

NPCI/2016-17/NACH/Circular No. 176

July 27, 2016

To

All NACH member banks

Handling of extension in Settlement & reconciliation reports

Refer to the circular no. 122 on the Bank MIS module with regard to the bank specific reports please note that we have made modifications in the settlement and reconciliation reports to provide the additional information related to extended transactions. The change was implemented with effect from June 20 2016. The following is the list of reports in which the new changes are reflecting:

- **Reconciliation report**
 - 0381-Sponsor Bank Session wise Reconciliation Report
 - 0383-Sponsor Bank Reconciliation EOD Report
 - 0401-Destination Bank Session wise Reconciliation Report
 - 0403-Destination Bank Reconciliation EOD Report
- **Settlement report**
 - S002 - Settlement Detail Report

Reconciliation report - How it works

In the existing reconciliation report two additional columns are included to capture record count & value of transactions which are extended for the current value / settlement date. To know the final status of these extended records, member banks have to download the report on day 2 by giving the settlement/value date of day 1; the report then generated will show the net consolidated accepted and return count and value.

Example 1: On day 1, 30 transactions are raised by bank “A” against bank “B” with settlement date July 07, 2016. The bank “B” has processed 23 records of which 20 are returned; remaining 7 transactions are granted one-day extension, in this case the report will be as.

Total Items		Rejected Items		Accepted Items		Returned Items		Extended Items		Credited Items	
Count	Amount (INR)	Count	Amount (INR)	Count	Amount (INR)	Count	Amount (INR)	Count	Amount (INR)	Count	Amount (INR)
30	30,000.00	0	0.00	23	23,000.00	20	20,000.00	7	7,000.00	10	10,000.00
30	30,000.00	0	0.00	23	23,000.00	20	20,000.00	7	7,000.00	10	10,000.00
30	30,000.00	0	0.00	23	23,000.00	20	20,000.00	7	7,000.00	10	10,000.00

(Handwritten signature)

On day 2 the Bank “B” has processed the 7 extended transactions and there are no return in the file. When the bank generates the reconciliation report for settlement date of June 07, 2016 on day 2 then it will provide the final status of all records. The sample report enclosed herewith for quick reference.

Total Items		Rejected Items		Accepted Items		Returned Items		Extended Items		Credited Items	
Count	Amount (INR)	Count	Amount (INR)	Count	Amount (INR)	Count	Amount (INR)	Count	Amount (INR)	Count	Amount (INR)
30	30,000.00	0	0.00	30	30,000.00	20	20,000.00	0	0.00	10	10,000.00
30	30,000.00	0	0.00	30	30,000.00	20	20,000.00	0	0.00	10	10,000.00
30	30,000.00	0	0.00	30	30,000.00	20	20,000.00	0	0.00	10	10,000.00

Example 2 - In continuation with the example 1, if the 7 extended transactions of bank “B” uploads 3 returns & remaining 4 are accepted on day 2 then the report will look like below.

Total Items		Rejected Items		Accepted Items		Returned Items		Extended Items		Credited Items	
Count	Amount (INR)	Count	Amount (INR)	Count	Amount (INR)	Count	Amount (INR)	Count	Amount (INR)	Count	Amount (INR)
30	30,000.00	0	0.00	30	30,000.00	27	27,000.00	0	0.00	7	7,000.00
30	30,000.00	0	0.00	30	30,000.00	23	23,000.00	0	0.00	7	7,000.00
30	30,000.00	0	0.00	30	30,000.00	23	23,000.00	0	0.00	7	7,000.00

Settlement report - How it works

The existing S002 settlement detail report contains the presented count, presented value, received count and received value of each session. A new row is added to provide the information on settlement done for extended records for the current day. This newly added row for the information purpose only. Member banks can use this for their reconciliation purpose.

Example 1 - Bank “A” has uploaded 6 return records on bank “B”. Similarly bank “C” has uploaded 3 return records on bank “A”. Also no one day extension is granted to any member banks. In this case, there will not be any change in the report.

Product Type	Presented		Received		Net Balance (INR)
	No. of Transactions	Amount (INR)	No. of Transactions	Amount (INR)	
NACH CR PRESENTATION		60.00	3	30.00	30.00
					30.00

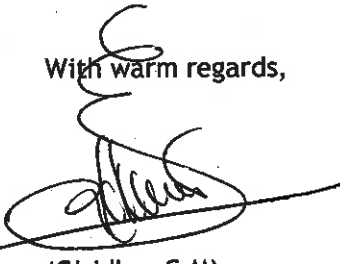


Example 2 - Bank "A" has been granted one day extension for previous settlement date. On day 2 Bank "A" has uploaded 3 returns for inwards received for current value date and 2 returns for inwards which were extended for day 1. In this case total 5 returns records are to be settled with bank; so as per the new change an additional row is created in the report to help banks in identifying the extended records.

Product Type	Presented		Received		Net Briat-rak(INR)
	No of Transactions	Amount (INR)	No of Transactions	Amount (INR)	
EXT Return	2	20.00	0	0.00	0.00
NACH CR RETURN	5	-60.00	0	0.00	-50.00
					-50.00

Member Banks are requested to take a note of the same. For any clarifications please write back to ach@npci.org.in

With warm regards,



(Giridhar G M)

VP & Head - NACH & CTS Operations