purpose of linking PAN with Aadhaar," the CBDT said.

It explained what will happen in a case of "non-compliance" or the instance where a person does not possess Aadhaar. "Only a partial relief by the

court (SC) has been given to those who do not have Aadhaar and who do not wish to obtain Aadhaar for the time being, that their PAN will not be cancelled so that other consequences under the Income Tax Act for failing to quote PAN may not arise," the CBDT said.

A senior I-T official said the CBDT decided to announce the non-cancellation of PAN provision, as such a situation will lead to a person not being able to perform his or her normal banking and other financial operations. Another official said the apex court's order given on Friday was "studied" by a high-level team from the Prime Minister's Office, the law ministry, the finance ministry, the CBDT and the income tax department, after which the latest clarification has been issued.