RBA No.20/2004

सदस्य कार्मिक, रेलवे बोर्ड

एवं

पदेन सचिव, भारत सरकार

रेल मंत्रालय

नई दिल्ली-११० ००१

MEMBER STAFF, RAILWAY BOARD

&

EX-OFFICIO SECRETARY,

GOVERNMENT OF INDIA

MINISTRY OF RAILWAYS

NEW DELHI-110001

S.M. Singla

सत्यमेव जयते

dated 6/7/04.

D.O. No. 2003/AC-II/21/13

My dear (General Managers),

Sub: Payment of salary through cheque.

As you are aware, Board have taken a decision to gradually switch over to the scheme to disburse salary through cheque/banks in order to reduce cash handling and its consequent risks to the employees drawing the cash as also those disbursing it. In the first phase salary payment through cheque/banks has been made compulsory for Group A and B Officers w.e.f. 31/1/2000 vide D.O. letter No.98/AC-II/21/3 dated 19/11/99. Simultaneously, a drive was launched to educate the remaining staff of the benefits of the scheme to persuade them to opt for the scheme.

In the meanwhile, RBI has also emphasized on use of banking facility and ECS in arranging staff payments due to perceived security risk in heavy cash handling at one point, especially on salary days. Further in a recent directive received from CVC, it has been desired to switch over to ECS system wherever available for salary and other payments by 31st December 2004. Moreover, recently RPF has been assigned with the responsibility of 'law and order' duties on Railways, necessitating redeployment of their personnel from cash escorting to 'security' duties. In view of the above, it has been decided to extend the scheme of salary payment through cheque/bank on Group C & D staff (with the consent of staff covered under Payment of Wages Act) as per following action plan:

Coverage of staff	Target Date
All Group C staff	30/09/04
Group D staff	31/12/04

The ensuing months must be devoted towards making arrangements for achieving the above targets. These would inter-alia involve:

a) As desired by CVC, wherever ECS facility is available, the same may be availed for making such payments through bank. The modalities may be discussed with the accredited banks. A copy of guidelines issued by Reserve Bank of India on this subject is enclosed for guidance.

b) Wherever ECS facility is not available, the distribution of cheques may be done suitably in advance of the stipulated date of payment to the banks/employees to enable them to actually draw salary on the due date by allowing 2/3 days as bank processing time. As an alternative to handing over cheques individually to employees, a list of employees alongwith the salary amount can be sent to the bank for crediting on the last day of the month, in the respective bank account.

c) Liaison with banks for opening extension counters and installing ATMs wherever required and feasible, help the employees in opening individual accounts/obtaining the details of their accounts, finalizing dates for handing over salary details to banks for crediting the same to employee's accounts etc.

d) CPOs will coordinate with the HODs concerned to get the particulars of bank accounts/mandate form for ECS from the staff and furnish a copy thereof to FA&CAO.

e) Providing for adequate cheques, computerization of cheque printing and increasing deployment of officers for signing cheques.

I hope you will take personal interest in the matter and ensure that the payment of salaries to all employees is made through ECS/bank/cheque according to the target dates indicated above.

Kindly acknowledge receipt.

DA;As above

Yours sincerely,

(S.M.Singla)

General Managers/DGs/CAOs,
All Railways/PUs etc.

Copy to:
1. CPOs / FA&CAOs for information and necessary action. They may report the steps taken to achieve the targets ibid along with the progress made through their MCDOs to MS/FC.
2. General Secretary, AIRF, 4, State Entry Road, New Delhi.
3. General Secretary, NFIR, 3, Chelmsford Road, New Delhi.

(S.C.Manchanda) 5/7/04
Adviser Staff
Railway Board

SAO-cca / 199

Electronic Clearing Service (Credit Clearing)
Procedural Guidelines (as amended upto March 2001)

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SCHEME OF ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

Short title of the Scheme

1.The Scheme shall be called 'Electronic Clearing Service (Credit Clearing)' and will be referred to as ECS (Credit) herein after.

Date of effect

2. The Scheme is in operation at 15 centres where Clearing Houses are managed by Reserve Bank of India and 30 centres where they are being managed by State Bank of India/State Bank of Indore. The list of centres is given in the Annexure. The Annexure will be up dated as and when Scheme is extended to more centres.

