



# Central Depository Services (India) Limited

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## COMMUNIQUE TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/SYSTM/2023/163

March 14, 2023

### AADHAAR SEEDING (LINKAGE OF PAN WITH AADHAAR)

DPs are advised to refer CDSL Communique no. CDSL/OPS/DP/POLCY/2022/178 dated March 31, 2022, wherein it was informed that in case PAN is not seeded with AADHAAR before the date specified by the Government; it will be considered as an invalid PAN. Further, vide Communique no. CDSL/OPS/DP/POLCY/2023/10 dated January 06, 2023, DPs were reminded to ensure compliance by the extended timeline for Aadhaar seeding (linkage of PAN with Aadhaar) i.e., up to March 31, 2023.

In view of the aforesaid direction, following fields are available in the system to capture the PAN-Aadhaar linkage verification status.

- 0 – PAN not Verified
- 1 – PAN verified but Aadhaar not linked
- 2 – PAN Verification reversed
- 3 – PAN Verified & Aadhaar linked
- 4 – PAN Exempted
- 5 – PAN Aadhaar linkage verified by DP.

DPs are further advised to note that the existing demat accounts having PAN Verification codes “0”, “1”, and “2” as mentioned above with status code “21 - Individual” and fourth letter of any holder’s PAN is “P”, will be frozen for both debit and credit, if the PAN & Aadhaar is not linked on or before March 31, 2023.

In case of new demat account opening, DP has to ensure that the PAN & Aadhaar is linked and then only the DP shall capture the PAN verification code as **“5 – PAN Aadhaar linkage verified by DP”**. The account will be opened with status as “Active” and CDSL system will verify the PAN & Aadhaar linkage status. If the PAN is linked with Aadhaar, the PAN verification code will be updated in the system as **“3 – PAN Verified & Aadhaar linked”** for the respective holders in the demat account. If the PAN is not linked with Aadhaar for any holder/s, the PAN verification code will be updated in the system as **“1 – PAN verified but Aadhaar not linked”** and if PAN is not verified then the PAN verification code will be updated in the system as **“2 – PAN Verification reversed”**. The demat account will be frozen for both debit and credit for the PAN verification code “1” & “2”. with **freeze reason code “26 – Account holder related PAN inoperative”**.

Please note that in case of existing demat accounts which have been frozen for both debit and credit by CDSL for non-compliance of PAN & Aadhaar linkage, DPs will be able to update the PAN



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verification code to “5 – PAN Aadhaar linkage verified by DP” from status code “2 – PAN Verification reversed” or “1 – PAN verified but Aadhaar not linked”, if the PAN Aadhaar linkage has been successfully verified by the DP. The DP has to unfreeze the compliant demat account. The PAN & Aadhaar linkage of such modified demat account holder/s will be again verified by CDSL and accordingly will be placed in the respective code as explained in above para.

Details of the updates done in the demat account of the BOs, will be available to the DPs in the Non-financial History inquiry module and in DPD1 – BO Maintenance log report. System generated email will be sent to the BOs on the registered email ids for the updates in the demat account of the BOs, as and when the account is frozen / unfrozen or the PAN Aadhaar linkage verification code is changed.

Above mentioned details viz. freeze / Unfreeze, PAN – Aadhaar linkage verification details will be available to the DPs in the reports as informed in Communique no. CDSL/OPS/DP/SYSTM/2023/119 dated February 22, 2023.

For the non-compliant demat accounts, DPs should also inform such clients, that if they have taken any position for any settlements after March 31, 2023, they should execute Early pay-in instructions for transferring securities to TM/CM/CC well in advance but latest by EOD of March 31, 2023, to avoid the risk of non execution of transactions leading to non-delivery of securities for sale trades of March 31, 2023 due to freezing of demat accounts for debits as mentioned above.

Queries regarding this communiqué may be addressed to: **CDSL – Helpdesk** Emails may be sent to: [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com) and telephone number 08069144800.

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**Nilesh Shah**  
**Asst. Vice President – Operations**