

## **NDA Update – Relaxation from deduction / collection of tax at source at higher rate due to PAN becoming in-operative as a result of non-linkage with Aadhaar**

In terms of Circular No. 3 of 2023 dt 28.03.2023 issued by CBDT, tax is required to be deducted or collected at source at higher rate on PAN becoming inoperative (as a result of non-linkage with Aadhaar).

Subsequently, Circular No. 06 of 2024 dated 23.04.2024 issued by CBDT provided relief to deductors /collectors from the applicability of higher rates of TDS/TCS for transactions entered into up to 31.03.2024, where the PAN became operative (as a result of linkage with Aadhaar) on or before 31 .05.2024.

Now, CBDT vide Circular No. 9 of 2025 dt. 21.07.2025 has provided further relief to deductors /collectors from the applicability of higher rates of TDS/TCS, in the following cases:

- Where the amount is paid or credited from 01.04.2024 to 31.07.2025 and the PAN becomes operative (as a result of linkage with Aadhaar) on or before 30.09.2025.
- Where the amount is paid or credited on or after 01 .08.2025 and the PAN is made operative (as a result of linkage with Aadhaar) within two months from the end of the month in which the amount is paid or credited.

<https://incometaxindia.gov.in/communications/circular/circular-9-2025.pdf>