Objective

3. The objective is to provide an alternative method of effecting bulk payment transactions which would obviate the need for issuing and handling paper instruments and thereby facilitate improved customer service by the banks and Companies/Corporations/Government Departments effecting the payments

Definitions

4. i) User - "User shall refer to the companies/corporations/Government Departments or any other institutions effecting bulk payments to a large number of beneficiaries, under the scheme.

ii)Sponsor Bank - It would refer to the bank which would act as the agent of the User to submit the magnetic tape/floppy containing payment instructions prepared by the User to the National Clearing Cell (NCC) and which would give a mandate to Reserve Bank of India (to be referred to as RBI herein after)/ Clearing Agency designated by RBI to debit its account.

iii) National Clearing Cell (NCC) - It would be a functional unit of the local Bankers'Clearing House or such other agency to be created by RBI which shall process the payment instructions on magnetic tape/floppy received from the Sponsor Bank and generate relevant clearing reports for settlement of accounts of banks at RBI. The institutional arrangements made by RBI shall be final.

iv) Destination Account Holder would refer to the beneficiaries under the Scheme who would opt to receiving payments from the User directly by way of credit to bank accounts.

v) Destination Bank Branches would refer to the bank branches where the Destination Account Holders maintain their bank accounts into which ECS payments are credited.

Coverage

5. The scheme shall cover transactions of the following characteristics:

i) Bulk payment transaction like periodic (monthly/ quarterly/ half-yearly/ yearly) payments of interest/ salary/ pension/ commission/ dividend/ refund by companies /corporations /government departments and such other organisations defined as "User"

ii) The transactions to move from a single User source to a large number of Destination Account Holders.

iii) The credit transactions should pertain to the Destination various Bank Branches which fall under the jurisdiction of the local Bankers' Clearing House.

iv) The credit instructions from the User to the Destination Account Holders would be on magnetic tape/floppy (a form of electronic media that can be processed on computers) and would form the basis for the Sponsor Bank to debit the User's account and the Destination Banks to credit the Destination Account Holders' Accounts.

v) Individual credit item to be Rs.5,00,000/- or below, or any amount below Rs.5,00,000/-as specified by the User and

vi) Such other payment transactions involving a single debit to a User's account at one bank and multiple credits to a large number of beneficiaries at many banks to be specified by NCC after ascertaining the level of infrastructure available at the Service/Main branches of member banks.

Institutional Arrangements

6. NCC would be responsible for processing the input tape/floppy submitted by the Sponsor Bank on behalf of its User and supply of relevant clearing reports to the Sponsor Bank, Destination Banks and Deposit Accounts Department of RBI/Clearing Agency for accounting of the Clearing Settlements. It would monitor the performance of all the constituents in ECS Clearing to ensure that the time schedule for various activities under ECS Process Cycle as explained at Appendix -I are adhered to.

7. NCC will have a Steering Committee comprising not more than 10 and not less than 5 member banks to aid and advise it on operational issues. The Committee shall be constituted by the NCC and its term shall be one year. The Committee shall meet at least once in a quarter.

8. RBI/Clearing Agency designated by RBI shall provide the settlement service by way of crediting/debiting the accounts of Destination Banks and the Sponsor Bank in the books of its Deposit Accounts Department on the basis of settlement figures advised by the NCC. The settlement rules for clearing pertaining to minimum balance and withdrawal of favourable balance in clearing as explained in the Uniform Regulations and Rules for Clearing Houses would also be applicable to the settlement under ECS.

Registration of User

9. Institutions who would like to avail of the ECS facility shall get themselves registered with the NCC. The application in form E-1 (Appendix IV) will be submitted by the User institution to their Sponsor Bank. The Sponsor Bank will forward the application form to the NCC with their recommendations for registration and allotment of User Number. The User Number allotted by NCC will be communicated to the User institution through the Sponsor Bank. The registration number will be of 7 digits - the first 3 digits will be the Pin Code of the centre of the NCC (e.g. Mumbai - 400, Kolkatta - 700), the next digit will represent the type of transaction (viz. dividend, interest, salary, etc.) being put through and last 3 digits being the User number allotted to the User institution.

Input Preparation

10. Magnetic media and the record layout of the input file would be in a standard format to be specified by RBI from time to time. (Guidelines for Input Preparation and Input Submission at Appendix - II)

User's Responsibility to ensure accuracy of input data

11. The User would ensure the accuracy of the input data with reference to the information received from Destination Account Holders. Sponsor Bank may obtain an undertaking from the User in this regard before forwarding the input tape to NCC.

Safeguards against fraudulent change of data in transit

12. NCC would be receiving the input tape/floppy only from the Sponsor Bank. To prevent possible attempts for fraudulent change of data in transit, the NCC will receive the input files in a sealed cover on magnetic media duly encrypted in consultation with the NCC. The Sponsor Bank shall not make any changes in the input data received from the User without obtaining consent from the User.

