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## **Frequently Asked Questions (FAQs) on RTGS and NEFT**

### **What is RTGS (Real Time Gross Settlement) System?**

RTGS system is a funds transfer mechanism where transfer of money takes place from one bank to another on a “real time” and on “gross” basis. This is the fastest possible money transfer system through the banking channel. Settlement in “real time” means payment transaction is not subjected to any waiting period. The transactions are settled as soon as they are processed. “Gross settlement” means the transaction is settled on one to one basis without bunching with any other transaction. Considering that money transfer takes place in the books of the Reserve Bank of India, the payment is taken as final and irrevocable.

### **How RTGS is different from National Electronic Funds Transfer (NEFT)?**

NEFT is also an electronic funds transfer system that operates on deferred net settlement (DNS) basis which settles transactions in batches. In DNS, the settlement takes place at a particular point of time. All transactions are held up till that time. NEFT Settlement take place 6 times a day during the week days (9.00 AM,11.00AM, 12.00 noon, 1.00PM, 3.00PM and 5.00 PM) and 3 times during Saturdays (9.00AM, 11.00 AM and 12.00 noon), Any transaction initiated after a designated settlement time would have to wait till the next designated settlement time. Contrary to this, in RTGS, transactions are processed continuously throughout the RTGS business hours.

#### **RTGS business hours:**

Monday to Friday : 9.00 AM to 4.30 PM

Saturday : 9.00 AM to 12..30 PM

### **Is there any minimum/maximum amount stipulation for RTGS transactions?**

RTGS system is primarily for large value transactions. The minimum amount to be remitted through RTGS is Rs.1 lakh. There is no upper ceiling for RTGS transactions. No minimum or maximum stipulation has been fixed for NEFT transactions.

### **What is the time taken for effecting funds transfer from one account to another under RTGS?**

Under normal circumstances the beneficiary branches are expected to receive funds transfer in real time as soon as funds are transferred by the remitting bank. The beneficiary bank has to credit the beneficiary’s account within two hours of receiving the funds transfer message.

### **Would the remitting customer receive an acknowledgement of money credited to the beneficiary’s account?**

The remitting bank receives a message from Reserve Bank that money has been credited to the receiving bank. Based on this the remitting bank can advise the remitting customer that money has been delivered to the receiving bank.

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

Yes. It is expected that the receiving bank will credit the account of the beneficiary instantly. If the money cannot be credited for any reason, the receiving bank would have to return the money to the remitting bank within 2 hours. Once the money is received back by the remitting bank, the original debit entry in the customer's account is reversed.

**What about processing charges/service charges for RTGS transactions?**

Rs.1 to less than Rs. 5 lakhs : Rs.25/- per transaction  
Rs.5 lakhs and above : Rs.50/- per transaction

All incoming are free of charge.

**What is the essential information that the remitting customer would have to furnish to a bank for the remittance to be effected?**

The remitting customer has to furnish the following information to a bank for effecting a RTGS remittance.

1. Amount to be remitted
2. Account to be debited
3. Name of the beneficiary Bank
4. Name of the beneficiary customer
5. Account number of the beneficiary customer
6. Sender to receiver information if any
7. The IFSC code of the receiving branch

**How would one know the IFSC code of the receiving branch?**

The beneficiary customer can obtain the IFSC code from his branch. The IFSC code is available in the cheque leaf. This code number and bank branch can be communicated by the beneficiary to the remitting customer. Also the remitting customer can obtain IFSC of the receiving branch from his branch.

**Do all bank branches in India provide RTGS Service?**

No, all the bank branches in India are not RTGS enabled. As on date more than 53000 bank branches are enabled for RTGS. The list is available on RBI website [www.rbi.org.in/scripts/bs\\_viewRTGS.aspx](http://www.rbi.org.in/scripts/bs_viewRTGS.aspx)

**All branches of Indian Bank are enabled for RTGS.**

**Is there any way that a remitting customer can track the remittance transaction?**

It would depend on the arrangement between the remitting customer and the remitting bank. Some banks with internet banking facility provide this service. Once the funds are credited to the account of the beneficiary bank, the remitting customer

gets a confirmation from his bank either by an e-mail or by a short message on the mobile.

