

PERMANENT ACCOUNT NUMBER (PAN)

Pan is unique alphanumeric combination issued to all juristic entities identifiable under the Indian Income Tax Act 1961. It is issued by the Indian Income Tax Department under the auspices of the Central Board for Direct Taxes (CBDT) and is almost equivalent to a National identification number. It also serves as an important ID proof.

This number is almost mandatory for financial transactions such as opening a bank account, receiving taxable salary or professional fees, sale or purchase of assets above specified limits.

The primary purpose of PAN is to bring a universal identification key factor for all financial transactions and indirectly prevent Tax evasion by keeping a track of monetary transactions of high net worth individuals.

The PAN is unique, national, and permanent. It is unaffected by a change of address, even between States.

This number can be considered to be similar to Social security number issued in United States to citizens and other legal residents^[citation needed].

STRUCTURE AND VALIDATION:-

- ✓ PAN structure is as follows: AAAAA9999A: First Five characters are letters, next 4 numerals, last character letter
- ✓ Each assessee is uniquely identified by the PAN
- ✓ If the PAN does not follow the above structure, then the PAN will be shown invalid
- ✓ The fourth character of the PAN must be one of the following, depending on the type of assessee:
 - C** — Company
 - P** — Person
 - H** — HUF(Hindu Undivided Family)
 - F** — Firm

A — Association of Persons (AOP)

T — AOP (Trust)

B — Body of Individuals (BOI)

L — Local Authority

J — Artificial Juridical Person

G — Govt

- ❖ *The Fifth* character of the PAN is the first character (a) of the *surname / last name* of the person, in the case of a "Personal" PAN card, where the fourth character is "*P*" or (b) of the name of *the Entity/ Trust/ Society/ Organisation in the case of Company/ HUF/ Firm/ AOP/ BOI/ Local Authority/ Artificial Juridical Person/ Govt, where the fourth character is "C","H","F","A","T","B","L","J","G".*

*From:- **.AJAY K.AMAL***