

National Electronic Clearing Service

Procedural Guidelines



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**Reserve Bank of India
Department of Payment & Settlement Systems
Central Office
Mumbai**

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SCHEME OF NATIONAL ELECTRONIC CLEARING SERVICE

1. Short title of the Scheme

1.1 The Scheme shall be called 'National Electronic Clearing Service' and will be referred to as NECS herein after. NECS shall have two variants NECS (Credit) and NECS (Debit).

2. Date of effect

2.1 The Scheme will be operational from the date of notification by Reserve Bank of India

3. Objective

3.1 The objective of the system is to facilitate centralised processing for repetitive and bulk payment instructions. Sponsor banks shall submit NECS data at a single centre viz. at Mumbai. While NECS (Credit) shall facilitate multiple credits to beneficiary accounts at destination branch against a single debit of the account of a User with the sponsor bank, the NECS (Debit) shall facilitate multiple debits to destination account holders against single credit to user account.

3.2 The system would leverage on Core-Banking solution of member banks for centralised posting of inward NECS transactions.

4. Definitions

User - shall refer to the companies/corporations/Government Departments or any other entity using NECS services for either bulk payment or bulk collection "Sponsor Bank" means the bank which shall act as the agent of the User to upload the NECS data on to the web-server of the designated agency/Clearing House (CH). The sponsor bank shall also submit a mandate to operate its account to Reserve Bank of India (to be referred to as RBI herein after)/ Clearing House designated by RBI. CH shall refer to the local Bankers' Clearing House or such other agency which shall process the NECS data

received from the Sponsor Bank and generate relevant clearing reports for settlement of accounts of banks at RBI.

Destination Bank Branches would refer to the bank branches where the Destination Account Holders maintain their bank accounts.

Destination Account Holder shall refer to the beneficiaries or consumers holding accounts with destination bank branches, which shall be credited in the case of transactions pertaining to NECS (Credit) or debited relating to transactions received through NECS (Debit) schemes.

Destination sort code means the MICR code of the destination branch wherein the concerned customer maintains his account.

5. Coverage

5.1 These guidelines shall apply to participating banks/ branches in the system as notified by Reserve Bank of India from time to time on its official Web-site

5.2 The scheme shall cover bulk payment transactions like periodic (monthly/ quarterly/ half-yearly/ yearly) payments of interest/ salary/ pension/ commission/ dividend/ refund or bulk collection of utility bills/insurance premium/school fee/ loan installments, etc by companies /corporations /government departments and such other entities defined as "User".

6. Institutional Arrangements

6.1 CH would be responsible for processing the input data submitted by the Sponsor Bank on behalf of its User and supply of relevant clearing details to the Sponsor Bank, Destination Banks and Settlement Agency for accounting of the Clearing Settlements.

CH shall monitor the performance of all the constituents in NECS Clearing to ensure that the time schedule for various activities under NECS Process Cycle as prescribed in Appendix –I *is adhered to*.

6.2 CH shall 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 CH and its term shall be one year. The Committee shall meet at least once in a half-year.

6.3 Settlement Agency shall provide the settlement service by way of crediting/debiting the accounts of Destination Banks and the Sponsor Bank in its books on the basis of settlement advised by the CH. Normally such settlements, shall take place in the books of account of RBI at Mumbai. The settlement rules for clearing pertaining to minimum balance and withdrawal of favourable balance in clearing as defined in the Uniform Regulations and Rules for Clearing Houses would also be applicable to the settlements under NECS.

6.4 Settlement Finality: The settlement shall be final and irrevocable, as defined in Section 23 of the "Payment and Settlement Systems Act 2007" as soon as the same is determined in terms of the procedures notified by RBI.

7. Registration of User

7.1 Institutions desirous to avail of the NECS facility shall get themselves registered with the CH. The application in form NE-1 (**Appendix VI**) will be submitted by the User institution to their Sponsor Bank. The Sponsor Bank will forward the application form to the CH with their recommendations for registration and allotment of User Number.

