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Coverage of RBI's RTGS System crosses 15,000 Bank Branches Mark

The coverage of the Reserve Bank of India's Real Time Gross Settlement (RTGS) System has exceeded 15,000 bank branches in the country. The target was achieved two months ahead indicating the popularity of the funds transfer service. It may be recalled that the Reserve Bank of India introduced the RTGS System in March 2004 with four bank branches on a pilot basis, only for inter-bank transactions. Subsequently, customer-based transactions were also taken up. The RTGS System's membership now includes 96 banks, 14 Primary Dealers and the Reserve Bank of India.

The RTGS System facilitates fund transfer between identified branches of banks on a real time basis, i.e., instantaneously. Banks are required to include in RTGS System only those branches which are connected through the network and capable of receiving messages on a real time basis. One of the requirements of the system is that the receiving banks should return the transactions within two hours of receipt of the transactions if the funds cannot be applied for any reason. Thus, a customer sending funds through RTGS system at 11.00 am can expect the beneficiary's account to be credited positively by 1.00 pm, if not earlier. Most banks are understood to be immediately applying credit to the account holders.

Coverage of 15,000 branches in the country is an important milestone in building an efficient and stable payment system infrastructure in the country. These 15,000 branches are spread over 500 centres throughout the country are carrying out daily around 7,000 transactions valued at Rs.50,000 crore. Though the concentration of branches is in the top 25 major centres, even smaller towns in all the states are covered under RTGS making it into a National Payment System.

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