

Discussion on RTGS/NEFT

RTGS - Real Time Gross Settlement.

NEFT - National Electronics Funds Transfer System.

REAL TIME GROSS SETTLEMENT

1. 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'.
2. This is the fastest possible money transfer system through the banking channel.
3. Settlement in 'real time' means payment transaction is not subjected to any waiting period. The transactions are settled as soon as they are processed.
4. 'Gross settlement' means the transaction is settled on one to one basis without bunching with any other transaction.
5. Considering that money transfer takes place in the books of the Reserve Bank of India, the payment is taken as final and irrevocable .

NATIONAL ELECTRONICS FUND TRANSFER SYSTEM

1. Funds are transferred to the credit account with the other participating Bank using RBI's NEFT service.
2. RBI acts as the service provider and transfers the credit to the other bank's account.
3. NEFT operate on a deferred net settlement (DNS) basis which settles transactions in batches.
4. In DNS, the settlement takes place at a particular point of time. All transactions are held up till that time.

Why RTGS/NEFT

1. Lower cost of transaction of RTGS/NEFT as compared to cost of transaction and remittance through draft
2. Draft Issue to Payment – long process, cancellation, duplicate draft issue, revalidation, IOR issues, frauds, Staff accountability
3. Customer Benefit – Immediate credit

4. Low transaction time, no printing, shorten the queues
5. Drafts will be phased out in the coming years.

RTGS/NEFT Service Availability

RTGS Transactions will be sent to RBI Based on the following Schedule:

<u>Day</u>	<u>Start Time</u>	<u>End Time</u>
Monday to Friday	9.00 hrs	16.30 hrs
Saturday	9.00 hrs	13.30 hrs

NEFT Transactions will be sent to RBI Based on the following Schedule

<u>Day</u>	<u>Start Time</u>	<u>End Time</u>
Monday to Friday	8.00 hrs	16.00 hrs
Saturday	8.00 hrs	11.30 hrs

1. For a funds transfer to go through RTGS/NEFT, both the sending bank branch and the receiving bank branch would have to be RTGS/NEFT enabled
2. In rare cases of system failure at RBI/Banks respective softwares, manual intervention is required to clear the Blocked funds
3. NEFT transactions are settled in batches based on the following timings:
 - 11 settlements on weekdays - at 09:00, 11:00, 12:00, 13:00, 15:00 and 17:00 hrs.
 - 5 settlements on Saturdays - at 09:00, 11:00 and 12:00 hrs.

Minimum/Maximum Amount For RTGS/NEFT Transactions:

<u>Transactions</u>	<u>Minimum</u>	<u>Maximum</u>
RTGS	Rs. 2 Lakh	No Limit
NEFT	No Limit	No Limit

Processing Fee/ Service Charge For RTGS/NEFT Transactions:

<u>Transactions</u>	<u>Minimum</u>	<u>Maximum</u>
RTGS	From 2 Lakh upto 5 Lakh 5 Lakh & Above	Not Exceeding Rs. 30/- Not Exceeding Rs. 55/-
NEFT	upto Rs. 1 Lakh Rs. 1 Lakh to 2 Lakh Above 2 Lakh	Rs. 5/- Rs. 15/- Maximum Rs. 25/- Maximum

No Charges to be Levied for Inward Transactions.

This Remitting Customer Must have Following Information for the Remittance to be effected.

