National Electronic Funds Transfer (NEFT) System

(Updated as on November 20, 2026)

1. What is National Electronic Funds Transfer system?

Ans: National Electronic Funds Transfer (NEFT) is a nation-wide centralised payment system owned and operated by the Reserve Bank of India (RBI). The set of procedures to be followed by various stakeholders participating in the system is available on the RBI website under the following link: https://rbidocs.rbi.org.in/rdocs/CONTENT/PDFs/NEFTPROCEDURAL27102026628C3B5E957A4B7A931C27AF7E84C5D4.PDF

2. What are the advantages of using NEFT system?

Ans: NEFT offers the following advantages for funds transfer or receipt:

- Round the clock availability on all days of the year.
- Near-real-time funds transfer to the beneficiary account and settlement in a secure manner.
- Pan-India coverage through large network of branches of all types of banks.
- The beneficiary need not visit a bank branch for depositing the paper instruments. Remitter can initiate the remittances from his / her home / place of work using internet banking, if his / her bank offers such service.
- Positive confirmation to the remitter by SMS / e-mail on credit to beneficiary account.
- Penal interest provision for delay in credit or return of transactions.
- No levy of charges by RBI from banks.
- No charges to savings bank account customers for online NEFT transactions.
- The transaction charges have been capped by RBI.
- Besides funds transfer, NEFT system can be used for a variety of transactions including payment of credit card dues to the card issuing banks, payment of loan EMI, inward foreign exchange remittances, etc.
- The transaction has legal backing.
- Available for one-way funds transfers from India to Nepal.

3. How does the NEFT system operate?

Ans: Following is the stepwise flow of NEFT transaction.

Step-1: An individual / firm / corporate willing to transfer funds through NEFT can use the internet / mobile banking facility offered by his / her bank for initiating online funds transfer request. The remitter has to provide details of beneficiary such as, name of the beneficiary, name of the bank branch where the beneficiary has an account, IFSC of the beneficiary bank branch, account type and account number, etc. for addition of the beneficiary to his / her internet / mobile banking module. Upon successful beneficiary addition, the remitter can initiate online NEFT funds transfer by authorising debit to his / her account. Alternatively, the remitter can also visit his / her bank branch for initiating NEFT funds transfer through branch / off-line mode. The customer has to fill-in the beneficiary details in NEFT application form available at the bank branch and authorise the branch to debit to his / her account to the extent of the amount requested in NEFT application form.

Step-2: The originating bank prepares a message and sends the message to its pooling centre, also called the NEFT Service Centre.

Step-3: The pooling centre forwards the message to the NEFT Processing Centre, operated by the RBI, to be included for the next available batch.

Step-4: The Processing Centre sorts the funds transfer transactions beneficiary bank-wise and prepares accounting entries to receive funds from the originating banks (debit) and give the funds to the beneficiary banks (credit). Thereafter, bank-wise remittance messages are forwarded to the beneficiary banks through their pooling centre (NEFT Service Centre).

Step-5: The beneficiary banks receive the inward remittance messages from the Processing Centre and pass on the credit to the beneficiary customers' accounts.

4. What is Indian Financial System Code?

Ans: Indian Financial System Code (IFSC) is an alpha-numeric code that uniquely identifies a bank-branch participating in the NEFT system. It is an 11-digit code with the first 4 alpha characters representing the bank, and the last 6 characters representing the branch. The 5th character is 0 (zero). IFSC is used by the NEFT system to identify the originating / destination banks / branches and also to route the messages appropriately to the concerned banks / branches.

5. How can I find the IFSC of a bank-branch?

Ans: Bank-wise list of IFSCs is available with all the bank-branches participating in NEFT scheme. List of bank-wise branches participating in NEFT and their IFSCs is also available on the website of RBI at https://rbi.org.in/Scripts/bs_viewcontent.aspx?Id=2009. All member banks have also been advised to print the IFSC of the branch on cheques issued to their customers.