Input Submission

13. Input submission would have two stages - Test Submission (for validation process) and Settlement Submission (for final settlement of accounts). Test submission is required to verify whether input preparation has been made as per standards prescribed by RBI and also to give reasonable opportunity to the User to repair the data before working out the clearing settlement. NCC would validate this Test input as per validation routine explained at paragraph 15 to 25 and furnish a report called "Data Validation Report" (DVR) along with the validated tape/floppy. This report would contain the list of rejected Credit Records and the revised particulars of total number and amount in the CREDIT CONTRA Record. The User is supposed to verify the validation exercise carried out at NCC and decide as to whether to confirm the validations and resubmit the tape/floppy for settlement process or to go for editing/repairing the input file. If the rejected records are many, it would be advisable to repair the data records and submit the same as a fresh Test Input. But if the rejected records are few, restarting the testing procedure may not be worth-while.

Submission of Input Files for Settlement at Outstation Centres

14. Sponsor Bank's request for centralised receipt of User's data tapes meant for settlement at more than one ECS centres with NCC taking the responsibility of transmission of data would be considered if the volume for each centre is substantially high and the data tapes are submitted centre-wise. NCC at the data receiving centre called originating centre, would validate the data and furnish separate Data Validation Reports for each centre. Once the Data Validation Report is confirmed by the Sponsor Bank, NCC will transmit the same to NCC at the destination centres for settlement processing. The Sponsor Bank's account will be debited at the originating centre.

Validation of Input Files

15. All files received duly encrypted would be subjected to an initial level of validation to determine whether the file can be accepted or not. It shall be checked with reference to the Use name, User number (to be allotted by NCC), Sponsor Bank Branch sort code and other user defined parameters.

16. User details (sort-codes, User number and User name) should be uniform on all data records in the file. The purpose of repeating the User information on all data records is to make each data record self-contained. Therefore, the credit record with the details different from the one recorded on the 'CREDIT CONTRA' record will be rejected.

17. The destination account details would have two parts - the destination sort code and the destination account number. The code number of the branch of the bank where the individual account holders i.e. beneficiaries maintain their accounts and to which the credit would be applied is the destination sort code. ECS validation routine checks whether the code indicated in the data record is a valid MICR sort code listed in the compendium of Code Numbers.

18. In the absence of a specific request from Sponsor Bank records with outstation destination sort codes would be rejected.

19. The account number particulars is an essential field in the data record. Account number will have a maximum length of 15 digits as indicated at item 5 under 'Credit Records' in appendix - II. Records with no information on the account number field would be rejected.

20. The outer limit for individual credit record would be Rs.5,00,000/- and would be applicable for all Users. However, within this limit, Users initiating the credits can place their own limit. NCC would validate the data with respect to their User - defined limit. In the absence of any User-defined limit, default limit of Rs.5,00,000/- would be taken for validation. The particulars of the User defined limit should be indicated by the Sponsor Bank in its mandate as an additional parameter for validation.

21. The decision for rejection of a file/record would depend on the following :-

Files: 1.Defects in the magnetic media

2.CREDIT CONTRA records (ECS transaction code) missing or the value indicated in the CREDIT CONTRA record exceeding the value given in the Sponsor Bank's mandate to RBI to debit its account.

3. Invalid Sponsor Bank sort code, or incorrect User number and User name details in the CREDIT CONTRA record.

Record: 1. Absent or invalid destination sort code

2. Absence of account number or account name

3. Amount exceeding either the User defined limit or the ECS limit for individual item (i.e. Rs.5,00,000/-)

Duplicate Records

22. More than one credit transaction against the same credit reference (i.e. ledger folio number or share/debenture certificate No. or any other unique identifying number for the beneficiary as indicated at item 10 under 'User credit reference' (in Appendix II) would not be permitted. User shall take due care about this before presenting the input file and ensure that the 'User credit reference' is not repeated in any other credit record in the input file.

Credit Records with no Ledger Number/Ledger Folio Number

23. The credit records without the ledger number/ledger folio number of the account of the beneficiaries at the Destination Bank branches would not be rejected, because at some branches the account numbers can uniquely identify the accounts irrespective of whether the Ledger number/Ledger Folio number is given or not. In the clearing reports for Destination Bank branches, these accounts would, however, be shown against the 'Miscellaneous Ledger'.

Data Validation Report (DVR)

24. When an input file passes in the ECS File Acceptance/validation checks, NCC will provide an advice of acceptance or otherwise to the Sponsor Bank. This would be done through a Data Validation Report (DVR) {Format at Appendix - IX} along with the validated tape/floppy. The DVR would indicate the details of errors encountered during validation process and total number and value of records accepted from the file. If the total value of accepted credit records generated during the validation process are different from the ones indicated in the balancing debit record (i.e. the CREDIT CONTRA Record). CREDIT CONTRA Record would be modified and the fact of this modification in the input file would be indicated in the DVR.