**Whom do I contact, in case of non-credit or delay in credit to the beneficiary account?**

Contact bank branch. If the issue is not resolved satisfactorily, please contact RTGS Cell, Head Office, Chennai at email [rtgscell@indianbank.co.in](mailto:rtgscell@indianbank.co.in) or [hobod@indianbank.co.in](mailto:hobod@indianbank.co.in) and if still not resolved contact the customer service department of RBI at

The Chief General Manager  
Reserve Bank of India  
Customer Service Department  
1<sup>st</sup> floor, Amar Building, Fort  
Mumbai 400001  
Or  
Send an e-mail to [cgmcsd@rbi.org.in](mailto:cgmcsd@rbi.org.in)

**NEFT: National Electronic Funds Transfer**

**What is NEFT system?**

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 enabled for NEFT.

**Are all bank branches in the system part of the funds transfer network?**

No. As on date, around 53000 branches of 85 banks are participating. Steps are being taken to widen the coverage both in terms of banks and branches.

**All branches of Indian Bank are enabled for NEFT.**

**Whether the system is centre specific or has any geographical restriction?**

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 is 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 website of RBI

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

**How does the NEFT system operate?**

**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. (the same can be done by using net banking service offered by Indian Bank).

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**Step-2:** The remitting branch prepares a SFMS (Structured Financial Messaging Solution) message and sends it to its service centre for NEFT. (NEFT Service Centre, Indian Bank, Head Office, Chennai)

**Step-3:** The service centre forwards the same to National Clearing Cell, RBI, Mumbai to be included for the next available settlement.

Presently NEFT is settled in 6 batches at 900, 1100,1200, 1300,1500,1700 hours on weekdays and 0900, 1100, 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.

### **How is this NEFT system an improvement over the existing RBI-EFT System?**

The RBI-EFT system is confined to the 15 centers where RBI is providing the facility, where as there is no such restriction in NEFT as it is based on centralised concept. The system also uses the state-of-the-art technology for the communication, security etc, and thereby offers better customer service.

### **How is it different from RTGS and EFT?**

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 15 centers only where RBI offices are located.

### **Any limit on the amount of individual transaction?**

There is no value limit for individual transactions.

### **What about process charges/Service charges**

Rs.1 to less than Rs.1 lakh : Rs.5/- per transaction  
Rs.1 lakh and above : Rs.25/- per transaction

### **What is IFS Code (IFSC)? How it is different from MICR Code?**

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 bank code, the next character reserve 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 at a centre.

IFSC is printed on the cheque leaves issued to the customers.

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

Contact your branch. If the issue is not resolved satisfactorily, please contact NEFT Service Centre, Head Office, Chennai (email address: [rtgscell@indianbank.co.in](mailto:rtgscell@indianbank.co.in) or [hobod@indianbank.co.in](mailto:hobod@indianbank.co.in)). If still it is not resolved please contact NCC, Nariman Point, Reserve Bank of India ([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

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

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

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

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

Yes. NEFT is an account funds transfer system

**Can I receive foreign remittance through NEFT?**

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

**Can I send remittances abroad using the NEFT?**

No

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

No

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

Yes, subject to applicability of provisions of FEMA

**Would the customer receive an acknowledgment of money credited to the beneficiary?**

No. However electronic acknowledgement is generated for the customer that his money is received by the beneficiary's bank at the sender branch.

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

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

**Till what time NEFT service window is available?**

There are 6 settlements at 0900, 1100, 1200, 1300, 1500 and 1700 hours on weekdays and 3 settlements at 0900, 1100 and 1200 hours on Saturdays.

**What is the essential information that the remitting customer would have to furnish to a bank for the remittance to be effected?**

The remitting customer has to furnish the following information to a bank for effecting a RTGS remittance.

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3. Name of the beneficiary Bank
4. Name of the beneficiary customer
5. Account number of the beneficiary customer
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7. The IFSC code of the receiving branch

**Net Banking of RTGS/NEFT is available. Please contact your branch.**