The User Number allotted by CH will be communicated to the User institution through the Sponsor Bank.

7.2 The existing registered user codes allotted by the various ECS centres/ROs of RBI shall be valid even for NECS.

8. Input Preparation

8.1 Input file should be as per the prescribed record layout specified by RBI from time to time. The present structure of record layout and Guidelines for Input Preparation and Input Submission for NECS (Credit) and NECS (Debit) are given at **Appendix- II**.

9. Input Submission

9.1 The sponsor bank shall have the facility of getting the data validated over the web-server. In case the data validation report displays any errors the sponsor bank has the option to omit the records and resubmit the data for validation or repair and resubmit the file, in consultation with the user. The error-free file shall be uploaded by the sponsor bank for ECS run.

10. Validation of Input Files

10.1 All files uploaded on the web server would be subjected to final validation to determine whether the file can be accepted or not. The validation shall be done with reference to the User name, User number, Sponsor Bank Branch sort code and other parameters.

10.2 User details (sponsor banks sort-codes, User number and User name) should be uniform on all data records (HEADER & INDIVIDUAL data records) in the file.

10.3 The purpose of repeating the User information on all data records is to ensure that the data the records are self-contained. Therefore, the INDIVIDUAL records with details different from the user information on the 'HEADER' will be rejected.

10.4 The destination account details shall have two parts - the destination sort code and the destination account number. NECS validation routine validates the banks' branch code indicated in the data record with the branches listed in NECS branch-master.

10.5 The account number is an essential field in the data record. Account number shall have a maximum length of 15 digits as indicated –in the prescribed record lay out structure. INDIVIDUAL records with no information on the account number field shall be rejected.

10.6 There will be no outer limit for INDIVIDUAL records. The particulars of the User defined limit should be indicated by the Sponsor Bank in its mandate as an additional parameter for validation.

10.7 NECS data file shall be rejected if

- a) "HEADER" record is missing or the value indicated in the HEADER record is exceeding the value given in the Sponsor Bank's mandate to CH.
- b) Invalid Sponsor Bank sort code, or incorrect User number and User name details in the CREDIT CONTRA record.
- c) Absent or invalid destination sort code in INDIVIDUAL records
- d) Absence of account number or account name in INDIVIDUAL records

10.8 Duplicate Records

More than one INDIVIDUAL record with the same User 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 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 reference' is not repeated in any other credit record in the input file. The objective behind this restriction is to ensure that individual credits/debits that are getting afforded to the beneficiaries' account shall have a unique reference so that the beneficiary would be able to identify the source of credit from such a reference in his account records. It is also expected that the destination banks ensure capture of this information by appropriate software interface so that the same get reproduced in the account details being made available to the beneficiary.

11. User's Responsibility

11.1 The User shall ensure the accuracy of the input data based on the information received from Destination Account Holders. Sponsor Bank may obtain an undertaking from the User in this regard before forwarding the data file to CH. After uploading the data file to the web-server of CH, the sponsor bank shall submit a Mandate to NCC in the format Form NE-2 (as give in **Appendix-VII**). A copy of the mandate may be faxed to the CH immediately after the data is uploaded onto the web-server.

11.2 It would be the responsibility of the User to advise the Destination Account Holders of the NECS transactions. Immediately after uploading the validated data file on

the web-server, the User shall advise the Destination Account Holders indicating the particulars of NECS transaction and the date on which payment it is likely to take place. Care need be taken by the User to ensure that the Advices are sent only for those items which shall finally be transacted to Destination Account Holders' accounts.

11.3 Un-processed items shall be pursued by the User separately.

11.4 The Destination Account Holders whose accounts could not be credited should also be advised by the User with reasons there for.

12. Safeguards against unauthorized change of data in transit

12.1 The Sponsor Bank shall not make any change in the input data received from the User without the consent of the User.

13. Data Validation Report (DVR)

13.1 When an input file passes through the test validation in the web server, there would be output in the form of Data Validation Report (DVR), which may be printed at the sponsor bank level.