25. The Sponsor Bank would arrange to get the DVR and the Validated tape/floppy verified by the User. Field number 13 of 10 digits in the Credit records would have contained coded information representing the checksum of the record so as to detect modification, if any, made in the file subsequent to validation process at NCC. Besides, to facilitate easy identification of rejected credit records, NCC would have changed the transaction code to 33 and the item Sequence Number field filled with '9999999999'. The User would have to take into account these records while confirming the DVR or deciding to edit/repair the input file for resubmission. If the records are edited/repaired, the cycle of Test Submission and Data Validation would be restarted.

26. In case, however, the rejected records are only a few in number, and the DVR is confirmed by the Sponsor Bank by way of resubmission of the validated tape/floppy duly encrypted, ECS Process cycle would commence. The encrypted tape/floppy should be accompanied by a mandate from the Sponsor Bank for debiting its account at the Deposit Accounts Department of RBI/Clearing Agency. The mandate should be signed by an

official of the Sponsor Bank having authority to operate the Bank's account with RBI. This day of submission of validated and encrypted tape/floppy with a mandate would be taken as the first day of the ECS Cycle.

Request for withdrawal/modification of input data

27. Once the DVR is confirmed by the Sponsor Bank and the settlement process begins at NCC, withdrawal/modification of file/record shall not be permitted except when, in the opinion of RBI, the transaction cannot be settled on the due date by the banks.

Clearing Settlement and output data for Destination Banks

28. On Day-1 NCC would generate the following output data only in magnetic media (tape or floppy). The description of the magnetic media, the record lay out of the output file and also the naming convention for the output file are given at Appendix III.

i) Destination Bank Settlement Report (format at Appendix -XI)
ii) Destination Branch Report (format at Appendix - XII)
iii) Destination Ledger Reports (format at Appendix - XIII)

(For accounts with no ledger folio number a 'Miscellaneous Ledger Report' would be generated under each account type).

In addition, NCC would also generate two hard copies of the ECS Control Report (format in Appendix -X) bank wise. The output data as indicated above would be delivered to the Destination Bank on magnetic media (floppy/tape) duly encrypted subject to all safeguards, relating to accuracy and authenticity.

29. These tapes/floppies along with a hard copy of the ECS Control Report (Appendix - X) will be delivered to the Service/Main branches of Destination Banks on Day-2 morning in a sealed cover along with the MICR Clearing Reports of the previous evening against their acknowledgment. The Service/Main branch of Destination Banks would be responsible for the loss/misuse of the tape or floppy after they receive the same from the NCC. The Service branches of Destination Banks should make their internal arrangements immediately on receipt of the tapes/floppy to generate hard copy of the clearing reports and send to their concerned branches the Destination branch Reports and Destination Ledger Reports mentioned above on the same/following day so that the Destination Account Holder's accounts are credited on day-4 (i.e. settlement date mentioned in the report) without fail. On the day of settlement (4th day of ECS cycle) NCC would debit the Sponsor Bank's account with the amount indicated in the mandate given by the latter (Appendix - V) and credit the accounts of the Destination Banks with amounts due to them. Destination Bank would be held liable to pay penal interest at the rate of prevailing Bank Rate plus two percent from the due date of credit till the date of actual credit for any delayed credit to the beneficiaries' accounts. Penal interest, if any, may be credited to the Destination Account Holder's account even if no claim is lodged by the Destination Account Holder.

Settlement Report to Sponsor Bank

30. On Day-3 Sponsor Bank will also be supplied by the NCC with two copies of the User-wise Settlement Report (format at Appendix -XIV) which would indicate the volume and value of transactions for which Destination Banks would be credited and the amount for which Sponsor Bank would be debited. One copy of the report would be forwarded by the Sponsor Bank to the User. The reports would be signed and authenticated by the NCC and would act as the evidence of credits having flowed from the Sponsor Bank to the Destination Banks for a specific number of credit transactions on behalf of a specific User. It would be User's responsibility to verify the accuracy of thc Report with reference to the input data and the DVR wherein the particulars of the rejected records would have been already indicated. Discrepancy, if any, in the summary data should be brought to the notice of NCC immediately.

