

PERSONS REQUIRE TO APPLY FOR PAN

PAN is to be obtained by:

- Every person if his total income or the total income of any other person in respect of which he is assessable during the year exceeds the maximum amount which is not chargeable to tax.
- A charitable trust who is required to furnish return under Section 139(4A)
- Every person who is carrying on any business or profession whose total sale, turnover, or gross receipts are or is likely to exceed five lakh rupees in any year
- Every person who intends to enter into specified financial transactions in which quoting of PAN is mandatory.
- Every non-individual resident persons and persons associated with them shall apply for PAN if the financial transaction entered into by them during the financial year exceeds Rs. 2,50,000.

Transactions in which quoting of PAN is mandatory

Following are the transactions in which quoting of PAN is mandatory by every person except the Central Government, the State Governments and the Consular Offices:

- Sale or purchase of any immovable property for an amount exceeding Rs. 10 lakh.
- Sale or purchase of a motor vehicle or vehicle other than two wheeled vehicles.
- Sale or purchase of goods or services of any nature for an amount exceeding Rs. 2 lakh per transaction.
- Sale or purchase, by any person, of shares of a company not listed in a recognised stock exchange for amount exceeding Rs. 1 lakh per transaction.
- A contract for sale or purchase of securities (other than shares) for amount exceeding Rs. 1 lakh per transaction
- Opening an account other than a Basic Savings Bank Deposit Account with a banking company or a co-operative bank.
- Making an application for issue of a credit or debit card.
- Opening of a demat account with a depository, participant, custodian of securities or any other person with SEBI
- Deposits of cash exceeding Rs. 50,000 during any one day with a banking company or a cooperative bank.
- A time deposit of amount exceeding Rs. 50,000 or aggregating to more than Rs. 5 lakh during a financial year with a banking company or a non-banking financial company or a co-operative bank or a Post Office or a Nidhi referred to in section 406 of the Companies Act, 2013.
- Payment in cash for an amount exceeding Rs. 50,000 during any one day for purchase of bank drafts or pay orders or banker's cheques from a banking company or a co-operative bank.
- Payment of an amount aggregating to more than Rs. 50,000 in a financial year as life insurance premium to an insurer

- Payment in cash of an amount exceeding Rs. 50,000 to a hotel or restaurant against bill at any one time.
- Payment in cash of an amount exceeding Rs. 50,000 in connection with travel to any foreign country or payment for purchase of any foreign currency at any one time.
- Payment of an amount exceeding Rs. 50,000 to a Mutual Fund for purchase of its units
- Payment of an amount exceeding Rs. 50,000 to a company or an institution for acquiring debentures or bonds issued by it.
- Payment of an amount exceeding Rs. 50,000 to the Reserve Bank of India for acquiring bonds issued by it.
- Payment in cash or by way of a bank draft or pay order or banker's cheque of an amount aggregating to more than Rs. 50,000 in a financial year for one or more pre-paid payment instruments, as defined in the policy guidelines for issuance and operation of pre-paid payment instruments issued by Reserve Bank of India under section 18 of the Payment and Settlement Systems Act, 2007 to a banking company or a co-operative bank or to any other company or institution.

Minor person can quote PAN of his father or mother or guardian provided he does not have any income chargeable to income-tax. Any person, who does not have PAN and enters into any of above transaction, can make a declaration in Form No.60.

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