

FAQ's - PAN Verification

1. What is PAN verification?

PAN verification is a facility which helps one know if the Permanent Account Number (PAN) is valid and genuine as stored in the Income Tax records. This facility can be used to verify the PAN of individuals as well as non-individual PAN holders like partnership firm, company, etc.

2. Why is it required?

Considering the fact that PAN is one of the most important documents for identity, there should be a verification mechanism through which the PAN No. of the client participating in the Commodity Market is verified. The Exchange has therefore, started to verify all the PAN No. which are given by the clients and uploaded in the Exchange system.

3. What are the different PAN status ?

- "Not Verified" – Initial state on user entry / upload
- "Name Mismatch" – name is not matching as per Income Tax records
- "No PAN" – PAN not present / blank. These records are for clients from Sikkim state or co-parceners of HUF.
- "Invalid PAN" – PAN entered does not conform to the PAN format (5 char – 4 digits – 1 char) OR is not present in Income Tax records
- "Verified" – PAN present in Income Tax records. Is correct and authentic.

4. How can I check for PAN / client name if in doubt ?

Listed below are 2 links from the Income Tax website which can be used to check the PAN or client name when in doubt.

<https://incometaxindiaefiling.gov.in/e-Filing/Services/KnowYourPanLink.html>

<https://incometaxindiaefiling.gov.in/e-Filing/Services/KnowYourJurisdictionLink.html>

5. Where can I see the clients where status is "Not Verified", "Name Mismatch", "No PAN" and "Invalid PAN" ?

A report has been provided to members with the name "NCDEX_TMID_clientPANstatus.csv" which can be downloaded from extranet member's folder on daily basis. This file contains a column 'NAME AS PER INCOME TAX'. Members can use this data to correct the client name.

In addition to the offline report, the member can also view the same in NCFE in the "Update PAN details" screen.

6. Which of the names below must I select ?

- Name as per PAN Card:- TRIBHOVANBHAI H PATEL
- Name as per Income Tax website:- TRIBHOVANBHAI HARAKHJIBHAI PATEL
- Name as per Voter Id:- TRIBHOVANBHAI HARKHJIBHAI KANSAGARA
- Name as per Bank:- TRIBHOVAN HARKHJI KANSAGARA

As mentioned in the circular no. NCDEX/TRADING-038/2015/107 dated March 27, 2015 members are requested to enter the names EXACTLY as per Income Tax records (PAN Database) in order to get the client PAN verified.

Pls note that the name as displayed in the PAN card and the name as entered in the Income Tax record may be different as the PAN card may have a 'display name' or a shortened name.

Hence the correct answer for the above question is

Name as per Income Tax website:- TRIBHOVANBHAI HARAKHJIBHAI PATEL

7. Can I change name / PAN if the record is verified ?

Once the PAN has been marked as "Verified", both client name and PAN cannot be changed. The fields are frozen.

8. I have entered record correctly, still showing as "Not Verified" ?

If the PAN status shows "Not Verified" it means that the scheduled PAN verification process is yet to run. Check the record after some time.

9. I can see level 1 and level 2 in the NCFE 'Update PAN details' screen. What is this ?

Levels indicate the position of client in the hierarchy.

Eg. For Individual Client, the level is level 0.

For Partnership / Limited companies, the level 0 depicts the main company, whereas the level 1 indicates the partners / directors.

For Hindu Undivided Family (HUF), the level 0 depicts the main HUF, whereas the level 1 indicates the Karta and level 2 indicates the coparcener.

10. My name / surname has changed after marriage. What should be done ?

If the PAN has been marked as "Verified", both client name and PAN cannot be changed. The fields are frozen. The PAN after marriage also remains the same.

In case the new name needs to be reflected in NCFE, the current record can be deleted and a new record with the updated name can be entered. The PAN verification process will then run thereafter.

In case the PAN is in any other status than verified, the name has to be entered exactly as per the Income Tax records.

11. My clients are from Sikkim. Do I have to enter the PAN details ? OR

Is PAN mandatory for co-parceners of HUF ?

PAN for Sikkim residents and co-parceners of HUF is NOT mandatory. However if the PAN details are available then you are requested to provide the same in NCFE so that it can be processed for verification.

In case of Sikkim residents and co-parceners of HUF where PAN is not provided, the PAN status will be shown as "No PAN". No penalty will be charged even if a trade is placed against such a client code.

PAN for clients from Sikkim, if provided, will follow the process flow of PAN verification and accordingly status will be displayed.

12. What action will be taken if PAN is not updated ?

The Exchange will mark all records that have not been corrected as 'Suspended' from July 01, 2015. Members should not place trades against such records. Members are advised that after September 01, 2015 if the records are still not corrected, penal action may apply as per the Bye Laws, Rules and Regulations of the Exchange.

13. I am getting this error "TM ID – Client Code combination does not exist" while bulk uploading PAN details. What should I do?

The TM ID begins with 0 (zero) and while uploading the file in csv format if 0 is not there in the beginning of TM ID or Client code then you will get this error.

e.g. Instead of 00071 the file has been uploaded with only 71 or in client code instead of 043630 the file has been uploaded with only 43630 (in both cases the prefix 0 is missing) then you will get this error.

Hence kindly check the client code and TM ID while uploading data in bulk. Moreover, file should be uploaded in csv format only.

14. Do I need to change the name in the Back office software, contract notes, elsewhere if the name has been changed in NCFE ?

No. Just change the name in the UCC / NCFE software and also mention in the remarks column that "The old name <old name> has been changed to the <new name> due to the PAN verification process". The process for pay-in/pay-out will remain unaffected.