Return of processed output tapes/floppies

31. If a Destination Bank branch is not in a position to credit a particular transaction for reasons like "Account closed/transferred", "No such Accounts", "Account description does not tally", etc., it should report the same with a Return Memo (format at Appendix - VI). The same would be forwarded to its Service Branch/Main Branch on the same day along with the unpaid MICR cheques of the day. On receipt of the uncredited items form all the concerned branches, the Service branch of the Destination Bank would flag off or mark off the relevant credit items in the tape or floppy as unpaid, by means of a code '0'and all other items by means of a code '1' in the blank column provided at field No.14 of the credit record. The responsibility for ensuring accuracy in incorporating the above information in the tape or floppy lies with the Destination Banks. After incorporating the information relating to credited/uncredited items, the tape or floppy would be returned to the NCC on the same day (i.e. Day-4). The floppy diskette should be accompanied by a hard copy output of the input file duly signed by the Destination Bank. The Return Memos prepared at the branch level may also be forwarded to NCC for onward transmission to the Sponsor Bank/User. Branches should not send any payment order etc. to NCC or to the Sponsor Bank for the items reported under this procedure. Adjustment of the excess credit received by the Destination Bank Branches will be effected through a clearing settlement on the basis of data of uncredited items reported through floppy. If the Destination Banks, for some reasons, are unable to send back the tape or floppy duly completed in all respects as indicated above alongwith the return memos, they may send the tape or floppy with return memos to the NCC on the next working day (day-5 of ECS cycle) without fail. If the bank fails to return the tape or floppy to the NCC even on the next working day (day-5) as indicated above, the President of the Clearing House may take such action against the bank as he deems fit. The NCC would generate the reports on Day-5 evening presuming that the concerned bank has afforded credit to all the beneficiaries and there are no uncredited items.

32. On receipt of the tape or floppy from the Destination Banks, NCC would reprocess the ECS transaction processed earlier by way of modifying the transaction codes of the uncredited records to "44" from "22". The Checksum Total of the relative records would undergo corresponding changes with the software used at NCC. Any

change in the data file thereafter would result in erroneous data codes which can be easily noticed by a validation routine run by NCC.

Clearing Settlement and Supply of Output Tape Reports to banks

33.After reprocessing the ECS transaction, NCC shall work out a clearing settlement whereby the Destination Banks' accounts would be debited and the Sponsor Bank's account credited. Settlement of account would take place on day-6 . ON the same day, NCC shall provide the following.
- Combine List of Uncredited items (a consolidated list of all uncredited items reported by all Destination Bank to be given to Sponsor Bank){format at Appendix -XV).
- Output Tape (two copies) -a report on electronic media containing the details of all transactions [valid, rejected and returned uncredited - all items to be suitably flagged/marked off] to be given to Sponsor Bank for verifying the correctness of the clearing data and for passing on one copy thereof to the User for necessary action.
- Sponsor Bank Final Report - a report showing the amount originally debited, subsequently credited as uncredited items and the final amount debited for ECS Credit Clearing (format at Appendix -XVI).
- Destination Bank Final Report - Destination Bank-wise summary report showing branch-wise initial credit as subsequent debit (format at Appendix - XVII).

34. The Checksum Total value in the Output Tape would be generated by NCC in such a way that any subsequent correction on the Output Tape by any unauthorised person would throw an error message during subsequent processing.

Late submission of tape or floppy after day-5

35. If any Destination Bank fails to submit the tape or floppy to the NCC on day-5, the bank should submit the same to the NCC at the earliest thereafter. However it should submit the list of uncredited items over the counter of the Sponsor Bank Branch at the earliest as such delayed reporting cannot be incorporated by NCC in the Output Tape and also cannot be included in the clearing settlement for uncredited items. Payment settlement jfor such items would have to be worked out between the Sponsor Bank and the Destination Bank concerned. The failure of the Destination Bank to submit the tape or floppy to the NCC latest by day-5 would however, attract penal action as mentioned in paragraph 31 above.

Sponsor Bank crediting the proceeds of uncredited items to User's Account

36. The credit received by the Sponsor Bank against the uncredited items through the Uncredited items Clearing shall be passed on to the User's account on the day Sponsor Bank's account would be credited by RBI.

Preservation Period of the Output Tape

37. The Sponsor Bank and the User shall preserve the Output tape for a minimum period of 3 years. A copy of the Output tape would be preserved at NCC also for 3 years.

Advice to Destination Account Holders

38. It would be the responsibility of the User to advise the Destination Account Holders of the ECS credit. Immediately after the receipt of the output Tape, the User would issue Payment Advices to the Destination Account Holders indicating the particulars of payment and the date on which payment has taken place. Care need be taken by the User to ensure that Payment Advices are sent only for these items (transaction code 22) which could finally be credited to Destination Account Holders' accounts. Rejected items (transaction code 33) and Uncredited items (transaction 44) should be pursued by the User. The Destination Account Holders whose accounts could not be credited should also be advised by the User with reasons therefor and payments arranged through alternative means at the earliest.

