

# Aadhar-Pan card linking

April 1, 2021

**In news :** Recently, the Union government extended the last date for Aadhaar-PAN linking

## Key updates

- In view of the difficulties arising out of the Covid-19 pandemic the Central Government extended the last date for linking of Aadhaar number with PAN from 31st March, 2021 to 30th June, 2021
- The date for issue of notice under Section 148 of Income Tax Act, 1961, passing of consequential order for direction issued by the Dispute Resolution Panel (DRP) and processing of equalisation levy statements has also been extended to 30th April, 2021.
- If a person do not link his/her PAN with Aadhaar by the deadline, then not only will his/her PAN become inoperative, but he/she will also be liable to pay a penalty
- **Penalty:** According to the government, those who miss the deadline will be liable to pay a penalty of up to Rs 1,000 and their PAN will become invalid.
- Recently, the Union government passed the Finance Bill 2021 where it inserted a new section 234H under which a person shall be liable to pay a late fee of up to Rs 1,000 in case of non-linking of their PAN with Aadhaar.
- Due to the novel coronavirus pandemic, last year the government had extended the deadline to link PAN with Aadhaar to March 31, 2021, from the previous deadline of June 30, 2020.
- The last date to link PAN cards with Aadhaar cards has been extended several times in the past.
- There are some specified financial transactions by the income tax department where PAN is required to be quoted mandatorily.

- In such cases, the transactions could be carried out only when the PAN and Aadhaar are linked together. And these include one's investments in mutual funds or getting a credit card too.

### **Importance of linking Aadhaar and PAN**

- With this linking government will be able to keep tabs on the taxable transactions of a particular individual or entity, whose identity and address will be verified by his Aadhaar card
- And government will easily record every taxable transaction or activity hence help to prevent tax evasion
- It will also help to reduce the occurrence of individuals or entities applying for multiple PAN cards in an effort to defraud the government and avoid paying taxes.

### **Aadhaar & PAN**

- Aadhaar is a 12-digit identification number issued by the Unique Identification Authority of India (UIDAI) to a resident of India.
- PAN is a 10-digit alphanumeric number allotted by the I-T department to a person, firm or entity.