

PAN Victory

But steps are needed to protect privacy and against indiscriminate use of Aadhaar number

The verdict of the Supreme Court bench, upholding the validity of the provision in the Income Tax Act which makes Aadhaar number mandatory for securing issue of permanent account number (PAN) and filing income tax returns, is welcome. Linking of Aadhaar with PAN may be necessary to prevent individuals from holding multiple PAN cards. At the same time, the court has provided relief for those experiencing difficulty in such linking through no fault of their own by allowing them to continue filing income tax returns without Aadhaar numbers. The court has also asked the government to take steps to prevent leakages of biometric data of citizens, which has become a serious concern.



The government certainly has a case for linking Aadhaar numbers to PAN cards. The number of PAN cards issued was as much as 250 million whereas the number of income tax returns filed was only about 36.5 million. Clearly there are a lot of income tax payers with more than one PAN card, which help them evade taxes. It is a mistake on the part of the government, however, to introduce Aadhaar – whose original intention was to ensure welfare benefits go to the right people – indiscriminately across the board.

There is a plan, for example, to make Aadhaar numbers mandatory for booking air tickets, which is draconian. Government may want to track finances of citizens for legitimate reasons, but why does it want to track all their movements? India needs, in fact, comprehensive legislation that would protect the right to privacy of every individual and ensure prompt and effective remedial measures in case of transgressions. Such legislation would also help the government to secure a positive ruling from the constitutional bench in the Aadhaar case.