

GOVERNMENT OF KERALA

Finance (Nodal Centre) Department

CIRCULAR

No. 67/NC3/2008/Fin.

Dated, Thiruvananthapuram, 1st November, 2008.

Sub:- SDF for MLAs - PAN number mandated for all payments under SDF for MLAs/MPLADs - Clarification issued.

Ref:- G.O.(P) No.247/04/Fin. dated 27.05.2004.

Under the provisions in the Income Tax Act, the Drawing and Disbursing Officers (DDOs) are required to obtain Permanent Account Number (PAN) of all persons to whom payments are made and the same is to be recorded in e-TDS returns. If e-TDS returns are not filed as per the provisions of the Income Tax Act, DDOs are liable to pay a penalty of Rs.100/- per day of default in accordance with Section 272(2) of the Income Tax Act.

2. Some District Collectors, who are the DDOs, have now requested the Government to issue necessary direction exempting the Conveners of the Beneficiary Committees related to the Special Development Fund (SDF) for MLAs from furnishing PAN since most of the conveners are often poor people who do not fall in the Income Tax bracket and have no PAN.

3. Government after consulting Ministry of Finance, Government of India are pleased to clarify that the Conveners of Beneficiary Committees relating to SDF for MLAs, who do not have taxable income and do not have PAN, may furnish a certificate u/s 197 of the Income Tax Act for non deduction of tax at source. In such cases, the DDOs (the District Collectors in case of SDF for MLAs) will not be required to deduct tax at source or obtain PAN of the Beneficiaries for filing e-TDS returns.

**ANAND KUMAR**

Secretary (Finance- Resources)

To

All Members of Legislative Assembly

All District Collectors  
The Principal Accountant General (Audit), Kerala.  
The Accountant General (A&E) Kerala.  
The Private Secretary to the Minister.  
The Principal Secretary to Chief Minister

F B O

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