



**CIRCULAR**

CIR/MRD/DP/10/2013

March 21, 2013

To,

All Companies whose securities are listed on Stock Exchanges (through Stock Exchanges);  
All Registrars to an Issue and Share Transfer Agents (RTI & STA);  
All Depositories;  
All Stock Exchanges.

Dear Sir / Madam,

**Sub: Usage of electronic payment modes for making cash payments to the investors**

Please refer to SEBI circular no. DCC/FITTCIR-3//2001 dated October 15, 2001 and circular no D&CC/FITTC/CIR-04/2001 dated November 13, 2001 on usage of ECS (Electronic Clearing Services) facility and warrants for distribution of dividends or other cash benefits to the investors.

2. Advancements in the field of electronic payment systems in the last decade have made available various other modes of electronic funds transfer viz. National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc. In view of such advancements, it has been decided to modify the framework as under:

- (a) For making cash payments to the investors, companies whose securities are listed on the stock exchanges shall use, either directly or through their RTI & STA, any RBI (Reserve Bank of India) approved electronic mode of payment such as ECS [ LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS) ], NEFT, etc.
- (b) Further, in order to enable usage of electronic payment instruments, companies whose securities are listed on the stock exchanges (or their RTI & STA) shall maintain requisite bank details of their investors -
  - (i) For investors that hold securities in demat mode, companies or their RTI & STA shall seek relevant bank details from the depositories. To this end, vide circular SEBI/MRD/DEP/Cir-3/06 dated February 21, 2006 and letter MRD/DEP/PP/123624/2008 dated April 23, 2008, depositories have been advised to ensure that correct account particulars of investors are available in the database of depositories.
  - (ii) For investors that hold physical share / debenture certificates, companies or their RTI & STA shall take necessary steps to maintain updated bank details of the investors at its end.



**भारतीय प्रतिभूति और विनिमय बोर्ड**  
**Securities and Exchange Board of India**

- (c) In cases where either the bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, companies or their RTI & STA may use physical payment instruments for making cash payments to the investors. Companies shall mandatorily print the bank account details of the investors on such payment instruments.
3. Stock exchanges are directed to bring the provisions of this circular to the notice of all the companies whose securities are listed on the stock exchange and also to disseminate the same on their website.
4. All companies whose securities are listed on Stock exchanges and their RTI & STA are directed to comply with the provisions of the circular.
5. Depositories are directed to provide to companies (or to their RTI & STA) updated bank details of their investors.
6. This circular shall supersede circular no. DCC/FITTCIR-3//2001 dated October 15, 2001 and circular no D&CC/FITTC/CIR-04/2001 dated November 13, 2001.
7. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

**Maninder Cheema**  
**Deputy General Manager**  
**Email: maninderc@sebi.gov.in**