6. Who can avail NEFT system for fund transfer / receipt?

Ans: Individuals, firms and corporates maintaining accounts with any member bank, participating in the NEFT system, can electronically transfer funds to any individual, firm or corporate having an account with any other bank in the country participating in the NEFT system.

The list of bank-wise branches participating in NEFT is available on the website of RBI at https://rbi.org.in/Scripts/bs_viewcontent.aspx?Id=2009.

7. Is there any limit on funds / amount to be remitted through NEFT system?

Ans: No, there is no limit imposed by the RBI for funds transfer through NEFT system. However, a member bank may place amount limits based on its own risk perception with the approval of its Board.

8. Can the NEFT system be used for remitting funds even by those who do not have a bank account?

Ans: Yes, a person who does not have a bank account can remit funds through NEFT to a beneficiary having a bank account, with another NEFT member bank. It can be done by depositing cash at the nearest NEFT enabled branch of any bank, by furnishing additional details such as complete address, telephone number, etc. Such cash remittances will, however, be restricted to a maximum of ₹50,000 per transaction.

9. Can I send funds to my relative / friend residing abroad through NEFT system?

Ans: The outbound remittances through NEFT system are permitted only to Nepal under Indo-Nepal Remittance Facility (INRF) Scheme. Under this Scheme, the remitter can transfer funds from any of the NEFT-enabled bank branches in India to Nepal, irrespective of whether the beneficiary in Nepal maintains an account with a bank branch in Nepal or not. The beneficiary would receive funds in Nepalese

Rupees. To better understand the INRF Scheme please refer to FAQs available on the website of RBI at https://rbi.org.in/scripts/FAQView.aspx?Id=67.

10. What are the operating hours of NEFT?

Ans: The NEFT system is available round the clock throughout the year on all days, i.e., on 24x7x365 basis. NEFT presently operates in batches on half-hourly intervals throughout the day. In case of non-availability of NEFT for any reason, appropriate message will be broadcasted by RBI to all system participants.

11. What are the essential details required for remitting funds through NEFT system?

Ans: The essential elements of beneficiary's identification are:

i. Beneficiary's Name
ii. Beneficiary's Branch Name
iii. Beneficiary's Bank Name
iv. Beneficiary's Account Type
v. Beneficiary's Account No.
vi. Beneficiary's Branch IFSC
vii. Sender and Beneficiary Legal Entity Identifier (for eligible transactions)

12. What are the customer charges levied by bank for NEFT transactions?

Ans: There are no charges to be levied for inward transactions at destination bank branches for giving credit to beneficiary accounts.

For outward transactions undertaken using the NEFT system, RBI stopped levying processing charges on member banks from July 01, 2019.

Also, in order to give further impetus to digital retail payments, banks have been advised not to levy any charges from their savings bank account holders for NEFT funds transfers initiated online with effect from January 01, 2020.

The maximum charges which originating bank can levy from its customers for other outward transactions, if they so desire, are given below:

- For transactions up to ₹10,000: not exceeding ₹2.50 (+ Applicable GST)

- For transactions above ₹10,000 up to ₹1 lakh: not exceeding ₹5 (+ Applicable GST)

- For transactions above ₹1 lakh and up to ₹2 lakhs: not exceeding ₹15 (+ Applicable GST)

- For transactions above ₹2 lakhs: not exceeding ₹25 (+ Applicable GST)

The details about charges applicable for transferring funds from India to Nepal using the NEFT system under the INRF Scheme is available on the RBI website at https://rbi.org.in/scripts/FAQView.aspx?Id=67.

13. Can I use NEFT to transfer funds from / to NRE and NRO accounts?

Ans: Yes, NEFT can be used to transfer funds from / to NRE and NRO accounts in the country. This, however, is subject to the adherence of the provisions of the Foreign Exchange Management Act, 2000 (FEMA) and Wire Transfer Guidelines.

14. Can I originate a NEFT transaction to draw / receive funds from another account?

Ans: No. NEFT is a credit-push system i.e., transactions can be originated by the payer / remitter / sender only to pay / transfer / remit funds to beneficiary.

