



PMC Cell – MM

Oil and Natural Gas Corporation Ltd
Corporate Materials Management
2nd Floor, Tower-A, Deendayal Upadhyaya Urja Bhawan,
5, Nelson Mandela Marg, Vasant Kunj, New Delhi -110 070
Tel – (011)26752004 Fax – (011) 26129091

Circular No. 14/2020

No: MAT/PMC/13(13)/2020

Dated: 20.03.2020

Sub: Linking of Individual Vendors' Aadhar Number with PAN.

Office of Chief Corporate Finance vide their letter no. CTD/Aadhar-PAN linking/2019-20 dtd. 11.03.2020 has forwarded a copy of Notification dtd. 13.02.2020 of Central Board of Direct Taxes (CBDT) wherein guidelines for linking of individual vendors' Aadhar Number with PAN have been issued.

A copy each of the above communications is enclosed for information and compliance of all concerned.



(A P Tripathi)
ED-Chief MM Services

Distribution: (Through ONGC's intranet website 'reports.ongc.co.in').

All concerned may download the circular from the site. Hard copies are not distributed separately.


Copy to:

1. EO to CMD, ONGC, New Delhi.
2. CEA to Director (T&FS) / Director (Offshore) / Director (HR) / Director (Exploration)/Director (Onshore) / Director (Finance), ONGC, New Delhi.
3. CVO, ONGC, New Delhi.

| | | |
|---|--|---|
|  | OIL AND NATURAL GAS CORPORATION LTD. OFFICE OF ED-CCF DEENDAYAL URJA BHAWAN 5-A, NELOSN MANDELA ROAD, VASANT KUNJ, NEW DELHI-110070 | |
| | No.: CTD/Aadhar-PAN linking/2019-20 | Date: 11 th March, 2020 |
| From : | ED-Chief Corporate Finance, Delhi. | |
| To : | ED-Chief MM, Delhi | |
| Sub : | Linking of Individual Vendors' Aadhaar Number with PAN | |

- Under the provisions of section 139AA(2) of the Income-tax Act, 1961 (Act), any person who has been allotted permanent account number (PAN) and who is eligible to obtain Aadhaar number is required to intimate his Aadhaar number to the Income-tax Department in such form and manner as may be prescribed, and on or before the date as may be notified, by the Central Board of Direct Taxes (CBDT).
- In exercise of power conferred as aforesaid, the CBDT has, vide Notification dated 13-02-2020 (copy enclosed at Annexure-1), inserted Rule, 114AAA to the Income-tax Rules, 1962. Sub-rule (1) of the aforesaid Rule 14AAA brings out that, if the person who is required to intimate his Aadhaar number under section 139AA(2) of the Act, fails to intimate the same on or before 31st March, 2020, the PAN of such person would become inoperative for the purpose of furnishing, intimating or quoting under the Act. Sub-rule (2) of Rule 114AAA provides that, where PAN of a person becomes inoperative owing to non-intimation of Aadhaar number to the Income-tax Department, it shall be deemed that such person has not quoted, intimated his PAN in accordance with the provisions of the Act and he shall be liable for all consequences under the Act for not furnishing, intimating or quoting his PAN.
- As per the provisions of section 206AA of the Act, one of the consequences of non-furnishing of PAN by a payee to the payer is deduction of TDS at higher of the following rates (i) at the rate specified in the relevant provision of the Act; (ii) at the rate or rates in force i.e., the rate prescribed by the relevant Finance Act; or (iii) at the rate of 20%.
- Accordingly, if a vendor who is a **resident individual** does not intimate its Aadhaar number to the Income-tax Department (by linking the same with its PAN through e-filing portal of the Income-tax Department) on or before 31st March, 2020, its PAN would become inoperative. As a consequence, with effect from 1st April, 2020, if sums payable to such vendor are subject to TDS under the Act, TDS would be applicable thereon at the normally applicable rate or at the rate of 20%, whichever is higher.
- Therefore, in order to ascertain whether or not Aadhaar numbers of resident individual vendors/bidders have been linked with their PANs so that TDS may be regulated accordingly, following are requested-



Jai Meera, Head Pmc

 11/3

(i) The Tender Conditions requiring PAN of the bidders may be amended so as to incorporate therein a clause seeking an intimation from the resident individual bidders to the effect that whether or not their Aadhaar numbers have been linked with PANs; and

(ii) The consequences of non-linking of Aadhaar numbers with PANs (as brought out above) may also be spelt out in the relevant clauses of Standard Contract Conditions.

Regards,

Encl.- CBDT Notification


11/3/2020
(G.K. Valecha)
ED-CCF

NOTIFICATION G.S.R. 112(E) [NO.11/2020/F.NO. 3701**INCOME-TAX (FIFTH AMENDMENT) RULES, 2020 - INSERTION OF RULE 114AAA****NOTIFICATION G.S.R. 112(E) [NO.11/2020/F.NO. 370149/166/2019-TPL], DATED 13-2-2020**

In exercise of the powers conferred by proviso to sub-section (2) of section 139AA read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend Income-tax Rules, 1962, namely:—

Short title and commencement

1. (1) These rules may be called the Income-tax (5th Amendment) Rules, 2020.
- (2) They shall come into force from the date of their publication in the Official Gazette.
2. In the Income-tax Rules, 1962, after rule 114AA, the following rule shall be inserted, namely:—

"114AAA. *Manner of making permanent account number inoperative.*—(1) Where a person, who has been allotted the permanent account number as on the 1st day of July, 2017 and is required to intimate his Aadhaar number under sub-section (2) of section 139AA, has failed to intimate the same on or before the 31st day of March, 2020, the permanent account number of such person shall become inoperative immediately after the said date for the purposes of furnishing, intimating or quoting under the Act.

(2) Where a person, whose permanent account number has become inoperative under sub-rule (1), is required to furnish, intimate or quote his permanent account number under the Act, it shall be deemed that he has not furnished, intimated or quoted the permanent account number, as the case may be, in accordance with the provisions of the Act, and he shall be liable for all the consequences under the Act for not furnishing, intimating or quoting the permanent account number.

(3) Where the person referred to in sub-rule (1) has intimated his Aadhaar number under sub-section (2) of section 139AA after the 31st day of March, 2020, his permanent account number shall become operative from the date of intimation of Aadhaar number for the purposes of furnishing, intimating or quoting under the Act and provisions of sub-rule (2) shall not be applicable from such date of intimation.

(4) The Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems) shall specify the formats and standards along with the procedure for verifying the operational status of permanent account number under sub-rule (1) and sub-rule (2)."

■ ■