PAN — PERMANENT ACCOUNT NUMBER

Why, When, Where and How to Apply · Format · Forms · Fees

As per the Income-tax Act, 2025 and the Income-tax Rules, 2026

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About this booklet

Drafted by Claude (Anthropic) under the guidance and supervision of Advocate Dr. S. B. Rathore, from sections 262 and 467 of the Income-tax Act, 2025, Rules 158 and 159 of the Income-tax Rules, 2026, and the Income Tax Department's FAQs on Forms 93–96 and Form 121.

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Suggestions and corrections are welcome

Readers are invited to send their comments and questions.

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1. PAN at a glance

- **Meaning:** a 10-character alphanumeric number allotted by the Income Tax Department. One person — one PAN — for life.
- **The law:** **section 262** of the Income-tax Act, 2025, and **Rules 158 and 159** of the Income-tax Rules, 2026.
- **What the card shows:** name, father's (or mother's) name, date of birth, photograph, signature, QR code. No address.
- **Physical PAN card vs e-PAN:** the e-PAN is a digitally signed PDF and is just as valid as the plastic card.
- **Why you need PAN:** filing your income-tax return, paying tax, getting credit for TDS, opening a bank or Demat account, buying property or a car, high-value payments, and as proof of identity.

2. Format of PAN: decoding AAAPR1234H

Position	Character	Meaning
1 – 3	A A A	Alphabetic series running from AAA to ZZZ
4	P	Status of the holder (P = Individual; see codes below)
5	R	Individual: first letter of the surname (Rathore → R). Others: first letter of the name
6 – 9	1 2 3 4	Sequential number from 0001 to 9999
10	H	Alphabetic check digit

4th-character status codes: P Individual · H HUF · C Company · F Firm / LLP · A AOP · B BOI · T Trust · L Local authority · J Artificial juridical person · G Government

Illustrations (made-up numbers): Chhotu Kumar Verma — ABCPV1234A · Chhutki Verma — ABDPV5678B · Verma & Sons (HUF) — ABEHV2468C · Verma Traders (firm) — ABFFV1357D

3. When is PAN mandatory? Who must apply

Section 262(1) — a person who does not have a PAN must apply if:

- (a) total income exceeds the maximum amount not chargeable to tax;
- (b) business or profession turnover / gross receipts exceed (or are likely to exceed) ₹5 lakh in the tax year;
- (c) the person is required to file a return of income under **section 263**;
- (d) a resident other than an individual enters into financial transactions of ₹2.5 lakh or more in a tax year;
- (e) the managing director, director, partner, trustee, karta, principal officer etc. of a person covered by (d);
- (f) the person enters into a transaction listed in **Rule 159** — PAN must be obtained before items 1–10 of the list in Part 4, or before a property deal above ₹45 lakh.
- **Section 262(2)** — anyone else (a student, a homemaker, a minor) may apply voluntarily.
- A minor who has no taxable income quotes the PAN of the father, mother or guardian.

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4. Where PAN must be quoted (Rule 159)

No.	Transaction	PAN required when
1	Applying for a credit card	Always
2	Opening a Demat / depository / SEBI-registered account	Always
3	Payment to RBI for its bonds	Above ₹50,000
4	Payment to a mutual fund for units	Above ₹50,000
5	Buying or selling securities other than shares	Above ₹1 lakh per transaction
6	Cash deposits in a bank or post office	₹10 lakh or more in a year
7	Cash withdrawals from a bank or post office	₹10 lakh or more in a year
8	Buying or selling a motor vehicle or motor cycle (not a tractor)	Above ₹5 lakh
9	Buying or selling shares of an unlisted company	Above ₹1 lakh per transaction
10	Payment to a company for its debentures or bonds	Above ₹50,000
11	Immovable property — sale, purchase, gift, joint development	Above ₹20 lakh (value or stamp value)
12	Opening a bank account (other than a basic savings account)	Always
13	Time deposit — bank, post office, Nidhi, NBFC	Above ₹50,000, or above ₹5 lakh in a year
14	Account-based relationship with an insurance company	Always
15	Cash bill — hotel, restaurant, banquet hall, event manager	Above ₹1 lakh at one time
16	Any other purchase or sale of goods or services	Above ₹2 lakh per transaction

5. No PAN? Form 97

- A person (other than a company or firm) without PAN gives a declaration in **Form 97** for items 11 to 16 of the list in Part 4.
- Form 97 cannot be used for items 1–10, or for property above ₹45 lakh: PAN must be applied for.
- The bank or other recipient reports these declarations to the Department in **Form 98**, half-yearly.

