



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

DEL.NCC.No. 828/12.01.001/2013-14

December 19, 2013

The Regional Director
National Clearing Cell/ Banking Department
Reserve Bank of India
Kanpur, Patna, Jammu, Chandigarh, Jaipur, Lucknow

Dear Sir,

Implementation of the Northern Grid Cheque Truncation System (CTS) in New Delhi

Please refer to DPSS, CO letter Endt. DPSS.CO.CHD/1191/04.07.005/2013-14 dated November 29, 2013 on the captioned subject (copy enclosed for ready reference).

2. As an initial step in the implementation of the grid based Cheque Truncation System (CTS) in New Delhi covering the 20 MICR CPCs in the northern states of Bihar, Jammu & Kashmir, Jharkhand, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand, the existing CTS operations at New Delhi was handed over to NPCI on December 10, 2013. Further, to make the Clearing House at New Delhi representative of the expanded jurisdiction, the name has been changed from New Delhi Bankers' Clearing House (NDBCH) to Bankers' Clearing House at New Delhi (BCHND). Circular issued to member banks in this regard is enclosed (ANNEX 1).
3. The member banks of Bankers' Clearing House at New Delhi (BCHND) were informed in the General Body Meeting held on December 6, 2013 and a resolution was passed for admission of the member banks of clearing houses falling under the jurisdiction of the 20 MICR CPCs. To admit the member banks of the MICR CPCs in BCHND and facilitate their participation in CTS clearing in the Northern Grid, we request you to advise the MICR Centres under your jurisdiction to conduct General Body Meeting and adopt resolution as enclosed in ANNEX 2. The list of members and sub-members (and their sponsor banks) of the respective MICR Centres along with confirmation of having adopted the resolution may be sent to us by January 05, 2014. Membership will be accorded by the President, BCHND to banks in other MICR CPCs after receipt of confirmation.
4. We also request you to furnish the information, MICR Centre wise, as enclosed in ANNEX 3. Banks which intend to be direct or indirect members in CTS and not having

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current account with RBI (at any of the ROs) will have to open current account at the respective ROs. For smooth implementation of CTS in the Northern Grid, we request you to assist banks desiring to open current account with RBI or informally advise them to participate in the sub-membership route in view of the substantial investment in hardware/software, lack of overdraft facility from RBI in case of adverse clearing, choice of retaining their earlier MICR code when they participate in CTS clearing as sub-member, etc.

5. NPCI has since submitted their proposal for implementation of Grid based CTS in Northern region along with the timelines for migration of each clearing house (**ANNEX 4**). We request you to extend utmost co-operation to NPCI for ensuring adherence to the time schedule for the implementation of the Northern Grid.

6. This letter is issued with the approval of the President, BCHND and Regional Director, RBI, New Delhi

Yours sincerely,


(Yogesh Dayal)
General Manager

Encl : As above

Endt. DEL.NCC.No. 830/11.04.001 /2013-14 of date

1. Copy forwarded for information to the Chief General Manager, Department of Payment and Settlement Systems, Central Office, 14th Floor, Central Office Building, Shahid Bhagat Singh Road, Mumbai - 400 001.

2. Copy forwarded for information and necessary action to The Managing Director & Chief Executive Officer, National Payment Corporation of India, C-9, 8th Floor, RBI Premises, Bandra Kurla Complex, Bandra East, Mumbai- 400 051


(P S Khurai)
Deputy General Manager



Annex 1

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ND NCC Circular No. 17

ND.NCC.No. 790/11.04.001 /2013-14

December 17, 2013

प्रभारी अधिकारी (सेवा शाखा)

The Officer-in-Charge of Service Branch

सभी सदस्य एवं उपसदस्य

All members and sub-members of New Delhi

नई दिल्ली बैंकर्स क्लियरिंग समाशोधन हाऊस

Bankers' Clearing House

(एनडीबीसीएच)