39. If a User makes use of the ECS mechanism for making payments to the same set of beneficiaries every quarter/month or at more frequent intervals, and there is no likelihood of any credit item being returned uncredited, an advance one-time intimation can be issued on yearly basis indicating the date on which ECS settlement would take place.This would replace issuance of payment advice on every occasion. This procedure is most suitable for monthly/quarterly interest payments of companies/corporations where the modifications inn the data file are minimum and likelihood of returns is almost 'nil'.

40. On advising the Destination Account Holders, the responsibility of the Destination Bank branches would be limited to explaining the source of credit when called upon by the Account holders to do so. The entry in the Statement of Account/Pass Book should be clear enough to indicate that the transaction in question was through ECS (ECS credits may be referred to as 'ecs' in the pass book entry and would be posted item-wise). The Destination Bank would not be liable to issue separate advice to the Account Holders. If the Sponsor Bank/User wishes to send the payment advice though the Destination Bank branches, a separate arrangement outside the ECS framework would have to be worked out.

Destination Account Holder's right to information on ECS

41. When the User invites option from the Destination Account Holders, the User should inform the Destination Account Holders, in a readily understandable written statement that the proposed mode of receiving the payment is purely voluntary and the Destination Account Holder would have the right to withdraw after giving an advance notice (Specimen at Appendix VII).

42. While exercising the option to receive payment through ECS, Destination Account Holder shall furnish the particulars of his/her i) Account Number, ii) Ledger No./Ledger Folio Number, iii) Account Type (i.e. S.B. Account or Current Account) and iv) Bank and branch names with the sort-codes. The sort-code (i.e. city-bank-branch

code) information would be available by seeing the MICR code line of the cheque book issued by his/her banker. The form on which the information would be furnished by the Destination Account Holders would be clear and free of ambiguities. The particulars at Sr.Nos. (i) to (iv) mentioned above shall be got certified by the beneficiary from the bank branch where he/she is maintaining the account. The banks may, at their discretion decide and charge a fee from the beneficiaries for this service. In lieu of the bank certificate as stated above, the beneficiary can also enclose with his/her mandate, a photocopy of the cheque or front page of his saving bank pass book for verification of his/her account particulars by the User. A model letter form a prospective User to a customer/investor is given at Appendix - VII and a model Mandate Form given at Appendix - VIII. The User may use formats of their choice provided the materials contained in the Model Letter/Model Mandate form are included. In case a User has already got the bank. branch account type ledger no. and account number etc., particulars duly certified by the bank branch of the beneficiary, the same could be utilised for making remittances through bank accounts under ECS, only after informing the beneficiaries.

43. Information furnished by a beneficiary to the User shall not be utilised by the User for purposes other than transfer of funds through ECS without the consent of the beneficiaries. This should be indicated by the User while inviting options from the beneficiaries.

Minimum and Maximum Number of Transactions

44. There would not be stipulation on the minimum number of transactions to be put through. But considering that the Scheme is designed for bulk transactions, NCC may combine the settlements of more than one input submissions on a single day. Therefore, a Sponsor Bank should finalise the settlement date in consultation with the NCC. As regards the upper ceiling on the number of transactions by a single User, it would be one lakh transactions a day at a particular centre. Submission beyond one lakh transactions would be accepted; but settlement would be staggered over tow or more days.

Service Charges

45. The service charges to be levied by the Sponsor Bank would be decided mutually by the User Institution and Sponsor Bank. NCC/Clearing House would charge only Rs.1.50 per transaction from which the NCC/Clearing House would retain Re.0.50P and Re.1.00 would be passed on to the Destination Bank. The rate would be reviewed periodically. The Reserve Bank of India may, if it so desires in future, decide to levy any other charge/fee on the Sponsor Bank/Destination Bank as also the quantum thereof.

46. No service charge would be levied for test presentations. "Test Presentations" would refer to those which would not be subjected to settlement operation and would be carried out only to verify whether input preparation and submission procedures are correct. One submission with dummy data made by the User at the time of registration (if desired by the User or the NCC) would be free of service charge.

47. The Sponsor Bank may pass on the liability of service charge to the User on the settlement date.

48. ECS is primarily designed for high volume transactions and to discourage low volume presentations, the minimum service charge to NCC on any single input submission would be Rs.2,500/- per User. NCCs/Clearing Houses however, have the discretion of accepting the lower volume of ECS transactions and charge Clearing House share of Re0.50p per transaction.

