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Mandatory Requirement of Quoting of PAN



CA Vivek chaudhary

on 11 January 2016

The Government is committed to curbing the circulation of black money and widening of tax base. Where the transactions exceeds the specified limit the income tax rules required quoting of Permanent Account Number (PAN) to collect information of certain type of transactions from third parties in a non-instructive manner.

To bring a poise between of compliance on legitimate transactions and the need to capture information relating to transactions of higher value, the Government has also enhanced the monetary limits of certain transactions which require quoting of PAN.



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There are certain changes in rules which have come into effect from **1st January 2016**.

Following are some transactions against which the new limits of Rule 114B are precise, if these limits exceed then obligation to furnish PAN is mandatory:-

Immovable Property :-

- i. If amount of sale/Purchase exceeding Rs.10Lakh; or
- ii. Properties valued by Stamp Valuation authority at amount exceeding Rs.10 lakh will also need PAN.

Motor Vehicle (Other than 2 All sales and purchases.wheeler):-

Time Deposits:-

- i. Deposits with Co-op banks, Post Office, Nidhi, NBFC companies will also need PAN; or
- ii. Deposits aggregating to more than Rs.5 lakhs during the year will also need PAN.

Sale or Purchase of securities :-

Contract for sale/Purchase of value exceeding Rs.1 Lakh.

Opening an account (other than time deposit) with a banking company :-

- i. Basic Savings Bank Deposit Account excluded (no PAN requirement for opening these accounts);or
- ii. Co-operative banks also to comply.

Hotel/restaurant bill(s) :-

Cash payment exceeding Rs.50,000/-

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Cash purchase of bank drafts/ pay orders/ banker's cheques:-

Exceeding Rs.50,000/- on any one day.

Cash deposit with banking company:-

Cash deposit exceeding Rs.50,000/- in a day.

Foreign travel:-

Cash payment in connection with foreign travel or purchase of foreign currency of an amount exceeding Rs.50,000/- at any one time (including fare, payment to travel agent).

Credit Card :-

Application to banking company/ any other company/institution for credit card.

Mutual fund units:-

Payment exceeding Rs.50,000/- for purchase.

Shares of company:-

Opening a demat account.

Purchase or sale of shares of an unlisted company for an amount exceeding Rs.1 lakh per transaction.

Debentures/ bonds:-

Payment exceeding Rs.50,000.

RBI bonds:-

Payment exceeding Rs.50,000.

Life insurance premium:-

Payment exceeding Rs.50000.



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Purchase of jewellery/bullion:-

Merged with sales or purchases of goods and services.

Purchases or sales of goods or services:-

Purchase/ sale of any goods or services exceeding Rs.2 lakhs per transaction.

Cash cards/ prepaid instruments issued under Payment & Settlement Act:-

Cash payment aggregating to more than Rs.50,000 in a year.

Important Note:-

Person who do not hold PAN are required to fill a form and furnish any specified documents to establish their identity.

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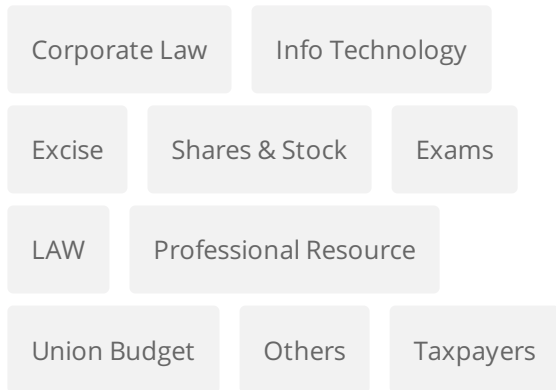
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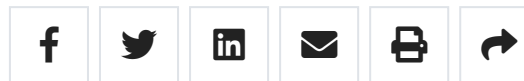
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Dear Sir, Please confirm PAN no required whether in case of cash sale/purchase or also for credit sale /purchase

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KAMLESH

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Required one clarification. In case of service industry, quoting PAN of the service provider on the invoice raised is mandatory and not of the service recipient?

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S K DHINGRA

[4 years ago](#)

Dear Mr. Deepak, thanks for simplified information. Could you please inform whether a NRE can open Savings Bank Account (NRE or NRO) without PAN (by submitting new Form 60) in the light of CBDT notification 95/2015 of 30 Dec 2015? Thanks

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CA VIVEK CHAUDHARY

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Dear Deepak ji PAN is required only if the payment is in cash and the limit is on individual basis....Okay

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CA DEEPAK JAIN

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Plz. Clear about payment of LIC premium, whether cash or cheque and also clarify this limit of ₹50000/- is aggregate or individual for an insurer or all insurer.

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KAUSHAL

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Thanks a lot vivek ji for writing on such an important topic.....very few people are aware about this....

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GOOD ARTICLE AND SO USEFUL

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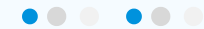
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