14. Request for withdrawal/modification of input data

14.1 Once the Test DVR is confirmed online to the Sponsor Bank and the settlement process begins at CH, withdrawal/modification of file/record shall not be permitted. However, CH shall have discretion to accept/ reject any file in case of some contingency.

15. Clearing Settlement and output data for Destination Banks

15.1 On Day- 0 CH would generate the output data files for the Destination banks. The description and the record lay out of the output file.

15.2 The output data and the report file, as indicated above, would be made available to the Destination Bank through web-server.

15.3 The NECS Service branches of Destination Banks should make their internal arrangements immediately to download the information so that the Destination Account Holder's accounts are credited on Day-1 without fail. On the day of settlement, CH would debit/credit the Sponsor Bank's account with the amount indicated in the mandate given by the latter (**Appendix – VII**) and credit/debit the accounts of the Destination Banks with amounts due to them.

15.4 In case of NECS (Credit), 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.

16. Return of processed output files

16.1 If a Destination Bank is not in a position to credit/debit a particular transaction for reasons like "Account closed/transferred", "No such Accounts", "Account description does not tally", "insufficient funds in case of NECS (Debit)" etc., it should be returned to CH in the prescribed data format as given in the **Appendix IV**. The responsibility for ensuring accuracy in incorporating the return information in the file lies with the Destination Banks. After incorporating the information relating to un-credited/un-debited items, the file would be returned to the CH on the same day (i.e. Day-1).

16.2 On receipt of return data input from the Destination Banks, CH would reprocess the returned NECS transactions.

16.3 While generating the output file, the Checksum Total value in the Output file would be generated by CH in such a way that any subsequent correction on the Output file by any unauthorized person would throw an error message during subsequent processing.

17. Clearing Settlement and Supply of Output files/reports

17.1 After reprocessing the NECS returned transactions, CH shall work out a clearing settlement wherein netted figure for returned items would be credited/debited in the books of account of member banks with Settlement Agency. Settlement of funds for

return clearing items would also take place on day-1. On the same day, NCC / CH shall provide the following:

- a) Sponsor Bank Final output file (format as in **Appendix V**) containing details of credited/debited, returned/marked off records.
- b) Destination Bank Final Report - Destination Bank wise summary report showing branch-wise details of initial credit/debit as subsequent returned items

17.2 All the accounting by RBI/CH would take place in the books of RBI at Mumbai.

18. Late submission of Returns after day-1

18.1 If any Destination Bank submits the returns late to the CH, such returns cannot be included in the clearing settlement for returned items. The President of the Clearing House may take such action / decide penalty against the bank as he deems fit, in case of lack of adherence of NECS main and return cycle.

19. Sponsor Bank crediting the proceeds of returned items to User's Account

19.1 The credit/debit received by the Sponsor Bank from CH against the returned items through Return Clearing shall be passed on to the User's account on the same day.

20. Preservation Period of the Output Tape

20.1 The Sponsor Bank and the User shall preserve the Output data/file for a minimum period of 3 years.

21. Responsibility of destination branch

21.1 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 shall be clear enough to indicate that the transaction in question was through NECS (NECS credits may be referred to as 'NECS' in the pass book entry and would be posted item-wise with the short name of the user description along with the reference if any provided by the user- the credit reference details as

indicated at para 10.8 of these guidelines,). The Destination Bank would not be liable to issue separate advice to the Account Holders.

22. Mandate Management – NECS (Debit)

22.1 The ECS Debit works on the strength of the mandates given by the destination account holders to the user institution for effecting payment from their accounts. The mandates are required to be authenticated (primarily for signature verification of the bank's customer) by the respective bank within a period of seven days from the date of receipt of such requests. After authentication, the branch would retain a copy for its record, and the customer would submit the other copy to the user institution. At the time of authenticating the mandates, the destination bank should ensure the nomenclature of the accounts vis-à-vis those appearing in the mandates. A model mandate form is available in Appendix IX.