49. Destination Banks would not claim service charge for passing on the credit to the Destination Account Holders' accounts.

It has been further decided that during the process of availing ECS, the service branches of the Destination Banks would be furnished by RBI (NCC/Clearing House) the branch-wise details of beneficiaries/customers on a floppy duly encrypted.However, in case these reports are preferred to be obtained by the Destination Bank service branches on hard copy instead of floppy, a service charge of Re0.25 per transaction would be collected from them from the service charges to be paid to them in terms of paragraph 45 above and net amount as under would be credited to their accounts with RBI after settlement.

Per transaction,	Per transaction,
<u>if data on floppy</u>	<u>if data on hard copy</u>
Re.1.00	Re0.75

Returning Charge

50. In case the Destination Banks are unable to credit the amounts to the accounts of the beneficiaries for want of correct/full particulars, a charge of Rs.10/- per such item returned uncredited may be recovered from the Sponsor Bank and paid to the concerned Destination Banks, provided the ECS confirmation data on tape or floppy is returned to the NCC by the bank on day-4 of the ECS cycle. However, in case the bank submits the floppy/tape to the NCC on day-5, the bank would not be eligible for the charge of Rs.10/- per return item mentioned above. The procedure for recovery of the service charges will be communicated to banks by the President of the respective Clearing House. The Sponsor Bank may recover this amount from the User as 'return charges'.

Amendment to Procedural Guidelines

51. The Procedural Guidelines can be amended only on the approval of RBI. The NCC may forward their suggestions for amendment after a debate on the suggestions at the Steering Committee level. RBI may also, by issuance of a circular, amend the procedure.

Annexure:

Centres where ECS (Credit Clearing) is available at present

A: Offered by Reserve Bank of India

1. Ahmedabad
2. Bangalore
3.Bhubaneswar
4.Calcutta
5. Chandigarh
6. Chennai
7. Guwahati
8. Hyderabad
9. Jaipur
10. Kanpur
11. Mumbai
12. Nagpur
13. New Delhi
14. Patna
15. Thiruvananthapuram

B: Offered by State Bank of India

1. Agra
2. Allahabad
3. Amritsar
4. Baroda
5.Bhopal
6.Cochin
7. Coimbatore
8. Dehradun
9. Durgapur
10. Faridabad
11.Ghaziabad
12. Hubli
13. Jamshedpur
14. Kolhapur
15. Lucknow
16. Ludhiana
17. Madurai
18. mangalore
19. Nashik
20. Panaji
21.Pune
22. Rajkot
23.Shimla
24. Silguri
25. Surat
26. Trichy
27. Trichur
28. Vijayawada
29. Visakapatnam
30. Varanasi

C: Offered by State Bank of Indore

1. Indore

Notes

I. ECS Process Cycle

II. Guidelines for Input Preparation and Input Submission

III. Record layout of the clearing settlement and output data for destination banks in magnetic media

Appendix-I

ECS PROCESS CYCLE

Day-1	1	Submission of encrypted Input Tape/Floppy fully validated by NCC earlier with a mandate from the Sponsor Bank in the morning.
	2	Processing at NCC- Generating out put data in magnetic media and their encryption for onward transmission to Destination banks
Day-2	1	NCC making available out put data in magnetic media duly encrypted to Destination Banks in the morning hours along with MICR Clearing Reports
	2	Destination Banks (Service Branches) generating the clearing reports from the output tape/floppy supplied by NCC after decrypting the same.
Day-3	1	Service Branches of Destination Banks delivering the hard copy of the Destination Branch Reports and Destination Ledger Reports (in duplicate) to the respective branches.
	2	NCC making available Sponsor Bank Settlement Report to the Sponsor Bank.
Day-4	1	Destination Banks' accounts credited and Sponsor Bank's account debited at Deposit Accounts Department of RBI
	2	Destination Bank branches crediting the accounts of the beneficiaries (i.e. the Destination Account Holders) and Sponsor Bank debiting the account of the User.
	3	Destination Bank branches reporting the uncredited items to the Service Branch on the duplicate of the Destination Ledger Reports.
	4	Service Branches of Destination Banks preparing floppy file for reporting to NCC, the particulars of credited /uncredited items, preparing two hard copies of the Destination Banks Final Report in Form Appendix XVII and submitting the output tape/floppy to the NCC together with the return memos and a hard copy of the Destination Bank Final Report to the NCC-while presenting the day's MICR instruments for clearing.
Day-5	1	Destination Banks which have not submitted the output tape/floppy, return memos and a hard copy of the Destination Bank Report to the NCC on day-4 of the ECS Cycle, to submit the same to the NCC on day-5 positively.
	2	NCC to arrive at the settlement based on the tapes/floppies received from all the Destination Banks.
	3	NCC to generate all the relevant reports
Day-6	1	Destination Bank's accounts debited and consolidated credit given to Sponsor Bank for uncredit items.
	2	NCC to supply clearing reports-
		i) Sponsor Bank Final Report ---------- To Sponsor Bank
		ii) Combined list of uncredited item---------- To Sponsor bank
		iii) Two copies of the final output tape/floppy ----- One each to Sponsor Bank and User
		iv) Destination Bank Final Report-------- To Destination Banks

