

**KARACHI STOCK EXCHANGE LIMITED**

Stock Exchange Building, Stock Exchange Road, Karachi-74000
UAN: 111-001-122

KSE/N-2043

NOTICE

Dated: April 9, 2013

ALL LISTED COMPANIES AND ISSUERS OF LISTED SECURITIES

Subject: **Payment of Cash Dividend Electronically (e-Dividend)**

Reproduced hereunder letter No. 8(4) SM/CDC 2008 dated April 5, 2013 received from Securities & Exchange Commission of Pakistan for information and compliance on the subject.

**Securities and Exchange Commission of Pakistan****Securities Market Division****Policy, Regulations and Development Department**

No. 8(4) SM/CDC 2008

April 05, 2013

1. All Listed Companies
2. All Share Registrars/Transfer Agents

Subject: Payment of Cash Dividend Electronically (e-Dividend)

Dear Sirs,

The current mechanism for payment of cash dividends to the shareholders involves much inefficiency. The shareholders who do not provide dividend mandate get physical dividend warrants through post and have to deposit such warrants into their bank accounts for realization of payment. The shareholders who have provided dividend mandates get counterfoils through post whereas their dividend warrants are directly sent to their designated bank branches for realization of payment. In both of the above cases, listed companies, share registrars and shareholders face several issues such as risk of dividend warrants getting lost, none or wrong delivery of dividend warrants and delays in payment realization etc.

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. This mechanism eliminates requirement of printing, dispatch, deposit and realization of dividend warrants and instead provides for a mechanism for direct credit of dividend amounts into respective bank accounts through electronic fund transfer facilities. The shareholders can avail benefits of e-dividend mechanism by providing dividend mandates in their CDS accounts through their Participants or to the respective listed companies/share registrars.

The Securities and Exchange Commission of Pakistan (SECP), as part of its efforts to facilitate participants of capital market, has devised following strategy for implementation and promotion of e-dividend mechanism:

1. Keeping in view the importance of dividend mandate, listed companies and their share registrars are expected to approach and encourage shareholders to provide dividend mandates. Awareness letters, emails and other suitable communication modes should be used to invite shareholders to provide dividend mandates. In case of