

Circular No.: NDML/POLICY/2023-0001

March 22, 2023

**Sub: Circular – PAN-Aadhaar linking for KYC records held with KYC Registration Agencies (KRAs)**

We refer to the **SEBI Press release** bearing number **PR No. 05/2023** which advises investors regarding linking their PAN with Aadhaar on or before 31st March 2023. The press release refers to **Central Board of Direct Taxes (CBDT) circular no. 7 of 2022** dated 30th March 2022, stating that the PAN would become inoperative if it is not linked with Aadhaar by 31st March 2023. The abovesaid press release from SEBI and CBDT circular are enclosed as Annexure 1 and 2 respectively for reference

In accordance with the same, the KYC records held with NDML KRA will be checked for the linking status and will undergo a change in the KYC status after 31st March, 2023 based on investor's PAN validity & PAN-Aadhaar linkage status as received from Income Tax Department.

All Intermediaries are requested to inform their clients to ensure that linking of their PAN with Aadhaar number is completed on or before March 31, 2023. Further, it may be noted that for all existing clients as on March 31, 2023, if the PAN is found to be not valid and/or PAN is found not to be linked with Aadhaar (wherever Aadhaar seeding is applicable), the KYC status of such PAN holders would be changed to **“On Hold - Incomplete / Existing / OLD KYC Record”** in NDML KRA system. Such KYC details cannot be considered as valid and usable. In such cases, the respective intermediaries may get in touch with the concerned clients, facilitate PAN – Aadhaar linking and upload a KYC modification request to NDML KRA for necessary validation and effect change in KYC status.

The above will be applicable for all KYC records (Aadhaar or Non Aadhaar based) held under category- Individuals which excludes the below categories of investors which are exempted / not considered for PAN AADHAAR linkage.

- A) Category of investors as exempted by Income tax department as per Income Tax Act 1961 Sec 139 AA (3) which includes below category of investors as specified in link <https://eportal.incometax.gov.in/iec/foervices/#/pre-login/bl-link-aadhaar>
- i. residing in the States of Assam, Jammu and Kashmir and Meghalaya;
  - ii. non-resident as per the Income-tax Act, 1961;
  - iii. of the age of eighty years or more at any time during the previous year;
  - iv. not a citizen of India

B) The above will not be applicable for KYC records held in category- - Non individuals.

For further details on PAN Aadhaar linkage, please refer to FAQs on Income Tax Department website as available on link <https://www.incometax.gov.in/iec/foportal/help/e-filing-link-aadhaar-faq>

For the PANs where KYC status has changed to **“On Hold - Incomplete / Existing / OLD KYC Record”**. Further, NDML KRA may also directly intimate to the concerned investors about the KYC status.

If the investor links the PAN and Aadhaar on or after 1st April 2023, the investors KYC status can be reinstated to verified/validated as per any of the following options by concerned KRAs:

1. The investor may inform NDML KRA directly through an e-mail [info.kra@nsdl.co.in](mailto:info.kra@nsdl.co.in) regarding the completion of PAN and Aadhaar linkage status and request for updating the KYC status.
2. The investors may intimate their respective intermediaries who can upload a KYC modification request as per current process to enable such updation at KRAs.

Intermediaries are requested to take note of the same and are requested to get the PAN and Aadhaar linkage done on or before 31st March 2023.

Further, it may be mentioned that for all the KYC records uploaded from April 1, 2023 onwards, in addition to existing checks, the KRAs will also check the PAN – Aadhaar seeding status and in cases where this seeding is applicable but not completed, such KYC records will be rejected and not taken up for processing.

For and on behalf of  
**NSDL Database Management Limited**

sd/-

**Vijay Gupta**  
**Senior Vice President**

Enclosures: - 2 Annexures