22.2 The destination branches can debit their customers' account only on the basis of the mandates given to them. The account holder / customer is also entitled to withdraw the mandate / NECS Debit instructions from its banker without involvement of the user institution. The withdrawal instructions of a customer would be treated equivalent to a 'stop payment' instruction in cheque clearing system. The user institution should stop including the relative transaction in the NECS file, after receipt of such countermanding by the customer.

22.3 The destination account holder may also be given the facility of putting an upper limit for each individual transaction in the mandate, and/or a time limit for operations of a particular NECS mandate (life of a mandate) by the user/ destination banker.

22.4 The destination branch may also allot a unique identification number to the mandate, which could be referred to by the NECS User in all the transactions. The number could include a reference to the branch identity, the type of account and a reference to the customer's account, the purpose of the debit, etc. This would also serve the destination branch as a control reference tool to monitor the NECS debits being received through the clearing house.

23. Destination Account Holder's right to information on NECS

23.1 While exercising the option to receive payment through NECS, Destination Account Holder shall furnish the particulars of his/her i) Account Number, ii) Account Type (i.e. S.B. Account or Current Account) and iii) 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. In lieu of the bank certificate as stated above, the beneficiary can also enclose with his/her mandate, a photocopy of a cancelled cheque or front page of his saving bank pass book for verification of his/ her account particulars by the User. A model Mandate Form given at (**Appendix – VIIIA for Credit & VIII-B for Debit**). 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, 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 NECS, only after informing the beneficiaries.

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

24. Minimum and Maximum Number of Transactions

25.1 There would not be any stipulation on the minimum number of transactions to be put through. But considering that the Scheme is designed for bulk transactions, CH 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 / CH.

25. Service Charges

25.1 The service charges to be levied by the Sponsor Bank would be decided mutually by the User Institution and Sponsor Bank. There will be no processing charges levied by Clearing House up to March 31, 2009. The same 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.

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

25.3 NECS is primarily designed for high volume transactions. NCCs / Clearing Houses, however, have the discretion of accepting the lower volume of NECS transactions.

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

26. Amendment to Procedural Guidelines

26.1 The Procedural Guidelines can be amended by RBI as and when necessary. Banks would however be intimated at least a fortnight in advance if it involves software changes at the level of participating banks

Notes

Appendix-I

NECS PROCESS CYCLE

Day-0	1	Submission of input files through Web Server to CH by the Sponsor Bank with a mandate to RBI to debit its account and credit the Destination Bank accounts as per the cut off time prescribed by NCC
	2	Processing at CH - Generating out put data files and reports and making it available on the Web Server for Destination banks to download their inward files.
	3	NECS Service Centres of Destination Banks preparing for the accounting of the transactions centrally.
Day-1	1	Net Settlements arrived at CH. Destination Banks' and Sponsor Bank's account debited/credited at Deposit Accounts Department of RBI
	2	Destination Bank crediting/debiting the accounts of the beneficiaries (i.e. the Destination Account Holders) and Sponsor Bank debiting/crediting the account of the User.
	3	NECS Service Centres of Destination Banks submitting the particulars of returned items to the CH.
	4	CH to arrive at the settlement based on the return file received from all the Destination Banks.
	5	Destination Bank's accounts debited/credited and consolidated credit/debit given to Sponsor Bank for return items.
	6	CH to supply the final output file and final report to sponsor bank

Appendix – II
National Electronic Clearing Service
Guidelines for Input Preparation and Input Submission
(User Institution → Sponsor Bank → Clearing House)

a) Input Media

Data in prescribed format to be uploaded on the identified web-server

b) File Preparation

c)

The output file would have two types of data records:- a large number of INDIVIDUAL records (transaction code- 22 for NECS – Credit and transaction code -66 for NECS-Debit) and one balancing called “HEADER” (transaction code- 11 for NECS-Credit & transaction code – 55 for NECS-Debit). The HEADER record 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 entry, the total value of all the individual items, etc. which would act as control information while processing the individual records. Certain key information in the HEADER record would be repeated in the individual records as well so as to make individual 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	NECS transaction Code	2	NUM	NECS transaction code 11for NECS-Credit & transaction code – 55 for NECS-Debit
2	User Number	7	NUM	User number allotted by Sponsor Bank
3	User name	40	ALP	Alpha Numeric description
4	User Reference	14	ALP NUM	User defined reference number for the entire transaction (Alpha Numeric)
5	NECS 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 with 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 individual items (in paise)
10	Total amount	13	NUM	Amount in paise

