



## **Frequently Asked Questions (FAQ)**

on

# **NATIONAL ELECTRONIC FUNDS TRANSFER (NEFT) SYSTEM**

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## FREQUENTLY ASKED QUESTIONS (FAQ)

### on National Electronic Funds Transfer (NEFT) System

#### Q.1. What is NEFT System?

**Ans** National Electronic Funds Transfer (NEFT) system is a nation wide funds transfer system to facilitate transfer of funds from any bank branch to any other bank branch.

#### Q.2. Are all bank branches in the system part of the funds transfer network?

**Ans** No. As on April 30, 2008, around 44,000 branches of 85 banks are participating. Steps are being taken to widen the coverage both in terms of banks and branches.

#### Q.3. Whether the system is centre specific or has any geographical restriction?

**Ans** No, there is no restriction of centres or of any geographical area inside the country. The system uses the concept of centralised accounting system and the bank's account, that are sending or receiving the funds transfer instructions, gets operated at one centre, viz. Mumbai only. The individual branches participating in NEFT could be located anywhere across the country, as detailed in the list provided on our website.

#### Q.4. What is the funds availability schedule for the beneficiary?

**Ans** The beneficiary gets the credit on the same Day or the next Day depending on the time of settlement.

#### Q.5. How does the NEFT system operate?

**Ans** **Step-1:** The remitter fills in the NEFT Application form giving the particulars of the beneficiary (bank-branch, beneficiary's name, account type and account number) and authorises the branch to remit the specified amount to the beneficiary by raising a debit to

the remitter's account. (This can also be done by using net banking services offered by some of the banks.)

**Step-2:** The remitting branch prepares a Structured Financial Messaging Solution (SFMS) message and sends it to its Service Centre for NEFT.

**Step-3:** The Service Centre forwards the same to the local RBI (National Clearing Cell, Mumbai) to be included for the next available settlement. Presently, NEFT is settled in six batches at 0930, 1030, 1200, 1300, 1500 and 1600 hours on weekdays and 0930, 1030 and 1200 hours on Saturdays

**Step-4:** The RBI at the clearing centre sorts the transactions bank-wise and prepares accounting entries of net debit or credit for passing on to the banks participating in the system. Thereafter, bank-wise remittance messages are transmitted to banks.

**Step-5:** The receiving banks process the remittance messages received from RBI and effect the credit to the beneficiaries' accounts.

#### Q.6. How is this NEFT System an improvement over the existing RBI-EFT System?

**Ans** The RBI-EFT system is confined to the 15 centres where RBI is providing the facility, where as there is no such restriction in NEFT as it is based on the centralised concept. The detailed list of branches of various banks participating in NEFT system is available on our website. The system also uses the state-of-the-art technology for the communication, security etc. and thereby offers better customer service.

#### Q.7. How is it different from RTGS and EFT?

**Ans** NEFT is an electronic payment system to transfer funds from any part of country to any other part of the country and works on Net settlement, unlike RTGS that works on gross settlement and EFT which is restricted to the fifteen centers only where RBI offices are located.

**Q.8. Any limit on the amount of individual transaction?**

**Ans** There is no value limit for individual transactions.

**Q.9. What about Processing Charges/Service Charges**

**Ans** While RBI has waived the processing charges till March 31, 2009, levy of service charges by banks is left to the discretion of the respective banks. The bank-wise details of charges levied are available on the RBI website.

**Q.10. How will I know which are the branches participating in the NEFT?**

**Ans** RBI publishes the list of bank branches participating in the NEFT on its website i.e.

<https://www.rbi.org.in/scripts/neft.aspx>

**Q.11. What is IFS Code (IFSC)? How it is different from MICR code?**

**Ans** Indian Financial System Code (IFSC) is an alpha numeric code designed to uniquely identify the bank-branches in India. This is 11 digit code with first 4 characters representing the banks code, the next character reserved as control character (Presently 0 appears in the fifth position) and remaining 6 characters to identify the branch. The MICR code has 9 digits to identify the bank-branch.

**Q.12. How I will know, what is the IFS Code of my bank-branch?**

**Ans** RBI had since advised all the banks to print IFSC on cheques leaves issued to their customers. You may also contact your bank-branch and get the IFS Code of that branch.

**Q.13. Whom I can contact, in case of non-credit or delay in credit to the beneficiary account?**

**Ans** Contact your bank / branch. If the issue is not resolved satisfactorily, NCC, Nariman Point of

Reserve Bank of India may be contacted on [nefthelpdesknc@rbi.org.in](mailto:nefthelpdesknc@rbi.org.in) or write to-

The General Manager,  
Reserve Bank of India,  
National Clearing Centre,  
First Floor, Free Press House,  
Nariman Point,  
Mumbai-400027

**Q.14. Is it necessary to have a bank account to originate the NEFT transaction?**

**Ans** Primarily, NEFT is an account to account funds transfer system.

Even customers not maintaining an account with an NEFT bank can remit funds upto Rs. 50,000/- to the credit of another bank account.

**Q.15. Is it necessary that the beneficiary should have an account at the destination bank-branch?**

**Ans** Yes, NEFT is an account to account funds transfer system.

**Q.16. Can I receive foreign remittances through NEFT?**

**Ans** This system can be used only for remitting Indian Rupee among the participating banks within the country.

**Q.17. Can I send remittances abroad using the NEFT?**

**Ans** No

**Q.18. Can I originate a transaction to receive funds from another account?**

**Ans** No

**Q.19. Can I send/receive funds from/to NRI accounts?**

**Ans** Yes, subject to applicability of provisions of FEMA

**Q.20. Would the customer receive an acknowledgement of money credited to the beneficiary?**

**Ans** No, however electronic acknowledgement is generated for the customer that his money is received by the beneficiary at the sender branch.

**Q.21. Would the remitting customer get back the money if it is not credited to the beneficiary's account?**

**Ans** Yes, the remitting customer gets back the money if it is not credited to the beneficiary account.

**Q.22. Till what time NEFT service window is available?**

**Ans** There are six settlements at 0930, 1030, 1200, 1300, 1500 and 1600 hours on weekdays and 0930, 1030 and 1200 hours on Saturdays.

**Q.23. What is the essential information that the remitting customer would have to furnish for the remittance to be effected?**

**Ans** The essential information that the remitting customer has to furnish is:

- Beneficiary details such as beneficiary name and account number
- Name and IFSC of the beneficiary bank branch.

**Q.24. Is there any way a remitting customer can track the remittance transaction?**

**Ans** The remitting customer can track the remitting transaction through the remitting branch only, as the remitting branch is informed about the status of the remitted transactions.