

Professional Guide to PAN and TAN (India – 2025)

1. Permanent Account Number (PAN)

The **Permanent Account Number (PAN)** is a unique ten-character alphanumeric identifier issued by the Income Tax Department under Section 139A of the Income-tax Act, 1961. It links all financial transactions of an individual or entity with the department for tax assessment and compliance purposes.

PAN is mandatory for income tax return filing, high-value financial transactions, TDS deductions, and for opening bank accounts, demat accounts, and business registrations.

Structure of PAN:

Example PAN	ABCDE1234F
Characters 1–3	Alphabetic series running from AAA to ZZZ
Character 4	Represents the type of holder (P = Individual, C = Company, H = HUF, F = Firm, e
Character 5	First letter of surname/organization name
Characters 6–9	Sequential numeric digits (0001–9999)
Character 10	Alphabetic check digit

Application Process:

- Apply online via incometax.gov.in or NSDL/UTIITSL portals.
- Submit Form 49A (for Indian citizens) or Form 49AA (for foreign entities).
- Provide identity proof, address proof, and date of birth documentation.
- A digitally signed e-PAN is generated instantly upon Aadhaar-based authentication.

2. Tax Deduction and Collection Account Number (TAN)

The **Tax Deduction and Collection Account Number (TAN)** is a ten-character alphanumeric code issued under Section 203A of the Income-tax Act. It is mandatory for all persons responsible for deducting or collecting tax at source (TDS/TCS).

Structure of TAN:

Example TAN	BLRP01234B
First 3 Characters	Represent the jurisdiction/city code (e.g., DEL, MUM, BLR)
4th Character	Represents the name of the deductor
Next 5 Digits	System-generated numeric sequence
Last Character	Alphabetic check digit

Application Process:

- Apply using Form 49B on the NSDL portal.
- Mandatory for filing TDS/TCS returns (Form 24Q, 26Q, 27EQ, etc.).
- Failure to quote TAN in TDS documents attracts a penalty of ₹10,000 under Section 272BB.
- One TAN per deductor — multiple branches can share the same TAN if TDS is centralized.

3. Compliance and Best Practices

- Verify PAN and TAN through the Income Tax portal before filing returns.
- Match TDS challans with TRACES portal records to avoid mismatches.
- Maintain updated contact details and address to receive communication from CPC-TDS.
- Non-compliance with PAN/TAN regulations can attract penalties under Sections 272B and 272BB respectively.

4. Key References & Resources

- Income Tax Department Portal: <https://www.incometax.gov.in>
- NSDL e-Gov TAN Portal: <https://www.tin-nsdl.com>
- TRACES Portal (TDS): <https://www.tdscpc.gov.in>
- Helpline: 1800-180-1961 (PAN), 020-27218080 (TAN/NSDL Support)