Appendix – II

Electronic Clearing Service (Credit Clearing)

Guidelines For Input Preparation And Input Submission

a) Input Media

Floppy Diskette 1.44 MB /Digital Audio Tape (DAT)

b) File Preparation

The output file would have two types of data records-: a large number of credit records (transaction code- 22) and one balancing debit record called CREDIT CONTRA (transaction code- 11). The CREDIT CONTRA would be the first record in the file and contain the details of the User such as User No., User name, Sponsor Bank sort code, the upper limit of the individual credit entry, the total value of all the credit items, etc. which would act as control information while processing the credit records. Certain key information in the CREDIT CONTRA record would be repeated in the credit records as will so as to make each credit record self contained with both credit and debit particulars of the transaction.
The following is the description of the various fields for preparing the data on input file in ASCII format:

Sr.No	Field Description	Length	Field Type	Remarks
CREDIT CONTRA Record.				
1	ECS transaction Code	2	NUM	ECS transaction code 11
2	User Number	7	NUM	User number allotted by Sponsor Bank
3	User name	40	ALP	Alpha Numeric description
4	User Credit Reference	14	ALP NUM	User defined reference number for the entire transaction (Alpha Numeric)
5	ECS tape input number	9	NUM	User defined input tape
6	Sponsor Bank-Branch Sort code	9	NUM	MICR city-bank branch code
7	User's bank Account number	15	ALP NUM	Account number of the User to be debited by Sponsor Bank. (Alpha numeric)
8	Ledger Folio number	3	ALP	Alpha numeric Ledger Folio particulars
9	User defined limit for individual credit items	13	NUM	User defined limit which would be taken for validating the credit items (in paise)
10	Total amount (Balancing Debit amount)	13	NUM	Amount in paise
11	Settlement date (DDMMYYYY)	8	NUM	Date on which settlement is sought to be effected
12	Reserved (to be kept blank by the User)	10	NUM	ECS Item sequence number to be allotted by ECS
13	Reserved	10	NUM	Checksum Total generated by

	(to be kept blank by the User)			ECS Authority
14	Filler	3		
	Total	156		

(The CREDIT CONTRA , thus would have the record length of 156 ASCII characters of which last three fields of 23 characters would be left blank)

Credit Records

1	ECS transaction code	2	NUM	ECS transaction code 22
2	Destination Sort Code	9	NUM	MICR city-bank-branch code
3	Destination account type (S.B. account or Current account)	2	NUM	MICR transaction code (10/11)
4	Ledger Folio number	3	ALP	Alpha numeric Ledger Folio particulars
5	Destination account number	15	ALP NUM	Alpha numeric description
6	Destination account Holder's name	40	ALP	Alpha numeric description
7	Sponsor Bank- Branch Sort code	9	NUM	MICR bank code
8	User number	7	NUM	User number allotted by ECS authority
9	User name	20	APL	Alpha numeric description
10	User Credit Reference	13	ALP NUM	User defined Reference Number such as Ledger Folio number, or Share /Debenture Cert. No. or any other unique identification number given by the User for the individual beneficiaries.
11	Amount	13	NUM	Amount in paise
12	Reserved (to be kept blank by User)	10	NUM	ECS item Sequence Number to be allotted by NCC
13	Reserved (to be kept blank by User)	10	NUM	Checksum total generated by NCC
14	Reserved (to be kept blank by User)	1	NUM	Flag for items credited (1) and returned uncredited (0)
15	Filler (to be kept blank by User)	2	NUM	Reason for not crediting the item
	Total	156		

(Thus the CREDIT records would have the record length of 156 ASCII characters with the last four fields kept blank. These four fields would be filled up while processing the input file at the NCC /Destination Bank)

Appendix III

Electronic Clearing Service

RECORD LAYOUT OF THE CLEARING SETTLEMENT AND OUTPUT DATA FOR DESTINATION BANKS IN MAGNETIC MEDIA

(will be advised to the banks when the software package to be used by the Service Branches of banks is finalised)