15. How can I track status of NEFT transactions initiated? Who should be approached to know status of the NEFT transaction?

Ans: The remitter and the beneficiary can track status of NEFT transaction by contacting NEFT Customer Facilitation Centre (CFC) of their bank, respectively. Details of NEFT CFCs of banks are available on the websites of the respective banks. The details of CFC of member banks are also available on the website of RBI at https://www.rbi.org.in/Scripts/bs_viewcontent.aspx?Id=2070.

For faster tracking of transaction, you may need to provide a few details related to transaction such as Unique Transaction Reference (UTR) number / transaction reference number, date of transaction, sender IFSC, amount, beneficiary name, beneficiary IFSC, etc., to your bank.

16. What is the Help Desk / Contact point at the RBI?

Ans: The NEFT Help Desk / Contact point of the RBI can be approached at nefthelpdesknc@rbi.org.in.

17. How much time should I expect for receipt of funds by beneficiary?

Ans: A timeline of two hours from the batch settlement can be expected, within which beneficiary's account should be credited.

18. What happens if I write wrong account number of beneficiary?

Ans: The credit is given to the account number written / given by remitter in his / her application / instruction. Credit to beneficiary account is released solely based on account number. It is the responsibility of remitting customer to write correct account number. The originator / sender should exercise due care in providing **the correct account number of the beneficiary**, in the NEFT remittance instruction / application.

19. For an NEFT transaction what should be mandatorily given in a customer account statement?

Ans: NEFT Members/banks shall mandatorily provide Sender Name (the ordering customer) and Creditor Name (the beneficiary customer). The member participants/banks shall furnish name of the beneficiary in the passbook / account statement of originator and name of ordering customer in the passbook / account statement of beneficiary.

20. What is beneficiary bank account name look-up facility and how can it be used?

Ans: This is a free facility which allows a remitter to verify the beneficiary bank's account holder's name (as registered in beneficiary bank's Core Banking Solution) before initiating a fund transfer. It helps to prevent fraud and wrong-account routing.

21. Whom should I approach for raising dispute / complaint related to NEFT transaction?

Ans: You may approach grievance redressal cell of your bank with details of the disputed transaction. In case your grievance is not resolved as per the timeline prescribed in "The Reserve Bank-Integrated Ombudsman Scheme (RB-IOS 2026)", you may lodge a complaint under the said Scheme. . The RB-IOS 2026 provides a single reference point for customers to file complaints against the RBI regulated entities specified therein. The RB-IOS, 2026 is available at the following path on the RBI
website: https://cms.rbi.org.in/cms/assets/Documents/Ombudsman_Scheme_English.pdf.

22. What are the practices which should be adopted by a customer for safe and secure digital payments?

Ans: The webpage of RBI- "RBI Kehta Hai" at https://rbikehtahai.rbi.org.in/ for information regarding ways to ensure safe and secure digital payments can be referred to.

23. What is Legal Entity Identifier and how is it relevant in case of large value NEFT transactions?

Ans: The FAQs on "Legal Entity Identifier (LEI) for Large Value Transactions in Centralised Payment Systems" on the RBI website at https://www.rbi.org.in/Scripts/FAQView.aspx?Id=140 can be referred to.

24. Are there special NEFT requirements for FCRA-related transactions?

Ans. Yes. NEFT members must use the prescribed transaction type codes for transactions relating to the Foreign Contribution (Regulation) Act, 2010, wherever applicable. Customers undertaking such transactions need to provide accurate purpose and related information to their bank.

25. What is the process for applying for the membership of NEFT?

Ans: The entity desirous of becoming NEFT member should be an RTGS member or it should seek approval for both RTGS and NEFT at the time of applying for approval for membership of Centralised Payment Systems (CPS). The procedure for applying for CPS membership has been provided in NEFT Procedural Guidelines which can be accessed at https://rbidocs.rbi.org.in/rdocs/CONTENT/PDFs/NEFTPROCEDURAL27102026628C3B5E957A4B7A931C27AF7E84C5D4.PDF.

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