	(Balancing Debit amount)			
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	NECS Item sequence number to be allotted by NECS
13	Reserved (to be kept blank by the User)	10	NUM	Checksum Total generated by NECS Authority
14	Filler	3		

Total 156

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

INDIVIDUAL Records

1	NECS transaction code	2	NUM	Transaction code 22 for NECS-Credit and transaction code 66 for NECS-Debit
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 NECS 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	NECS 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

4	User)			credited/debited (1) and returned uncredited/undebited (0)
1 5	Filler (to be kept blank by User)	2	NUM	Reason for not crediting the item

Total 156

(Thus the INDIVIDUAL 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

National Electronic Clearing Service

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

(Clearing House → Destination Banks)

Header Record and Trailer Record

Sr.No	Field Description	Length	Field Type	Remarks
1	NECS transaction Code	2	NUM	For NECS-Credit - transaction code 11 for Header and 99 for trailer. For NECS -Debit -- transaction code 55 for Header and 99 for trailer
2	Control Character	7	NUM	Zeros
3	Filler	87	ALP	Filler
4	Control Character	7	NUM	Three digit Bank MICR code followed by four Zeros
5	Total number of Items	9	NUM	999999900 in the header actual number of transactions in the trailer
6	Total Amount	13	NUM	Total amount in the file
7	Settlement Date	8	NUM	Settlement Date in ddmmyyyy format
8	Filler	27	ALP	Filler and ends with a dot (.)

Total 160

Credit Records

1	NECS transaction code	2	NUM	For NECS-Credit -- transaction code 22 For NECS -Debit - transaction code 66
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 NECS authority

9	User name	20	APL	Alpha numeric description
1 0	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.
1 1	Amount	13	NUM	Amount in paise
1 2	Reserved (to be kept blank by User)	10	NUM	NECS item Sequence Number to be allotted by NCC
1 3	Reserved (to be kept blank by User)	10	NUM	Checksum total generated by NCC
1 4	Reserved (to be kept blank by User)	7	NUM	Filler

Total 160

Appendix IV

National Electronic Clearing Service

RECORD LAYOUT OF THE RETURN FILE (DESTINATION BANKS TO CLEARING HOUSE)

(Destination Banks → clearing house)

This is the file generated by the destination banks for returning the uncredited/undebited items to the Clearing House. The file has only one type of data records of length 50 characters. The following table gives the details of the fields and their length of the contra record and the repetitive records.

S.No	Description	Type	Length
1	Settlement date	Alphanumeric	X(8)
2	NECS Sequence No	Alphanumeric	X(10)
3	User No	Alphanumeric	X(7)
4	Amount in paise	Numeric	9(11)v99
5	Reason code	Alphanumeric	X
6	City code	Alphanumeric	X(3)
7	Bank code	Alphanumeric	X(3)
8	Branch code	Alphanumeric	X(3)
9	Spaces	Alphanumeric	X(2)

Appendix V

National Electronic Clearing Service

RECORD LAYOUT OF THE FINAL OUTPUT FILE (CLEARING HOUSE TO USER INSTITUTION)

(Clearing House → Sponsor Bank → User Institution)

This is the file generated by the Clearing House and sent to the user institution through the Sponsor bank. The file has two types of data records, viz., one header record called the contra record and the repetitive records. The following table gives the details of the fields and their length of the contra record and the repetitive records.