महोदय / Dear Sir,

सीटीएस उत्तरी ग्रिड का लागू होना एवं समाशोधन हाऊस का पुर्ननामकरण

Implementation of Northern Grid CTS and renaming of Clearing House at New Delhi

उत्तरी क्षेत्र के 20 माइकर सीपीसी जो कि बिहार, जम्मू कश्मीर, झारखंड, पंजाब, चंडीगढ़, राजस्थान, उत्तर प्रदेश और उत्तराखंड राज्यों में ग्रिड आधारित चेक ट्रंकेशन सिस्टम (सीटीएस) लागू कर दिया गया है। जैसा कि 06 दिसम्बर 2013 को आम सभा बैठक में सूचित किया गया है कि 10 दिसम्बर 2013 से सीटीएस परिचालन का कार्य प्रभार भारतीय राष्ट्रीय भुगतान निगम (एनपीसीआई) को सौंप दिया गया है, तदनुसार दिसम्बर 01 से 09, 2013 तक चेक प्रोसेसिंग शुल्क का भुगतान भारतीय रिज़र्व बैंक को तथा 10 दिसम्बर 2013 से भारतीय राष्ट्रीय भुगतान निगम (एनपीसीआई) को किया जाना है। सभी सदस्य बैंकों को सलाह दी जाती है कि वे सीटीएस समाशोधन सेटलमेंट एवं चेक प्रोसेसिंग वसूली शुल्क संबंधित आदेश (Mandate) संलग्न प्रारूप में प्रेषित करें।

Grid-based Cheque Truncation System (CTS) is being implemented in the Northern Region covering 20 MICR CPCs in the states of Bihar, Jammu & Kashmir, Jharkhand, Punjab, Chandigarh, Rajasthan, Uttar Pradesh, Uttarakhand. As advised in the General Body Meeting held on December 6, 2013, National Payment Corporation of India (NPCI) has taken charge of the existing CTS operations at New Delhi from December 10, 2013. Accordingly, the cheque processing charges from December 1 to 9, 2013 will be credited to RBI and to NPCI from December 10, 2013 onwards. Member banks are hereby advised to furnish mandates for CTS clearing settlement as well as recovery of cheque processing charges as per the enclosed format.

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2. नई दिल्ली बैंकर्स क्लियरिंग समाशोधन हाऊस (एनडीबीसीएच) के क्षेत्राधिकार में विस्तार होने के कारण इसका नाम बदलकर बैंकर्स क्लियरिंग समाशोधन हाऊस (बीसीएचएनडी) किया गया है।

2. To make the Clearing House representative of the expanded jurisdiction, the name has been changed from New Delhi Bankers' Clearing House (NDBCH) to Bankers' Clearing House at New Delhi (BCHND).

भवदीय / Yours sincerely,

(योगेश दयाल/ Yogesh Dayal)

महा प्रबंधक/ General Manager

संलग्नक : उपरोक्त अनुसार /Encl: As above

Draft Resolution

Member banks of..... Bankers Clearing House hereby merge our clearing house with the Bankers' Clearing House at New Delhi (BCHND) for cheque clearing under CTS (Cheque Truncation System) and request the President, BCHND, New Delhi for granting membership/Sub membership of Bankers' Clearing House at New Delhi in the same status as in Bankers' Clearing House.

ANNEX 3

Name of MICR Centre:

Members:

Name of Banks	Whether member of erstwhile NDBCH and so has CHI (Clearing House Interface) at New Delhi	If answer to (2) is NO and going for direct membership i.e. will be having own CHI. Whether the Bank has Current Account with RBI.	If answer to (2) and (3) is NO and going for indirect membership, then name of the bank the CHI of which will be used. Whether have current account with RBI.	If the answer to (2), (3) and (4) is No, that the bank is Sub Member. Bank may write the name of the Sponsor Bank.	
(1)	(2)	(3)	(4)	(5)	(6)

Sub Members:

Sub Members may convey whether sponsor bank will continue to be same as in MICR. In case of any change, they may furnish letter in terms of **Uniform Regulations and Rules for Bankers' Clearing Houses (URRBCH)**.



ANNEX 4

NPCI/CTS/DEL/2013-14/001

December 16, 2013

To

The General Manager,
National Clearing Cell,
New Delhi.

Dear sir,

Reserve Bank of India vide their letter no DPSS.CO.CHD/1190/04.07.005/2013-2014 dated November 29th, 2013 mandated NPCI to

- a) Take over existing CTS operations in from NCC, RBI at New Delhi Banker Clearing House.
- b) Roll out of Northern Grid based CTS in New Delhi covering the bank branches falling under the jurisdiction of the 20 MICR CPC's in states of Uttar Pradesh, Uttarakhand, Bihar, Jharkhand, Jammu & Kashmir, Punjab and Rajasthan.

Accordingly operations of Cheque Truncation System at New Delhi Bankers' Clearing house has been handed over to NPCI with effect from December 10th, 2013.

