

राष्ट्रीय प्रौद्योगिकी संस्थान हमीरपुर

हमीरपुर (हि.प्र.) - 177 005 (भारत)

[भारत सरकार शिक्षा मंत्रालय के तहत एक राष्ट्रीय महत्व का संस्थान]

NATIONAL INSTITUTE OF TECHNOLOGY HAMIRPUR

HAMIRPUR (H.P.) - 177 005 (INDIA)

[An Institute of National Importance under Ministry of Education (Shiksha Mantralaya)]

No.NIT/HMR/Accounts/ 429-460

CIRCULAR

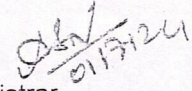
Dated:- 02.07.2024

Subject:- Deduction of TAX on the Higher rates for the In-Operative Permanent Account Numbers (PAN) whose PAN are Inoperative as of May 2024- Regarding.

Ministry of Finance, Department of Revenue, CBDT vide Circular No.3/2023 dated 28.03.2023 has notified Rule 114AAA of the Income Tax Rules, 1962 (the Rules) as per which a person who has been allotted the Permanent Account Number as on 01.07.2017 is required to intimate his AADHAR Number in accordance with Section 139AA of Income Tax Act, 1961 (the Act) failing which the PAN no. of such person will become "In-operative". The ibid notification further detailed the consequences (see para 1 below) as a result of the PAN becoming inoperative which were to take effect from 1st July 2023 and were to continue till the PAN become "Operative".

1. The consequences as a result of the PAN becoming in-operative, inter-alia, included that TDS and TCS shall be deducted/collected, as the case may be, at higher rate, in accordance with the provisions of Section 206AA/206CC of Income Tax Act. Further, refund of any tax, or part thereof shall not be made.
2. Now, Ministry of Finance, Department of Revenue, CBDT Circular No.6/2024 dated 23.04.2024, has partially modified Circular No.3/2023 and specified that for transactions entered into, upto 31.03.2024, and in cases where the PAN becomes operative on or before 31.05.2024, there shall be no liability on the deductor/collector to deduct/collect tax under Section 206AA/206CC i.e, at a higher rate.
3. That upon verification of PAN from the website of Income Tax (TRACES), it has been noted that the PAN of employees/Pensioners of the Institute are "In-operative" for the reason that the respective Aadhar Number were not intimated in accordance with Section 139AA of the Act.
4. Thus, in compliance to CBDT Circular no.3/2023 dated 28.03.2023 as partially modified by Circular no.6/2024 dated 23.04.2024, the Institute would be statutorily required to deduct/collect tax at a higher rate w.e.f 01/07/2023 for these employees/pensioners if their PAN to continue to be "Inoperative" beyond 31.05.2024 as mandated in other provisions of Chapter XVII-B or Chapter XVII-BB of the Act. The taxpayer would also not be able to take refund of any tax or part thereof, as detailed in the Circular no.3/2023 as well as 6/2024.

It is thus requested that AADHAR Number in case of "Inoperative" PAN may be linked immediately in accordance with Section 139AA of the Act.


Registrar,
NIT Hamirpur (HP)

Copy to:-

1. The Director, NIT, Hamirpur for kind information, please.
2. All the Deans/HODs/ HOCs/Branch Officers/EO/SMO/Librarian/XENs for information and necessary action please.
3. FI (Computer Centre) for hosting the same on the Institute website, please.

F. No. 370142/14/2022-TPL
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, Dated the 16th of March, 2023

Sub.: Consequences of PAN becoming inoperative as per the newly substituted rule 114AAA – reg.

Consequent to the notification substituting rule 114AAA of the Income-tax Rules, 1962 (the Rules) *vide* notification no. 15 of 2023 dated 28th March, 2023, it is hereby clarified that a person who has failed to intimate the Aadhaar number in accordance with section 139AA of the Income-tax Act, 1961 (the Act) read with rule 114AAA shall face the following consequences as a result of his PAN becoming inoperative:

- (i) refund of any amount of tax or part thereof, due under the provisions of the Act shall not be made to him;
- (ii) interest shall not be payable to him on such refund for the period, beginning with the date specified under sub-rule (4) of rule 114AAA and ending with the date on which it becomes operative;
- (iii) where tax is deductible under Chapter XVII-B in case of such person, such tax shall be deducted at higher rate, in accordance with the provisions of section 206AA;
- (iv) where tax is collectible at source under Chapter XVII-BB in case of such person, such tax shall be collected at higher rate, in accordance with the provisions of section 206CC.

2. These consequences shall take effect from 1st July, 2023 and continue till the PAN becomes operative. A fee of one thousand rupees will continue to apply to make the PAN operative by intimating the Aadhaar number.

3. The consequences of PAN becoming inoperative shall not be applicable to those persons who have been provided exemption from intimating Aadhaar number under the provisions of sub-section (3) of section 139AA of the Act.

