

NPCI/2018-19/NACH/Circular No. 035

November 23, 2018

To  
All NACH member banks

**Suspension eSign based E-Mandate**

Pursuant to the judgement of Hon. Supreme Court dated September 26, 2018 on validity and usage of Aadhaar and the clarification provided by Attorney General on the subject the Steering Committee of NACH was convened on November 19, 2018 to deliberate the future course of action. After considering all the aspects, the committee has decided that:

1. eSign based E-Mandate product be suspended with effect from November 26, 2018.
2. Corporates can present all the residual mandates in process till November 26, 2018 (including 26<sup>th</sup> i.e. Monday).
3. The destination banks are allowed time till November 30, 2018 to clear all the mandates presented on them.
4. eSign based E-Mandates presented and processed prior to the date of judgement continue to be valid and hence the corporates can continue to present transactions on the approved mandates.
5. eSign based E-Mandates presented subsequent to the date of judgment (September 26, 2018) and already approved by the destination bank will be valid till February 15, 2019. The corporates / banks can present the transactions till February 15, 2019 on the approved mandates however they should work in parallel to replace the eSign mandate with either physical mandate or other variants of E – Mandate as may be offered by the customer's bank.
6. The eSign mandates presented subsequent to the date of judgement (September 26, 2018) will be nullified on February 16, 2019 i.e. transactions cannot be presented on these mandates from February 16, 2019.

Member banks are advised to take note of the above and disseminate the information to relevant stakeholders for necessary action.

For any clarifications you may reach out to us.

Thanks & Regards



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(SVP – CTS & NACH Operations)