6. Which application form? (Rule 158)

Form	Who uses it
Form 93	Individual who is a citizen of India
Form 94	Indian non-individual — HUF, firm, LLP, company, trust, AOP, BOI, local authority, artificial juridical person
Form 95	Individual who is not a citizen of India
Form 96	Entity formed outside India

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Companies and LLPs get PAN through the MCA common application (SPICe+) at the time of incorporation; foreign portfolio investors through SEBI's common application form.

7. How to apply: online and offline

7.1 Instant e-PAN (online, free)

- Website: www.incometax.gov.in → Instant e-PAN. Aadhaar linked with mobile; OTP-based; e-PAN in about 10 minutes; no fee, no documents.
- Only for individuals who have Aadhaar; not for minors.

7.2 Online through Protean (NSDL) or UTIITSL

- onlineservices.proteantech.in or www.pan.utiitsl.com → New PAN → Form 93.
- Paperless e-KYC + e-Sign, or upload scanned documents; pay online; note the acknowledgement number to track status.

7.3 Offline at a PAN centre / TIN Facilitation Centre

- Fill Form 93 in BLOCK letters, paste two recent colour photographs (3.5 × 2.5 cm), sign across the photo, attach self-attested documents, pay the fee, take the acknowledgement.

7.4 Documents and name rules

- Proof of identity, proof of address and proof of date of birth are all needed. Aadhaar alone does not prove date of birth.
- Birth certificate for children born on or after 1-10-2023.
- Name exactly as in Aadhaar; no initials; no prefix (Mr / Mrs / Dr / Prof / CA). Married women: husband's name not required.
- Father's and mother's names; choose which one is printed on the card.
- Minor: a parent applies on the child's behalf — the child's Aadhaar and photo plus the parent's identity and address proof.

8. Fees (inclusive of GST)

Mode	Fee
Physical PAN card, Indian address	₹107
Physical PAN card, address outside India	₹1,017
e-PAN only, applied at a PAN centre / TIN-FC	₹72
e-PAN only, paperless online (e-KYC / e-Sign)	₹66
Instant e-PAN on the e-filing portal	Nil

9. After you get PAN

- Link Aadhaar with PAN **[section 262(6)]** — otherwise PAN becomes inoperative: no refund, no interest on refund, TDS / TCS at higher rates. Fee to make it operative again: ₹1,000.
- Inform the Department of any change of name or address **[section 262(4)]**.
- Never hold two PANs **[section 262(8)]** — surrender the extra one.
- Free services on the e-filing portal: Verify Your PAN · Know Your AO · Link Aadhaar · Aadhaar–PAN link status.

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10. PAN and TDS

- To avoid TDS on interest when your income is below the taxable limit, give the bank **Form 121 [section 393(6)–(7)]**. A valid, operative PAN is mandatory.
- Without PAN, TDS is deducted at a higher rate.
- Banks deduct TDS on interest only above ₹50,000 a year (₹1 lakh for senior citizens).

11. Penalty

- **Section 467** — ₹10,000 for each default: not complying with section 262, quoting a false PAN or Aadhaar, or failing to quote or authenticate it.

12. Video plan: AI Dr. Kalpana asks, AI Advocate Dr. S. B. Rathore answers

No.	AI Dr. Kalpana asks	AI Advocate Dr. S. B. Rathore answers	Part
—	Opening: introduces AI Advocate Dr. S. B. Rathore and today's topic, PAN	Greets the viewers	—
1	What is PAN, and why does everyone need one?	Meaning, the law, card vs e-PAN, uses	1
2	What do the 10 characters of a PAN mean?	Decodes AAAPR1234H letter by letter	2
3	Who must have a PAN?	Section 262(1)(a)–(f); voluntary PAN; minors	3
4	Where must I quote my PAN?	Walks through the 16 transactions	4
5	I don't have a PAN — what then?	Form 97, and when it cannot be used	5
6	Which form, and how do I apply — online or offline?	Forms 93–96; Instant e-PAN; Protean / UTIITSL; PAN centre; documents	6–7
7	How much does it cost?	Fee table	8
8	I have my PAN — what must I take care of?	Aadhaar link, change of details, one PAN only, Form 121, penalty	9–11
—	Thanks the viewers and Advocate Dr. S. B. Rathore	Thanks the viewers	Contact card

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