Contra Record

Sr. No	Field Description	Length	Field Type	Remarks
1	NECS transaction Code	2	NUM	For NECS- Credit transaction code 11 For NECS –Debit – transaction code 55
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	NECS 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 individual 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	Item Sequence Number	10	NUM	Item Sequence number generated by Clearing House
13	Checksum	10	NUM	Checksum generated by Clearing House
14	Filler	3		Filler

Total 156

Repetitive Records

1	NECS transaction code	2	NUM	For NECS-Credit - The successful transaction code 22 & uncredited transactions will have 44 as the transaction code For NECS -Debit - Successful transaction -66 Undebited transaction - 44
2	Destination Sort Code	9	NUM	MICR city-bank-branch code
3	Destination account type	2	NUM	MICR transaction code
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 NECS authority
9	User name	20	ALP	Alpha numeric description
10	User Credit Reference	13	ALP NUM	User defined Reference Number such as 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	Item sequence number	10	NUM	NECS item Sequence Number allotted by NCC
13	Checksum	10	NUM	Checksum total generated by NCC
14	Success flag	1	NUM	1 for items credited and 2 for returned uncredited in case of NECS-Credit and 1 for items debited and 2 for returned

				undebited in case of NECS -Debit
15	Filler	1	ALP	Used for internal purpose
16	Reason code	1	NUM	Reason for not crediting the item

Total 156

FORMS

FORM NO. NE-1-C

Appendix-VI-A

**National Electronic Clearing Service –Credit
Application for registration with the Sponsor Bank**

Part A- to be filled in by the User

USER DETAILS

- 1 Name of the Organisation
- 2 Address
- 3 Contact person and telephone number
- 4 Types of transactions sought to be put through NECS during the first year of availing NECS services.

<u>Type of transaction</u>			<u>Expected volume</u>	<u>Expected value</u>
a	Interest payment-	-----monthly		
b	Interest payment-	-----Quarterly		
c	Interest payment-	-----Half-yearly		
d	Dividend payment-	----Yearly		
e	Salary payment	-----Monthly		
f	Commission Payment			
g	Refund transactions			

- 5 We will ensure that the NRE accounts of beneficiaries, if any, will be included in the Input Data only after ensuring compliance with rules/regulations issued by Reserve Bank of India (Foreign Exchange Department)
- 6 Complaints from beneficiaries, if any, relating to non-credit/delayed credit/non-reporting of uncredited items will be pursued by us with the respective banks/branches in co-ordination with the Sponsor Bank

Authorised Signatory
of the user

Date

FORMS

Appendix-VI-B

FORM NO. NE-1-D

**National Electronic Clearing Service- Debit
Application for registration with the Sponsor Bank**

Part A- to be filled in by the User

USER DETAILS

- 7 Name of the Organisation
- 8 Address
- 9 Contact person and telephone number
- 10 Types of transactions sought to be put through ECS during the first year of availing ECS services.

<u>Type of transaction</u>			<u>Expected volume</u>	<u>Expected value</u>
a	Telephone Bills Payment	-----monthly		
b	Electricity Bills Payment	-----Quarterly		
c	Loan Installment payment	-----Half-yearly		
d	Insurance Premia payment	----Yearly		
e	Others (Specify)			

- 11 We will ensure that the NRE accounts of beneficiaries, if any, will be included in the Input Data only after ensuring compliance with rules/regulations issued by Reserve Bank of India (Foreign Exchange Department).
- 12 Complaints from beneficiaries, if any, relating to non-debit/delayed debit/non-reporting of un-debited items will be pursued by us with the respective banks/branches in co-ordination with the Sponsor Bank

Authorised Signatory of the user

Date

FORM NO. NE-2-C

Appendix-VII-A

From:

To:

(Address)

(Address)

National Electronic Clearing Service - _Credit

Mandate by the Sponsor Bank

Our bank has to act as the Sponsor Bank for M/s... ..

.....(User No.)

(name of the user institution)

and authorises Reserve Bank of India/ Clearing Agency, to debit our account maintained at Deposit Accounts Department for the total value of CREDIT CONTRA of Rs..... (Rupees.....) as given in the CREDIT CONTRA record of the input files which are being forwarded herewith. The User had already carried out a preliminary validation check. The upper limit for individual credit item is Rs..... (Rupees). We are fully aware of our role and responsibility in the NECS operation as stipulated in the Guidelines and also ensure that adequate balance would be available in the RBI's account for settlement. The settlement date (...../...../.....) indicated by the user in the Input File may be amended by NCC as per their convenience and our confirmation thereon.