4. This is in supersession of the Circular No. 07 of 2022 of CBDT dated 30th March, 2022.

5. Hindi version to follow.

F. Amrutha

F. Amrutha varshini

Under Secretary (TPL-IV), CBDT

Copy to:

1. PS to FM/ OSD to FM/ PS to MoS(F)/ PS to MoS(F)
2. OSD to Secretary (Revenue)
3. Chairman, CBDT & All Members, CBDT
4. All Pr. DGsIT/ Pr. CCsIT
5. All Joint Secretaries/ CsIT/ Directors/ Deputy Secretaries/ Under Secretaries of
CBDT
6. The C&AG of India
7. The JS & Legal Adviser, Ministry of Law & Justice, New Delhi
8. PCIT (M&TP), Official Spokesperson of CBDT
9. Web manager, ADG (S)-4, O/o Pr. DGIT (Systems) for uploading on official website.
10. JCIT (Database Cell) for uploading on www.irs-officeronline.gov.in

F.No. 275/4/2024-IT(B)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, the 23rd April, 2024

Sub: Partial modification of Circular No. 3 of 2023 dated 28.03.2023 regarding consequences of PAN becoming inoperative as per rule 114AAA of the Income-tax Rules, 1962- reg.

Circular No. 3 of 2023 dated 28.03.2023 issued by the Board details the consequences of PAN becoming inoperative as under:

"Consequent to the notification substituting rule 114 AAA of the Income-tax Rules, 1962 (the Rules) vide notification no. 15 of 2023 dated 28th March, 2023, it is hereby clarified that a person who has failed to intimate the Aadhaar number in accordance with section 139AAA of the Income-tax Act, 1961 (the Act) read with rule 114AAA shall face the following consequences as a result of his PAN becoming inoperative:

- (i) refund of any amount of tax or part thereof, due under the provisions of the Act shall not be made to him;*
- (ii) interest shall not be payable to him on such refund for the period, beginning with the date specified under sub-rule (4) of rule 114AAA and ending with the date on which it becomes operative;*
- (iii) where tax is deductible under Chapter XVII-B in case of such person, such tax shall be deducted at higher rate, in accordance with the provisions of section 206AA;*
- (iv) where tax is collectible at source under Chapter XVII-BB in case of such person, such tax shall be collected at higher rate, in accordance with the provisions of section 206CC."*


2. As per sub-rule (4) of rule 114AAA of the Income-tax Rules, 1962, the above consequences shall have effect from the date specified by the Board. The Board vide Circular No. 03 of 2023 dated 28th March, 2023 had specified that the consequences shall take effect from 1st July, 2023 and continue till the PAN becomes operative.



3. Several grievances have been received from the taxpayers that they are in receipt of notices intimating that they have committed default of 'short-deduction/collection' of TDS/TCS while carrying out the transactions where the PANs of the deductees/collectees were inoperative. In such cases, as the deduction/collection has not been made at a higher rate, demands have been raised by the Department against the deductors/collectors while processing of TDS/TCS statements under section 200A or under section 206CB of the Act, as the case maybe.

4. With a view to redressing the grievances faced by such deductors/collectors, the Board, in partial modification and in continuation of the Circular No. 3 of 2023, hereby specifies that for the transactions entered into upto 31.03.2024 and in cases where the PAN becomes operative (as a result of linkage with Aadhaar) on or before 31.05.2024, there shall be no liability on the deductor/collector to deduct/collect the tax under section 206AA/206CC, as the case maybe, and the deduction/collection as mandated in other provisions of Chapter XVII-B or Chapter XVII-BB of the Act, shall be applicable.

5. Hindi version to follow.



23/04/2024
(Sunil Kumar)

Under Secretary to the Government of India

Tele: 23095478

Copy to:-

1. PS to FM/OSD to FM/PS to MoS (R)/OSD to MoS(R)
2. PPS to Secretary (Revenue)
3. The Chairman, CBDT & all Members, CBDT
4. All Pr.CCsIT, CCsIT/Pr.DGIT/DGsIT
5. All Joint Secretaries/CsIT, CBDT
6. Pr. Commissioner of Income-tax (Media & TP) and official Spokesperson, CBDT, New Delhi
7. CIT, (CPC-TDS)
8. ADG (PR,P&P) for necessary action
9. JCIT, Database Cell, with a request to upload the order on the website www.irsofficersonline.gov.in
10. Web Manager, O/o DGIT(Systems) with a request to upload the order on the website of www.incometaxindia.gov.in
11. The Institute of Chartered Accountants of India, IP Estate, New Delhi
12. All Chambers of Commerce
13. The Guard File


23/04/2024
(Sunil Kumar)

Under Secretary to the Government of India

Tele: 23095478