List of MICR centers covered under Northern Grid is provided in Annexure I

NPCI proposes to implement Grid based CTS in Northern Grid in a phased manner. The MICR centers are divided into 3 groups for implementation. The grouping is done on the following criteria

1. The locations that are already migrated to Southern Grid are in Phase I. The banks have to divert this traffic to Northern Grid.
2. Locations where AMC support for MICR systems is getting expired by March, 2014 and a few locations with higher volume are grouped in Phase II.
3. Remaining locations are kept under last phase.
4. End date for migration of all centers is kept at 31/03/2014 so that one more month will be available to manage spill over in any of the locations.



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Above segregation will provide sufficient time for the banks to procure scanners and augment network bandwidth for phased implementation. Since all major banks have set up their CHI infrastructure in Delhi, if ready with infrastructure in any location, they can commence participation. Clearing House need not specify the data of commencement, the banks may be advised to take steps on immediate basis for implementation in all the locations with a specific plan to migrate 100% volume as per the schedule given in Annexure II.

We request you to issue necessary directions to the clearing houses that are part of Northern Grid.

Yours faithfully

Vipin Surelia
SVP & Head NACH and Cheque Clearing

Annexure I

S NO	CITY	TOTAL BANKS	NEW TO CTS BANKS	AVG. VOLUME (IN LAKHS/P.A.)
1	AGRA	42	3	40.42
2	ALLAHABAD	40	3	32.82
3	AMRITSAR	41	4	47.46
4	BHILWARA	36	4	24.76
5	CHANDIGARH	53	5	134.20
6	DEHRADUN	43	7	33.82
7	GORAKHPUR	32	4	17.83
8	JAIPUR	55	9	210.00
9	JALANDHAR	37	5	52.26
10	JAMMU	30	4	29.40
11	JAMSHEDPUR	36	5	31.72
12	JODHPUR	45	6	51.42
13	KANPUR	46	5	84.60
14	KOTA	33	5	29.50
15	LUCKNOW	55	6	116.60
16	LUDHIANA	48	1	115.13
17	PATNA	40	2	61.50
18	RANCHI	39	3	33.49
19	UDAIPUR	41	8	30.20
20	VARANASI	41	4	37.40
TOTAL			93	1214.53



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NATIONAL PAYMENTS CORPORATION OF INDIA

Annexure II

S NO	MICR Centre	Clearing House	Implementation Phase	Expiry date for MICR AMC	Migration completion date
1	CHANDIGARH	Migrated to Southern Grid	Phase I	-	15/01/2014
2	LUDHIANA	Punjab National Bank	Phase I	25/06/2014	15/01/2014
3	JAIPUR	Reserve Bank of India (PNB)	Phase II	31/03/2014	28/02/2014
4	LUCKNOW	Punjab National Bank	Phase II	21/06/2014	28/02/2014
5	PATNA	Reserve Bank of India (SBI)	Phase II	31/12/2013	28/02/2014
6	KOTA	Union Bank of India	Phase II	01/03/2014	28/02/2014
7	AGRA	Punjab National Bank	Phase II	30/09/2014	28/02/2014
8	KANPUR	Reserve Bank of India (PNB)	Phase II	31/03/2014	28/02/2014
9	JAMSHEDPUR	Union Bank of India	Phase II	31/03/2014	28/02/2014
10	UDAIPUR	Punjab National Bank	Phase II	31/03/2014	28/02/2014
11	JALANDHAR	Punjab National Bank	Phase III	10/12/2014	31/03/2014
12	JODHPUR	State Bank of India	Phase III	27/09/2014	31/03/2014
13	AMRITSAR	Punjab National Bank	Phase III	18/10/2014	31/03/2014
14	VARANASI	Punjab National Bank	Phase III	30/09/2014	31/03/2014
15	DEHRADUN	State Bank of India	Phase III	10/12/2014	31/03/2014
16	RANCHI	State Bank of India	Phase III	27/06/2014	31/03/2014
17	ALLAHABAD	Punjab National Bank	Phase III	30/09/2014	31/03/2014
18	JAMMU	Punjab National Bank	Phase III	30/06/2014	31/03/2014
19	BHILWARA	State Bank of Bikaner and Jaipur	Phase III	31/07/2014	31/03/2014
20	GORAKHPUR	Punjab National Bank	Phase III	24/12/2014	31/03/2014