



Statesman Edition Delhi
12.6.2017 Page 11
Height 7.86cm Width 25.55 cm

11 lakh bogus PAN cards not miniscule to harm economy: SC

It was argued that persons with duplicate PAN cards are hardly 0.4 pc, hence there was no need to link Aadhaar with filling of I-T returns

PRESS TRUST OF INDIA
NEW DELHI, 17 JUNE

As many as 10.52 lakh "bogus" PAN cards of individual income tax assesses, which is around 0.4 per cent of the total such documents, cannot be termed a "minuscule" number to harm the country's economy, the Supreme Court has said.

Apex court said that it has come on record that 11.35 lakh duplicate or fraudulent permanent account numbers have been detected and out of these, 10.52 lakh cases pertain to individual assesses.

It made the observations in a 157-page judgement

while upholding the validity of section 139AA of the Income Tax Act making Aadhaar mandatory for allotment of PAN cards and filing of income tax returns.

The court, however, put a partial stay on its implementation till its Constitution Bench addressed the larger issue of right to privacy related to Aadhaar.

Section 139AA of the Act provides for mandatory quoting of Aadhaar or enrolment ID of Aadhaar application form for filing of income tax returns and making application for allotment of PAN with effect from 1 July this year.



"It was sought to be argued (by the petitioners) that persons found with duplicate/bogus PAN cards are hardly 0.4 per cent and, therefore, there was no need to have

such a provision," a bench headed by Justice A.K. Sikri said.

"We cannot go by percentage figures. The absolute number of such cases is 10.52 lakh, which figure, by no

General Mukul Rohatgi that duplicate PANs were used to divert funds to shell companies, the bench said. "The fact remains that companies are after all floated by individuals and these individuals have to produce documents to show their identity."

It said if introducing Aadhaar in tax regime was one of the measures to check black money or money laundering, the scheme cannot be "denounced" only because of the reason that the purpose would not be achieved fully.

"Such kind of a menace, which is deep-rooted, needs to be tackled by taking mul-

iple actions and those actions may be initiated at the same time. It is the combined effect of these actions which may yield results and each individual action considered in isolation may not be sufficient," the SC bench said.

"A former prime minister of this country has gone on record to say that out of one rupee spent by the government for welfare of the downtrodden, only 15 paise thereof actually reaches those persons for whom it is meant," it said.

"It cannot be doubted that with UID/Aadhaar much of the malaise in this field can be taken care of," it added.

Introducing Aadhaar in tax regime was one of the measures to check black money. It cannot be denounced only because the purpose would not be achieved fully, said SC

means, can be termed as minuscule to harm the economy and create adverse effect on the nation," the bench, also comprising Justice Ashok Bhushan, said.

Dealing with the submissions advanced by Attorney