(Authorised signatory of the **Sponsor Bank**)

Place

Name:.....

.....

Date

Designation:

.....

Telephone No.

.....

FORM NO. NE-2- D

From:
(Address)

To:
(Address)

**National Electronic Clearing Service - Debit
Mandate by the Sponsor Bank**

Our bank has to act as the Sponsor Bank for M/s... ..
....(User No.)

(name of the user institution)

and authorises Reserve Bank of India/ Clearing Agency, to
credit our account maintained at Deposit Accounts Department for the total value of
DEBIT CONTRA of Rs..... (Rupees.....) as given in the DEBIT CONTRA record of
the input files which are being forwarded herewith.

The User had already carried out a preliminary validation check. The upper limit for
individual credit item is Rs..... (Rupees).

We are fully aware of our role and responsibility in the ECS debit clearing operation as
stipulated in the Guidelines and also ensure that adequate balance would be available in
the RBI's account for adjustment, if any, by RBI for wrong/disputed debit. The settlement
date (...../...../.....) indicated by the user in the Input File may be amended by NCC
as per their convenience under information to us.

(Authorised signatory
of the **Sponsor Bank**)

Place
..... ..

Name:..... ..

Date
.... ..

Designation:

..... ..

Telephone No.

National Electronic Clearing Service

Model Mandate Form

(Investor/customer's option to receive payments through Credit Clearing Mechanism)

Name of the Scheme and the periodicity of payment

No.

1) Investor/customer's name:

2) Particulars of Bank account

A Name of the Bank :

B Name of the branch :

Address :

Telephone No. :

C 9-Digit code number of the bank and branch
appearing on the MICR cheque issued by the bank:

D Type of the account (S.B., Current or Cash Credit)
with code (10/11/13)

E Ledger and Ledger folio number:

F Account number (as appearing on the cheque book)

(In lieu of the bank certificate to be obtained as under, please attach a blank cancelled cheque or photocopy of a cheque or front page of your savings bank passbook issued by your bank for verification of the above particulars)

3 Date of effect:

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the user institution responsible. I have read the option invitation letter and agree to discharge the responsibility expected of me as a participant under the scheme.

(.....)

Signature of the Investor/Customer

Date

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp

Date:

(.....)

Signature of the authorised
official of the Bank

National Electronic Clearing Service (Debit Clearing)

Model letter from a User to a prospective Destination Account Holder

Date:

Dear Customer/Investor,

A new method of payment had been introduced by Reserve Bank of India which provides you an option to pay your monthly/quarterly/half-yearly/yearly interest/dividend/salary/pension utility bills like telephone, electricity, loan installments, insurance premium etc directly through your bank accounts. Your bank account would be debited through the new payment mechanism right on the due date. You would be advised in the usual manner to pay the bill. Payment instruction would be issued by us electronically through our banker to the Clearing Authority and the Clearing Authority would supply debit reports to the bank with which you maintain the specified account. The branch will debit your account and indicate the debit entry as 'NECS' in your passbook/statement of account.

- 2 If you maintain more than one bank account, payment can be received from any of these accounts. You do not have to open any new bank account for the purpose.
- 3 This would be only an additional mode of payment and would be optional. You would have the right to withdraw from this mode of payment by giving an advance notice of 2 weeks. Your complaint, if any, (the scope of which is very limited) would be immediately dealt with and we assure you to give a reply within 15 days.
- 4 If you are agreeable to participate in the new payment mechanism, you are requested to fill in the Mandate Form attached herewith. The information to be supplied should accurate and complete in all respects and duly certified by your bank.
- 5 The information provided by you will be kept confidential and would be utilized only for the purpose of effecting the payments meant for you.

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Authorised signatory

For ABC & Co

