

March 3, 2006

To the Chairmen/Chief Executive Officers of all
Scheduled Commercial Banks

Printing of Indian Financial System Code (IFSC) on Cheques

As you are aware the Indian Financial System Code (IFSC) is being used as the addressing code in user-to-user message transmission through Structured Financial Messaging System (SFMS). Various other payment system applications like RTGS, NEFT, etc., also use the IFSC for routing purposes.

2. We have come across instances of difficulties being faced by corporate customers / individuals intending to remit funds using the above applications as quite often the remitter is not aware of the IFSC of either remitting branch or the receiving branch. Some times because of incorrect IFSC provided by the customer for either of the branches results in funds reaching a wrong destination branch.

3. IDRBT has issued a circular advising banks to allot IFSC to all their branches in the format prescribed by them and inform them so as to enable compilation of an IFSC directory. Banks are advised to expedite the process of allotting IFSC to the branches. It has also been decided that IFSC of the branch be printed just above the MICR band on the cheques preferably above the serial number of the cheque. The MICR code line would continue to be used for cheque processing. We would like to highlight that IFSC is a unique code for a branch which can be used for RTGS / NEFT and any other applications.

4. You are requested to advise all your controlling offices / branches accordingly and advise us of the action taken in this regard.

Yours faithfully

(Kaza Sudhakar)
General Manager