



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2012-13/303

DPSS.CO.EPPD. No. 825 / 04.03.02 / 2012-13

November 21, 2012

The Chairman and Managing Director / Chief Executive Officers  
All NECS participant banks

Dear Sir,

**National / Regional Electronic Clearing Service (NECS / RECS) – Extension of service to remaining branches**

NECS was launched by Reserve Bank of India in September 2008 to extend the facility of Electronic Clearing Service on pan-India basis. It was expected that banks will gradually bring all their CBS-enabled branches under NECS, thereby extending the benefits of ECS to all their customers. Subsequently, RECS was also launched in a few states to enable ECS payments /receipts across all the branches located in a state / group of states from a centralised location.

2. As you are aware, both NEFT and NECS are pan-India systems with centralised processing at Mumbai and rely on the CBS network of the banks for central processing of transactions on an STP-basis. However, it is observed that while the number of bank branches under NEFT is increasing significantly, the growth in the number of branches covered under NECS is far below the number of CBS-enabled branches. Given that the requirements for participating in both the systems are similar, there does not seem to be any valid reason for this difference in number of branches covered under NEFT and NECS.

3. The Reserve Bank of India has been pursuing with banks to ensure increased branch coverage under RECS and NECS. With a view to extend both NECS and RECS facility to the customers of all bank branches, the participating banks are once again advised to make efforts in bringing all their branches under NECS/RECS. The branches which are on CBS and already participating in NEFT should be taken up on priority basis. The banks may draw a time bound plan for the same under advice to us.

4. The banks may contact the National Clearing Cell, Nariman Point, Reserve Bank of India, Mumbai for guidance in the matter, if required.

Yours faithfully,

(Charulatha S Kar)  
General Manager