- Amount to be Remitted.**
- Account no. which is to be debited.**
- Name of the Beneficiary Bank.**
- Name of the Beneficiary Customer.**
- Account No. of the Beneficiary Customer.**
- The IFSC no. of the Receiving Branch. (available on the cheque leaf.)**

Transaction Flow: RTGS

The screenshot displays a software interface for creating an RTGS message. The window title is "SCR:020035 Transfer Payments: Create RTGS Message". The interface is divided into several sections:

- Message Type:** A dropdown menu set to "01 Transfer".
- Mode Of Operation:** A dropdown menu set to "01 Transfer".
- Amount:** A text field containing "INR".
- Account Number:** A text field with a "Search" button next to it.
- Commission:** A text field.
- Total Amount:** A text field containing "INR".
- Beneficiary Details:**
 - Beneficiary A/C:** A text field.
 - Benef. Name And Address:** A text area with multiple lines.
- Beneficiary Bank/Branch:**
 - IFSC Code:** A text field.
- Details of Payment:** A text area with multiple lines.
- Remitting Customer Details:**
 - Remitter's Name And Address:** A text area with multiple lines.
- Sender's To Receiver Information Code:** A dropdown menu.

At the bottom, there are two buttons: "Transmit" and "Close".

On the right side, there is a sidebar with a tree view of the application menu. The "RTGS Messages" section is expanded, showing options like "Create Outgoing Messages(Transf)", "Create Outgoing Messages(Cheque)", "Create Outgoing Messages(Cash Mode)", and "Enquire/Maintain". Below the tree view, there is a status bar showing "ONLINE", "Teller: 288906", "Branch: 2889", "Date: 09/08/2007", and "Time: 12:08".

Transaction Flow: RTGS (Cheque)

Bancslink Version 2.9.5 - Microsoft Internet Explorer

Address: http://10.36.14.33:6001/

\\ SCR:0051025 Cheque Payments: Create RTGS Message

Message Type: R41 Customer Payment
Mode Of Operation: 02 CHEQUE
Amount:
Account Number:
Commission:
Cheque No.:
Instrument Date:
Instrument Type:
Total Amount: INR

Beneficiary Details
Beneficiary A/C:
Benef. Name And Address:
Beneficiary Bank/Branch:
IFSC Code:
Details of Payment:
Remitting Customer Details
Remitter's Name And Address:
Sender's To Receiver Information Code:

Transmit Close

SDV/SC
Collection and Cheque Purchase
Batch Transactions
Balanced Batch
Bulk Draft Issue
RBI File Upload
Bulk Account Creation
Reports
Parameters
User/System Administration
General Enquiries
Foreign Exchange
Foreign Exchange BPR
Global Payments Gateway System
Other Delivery Channels
Service Branch
Inter Bank Transfer
RTGS Messages
Create Outgoing Messages(Transfer)
Create Outgoing Messages(Cheque)
Create Outgoing Messages(Cash Mode)
Enquire/Maintain
NEFT Messages
GRPT Messages
Remittance to Nepal

ONLINE
Teller: 288906
Branch: 2889
Date: 09/08/2007
Time: 15:00

Transaction Flow : RTGS (Cash)

Bancslink Version 2.9.5 - Microsoft Internet Explorer

Address: http://10.36.14.33:6001/

\\ SCR:020075 Cash Payments: Create RTGS Message

Message Type: R41
Mode Of Operation: 03 CASH MODE
Amount:
Account Number: 0
Commission:
Total Amount: INR

Beneficiary Details
Beneficiary A/C:
Benef. Name And Address:
Beneficiary Bank/Branch:
IFSC Code:
Details of Payment:
Remitting Customer Details
Remitter's Name And Address:
Sender's To Receiver Information Code:

Transmit Close

Balanced Batch
Bulk Draft Issue
RBI File Upload
Bulk Account Creation
Reports
Parameters
User/System Administration
General Enquiries
Foreign Exchange
Foreign Exchange BPR
Global Payments Gateway System
Other Delivery Channels
Service Branch
Inter Bank Transfer
RTGS Messages
Create Outgoing Messages(Transfer)
Create Outgoing Messages(Cheque)
Create Outgoing Messages(Cash)
Enquire/Maintain
NEFT Messages
GRPT Messages
Remittance to Nepal
IFSC Code Maintenance
Cash Management Product
EDI Customs

ONLINE
Teller: 288906
Branch: 2889
Date: 09/08/2007
Time: 15:09

Status enquiry of RTGS Messages Inward or Outward

UTR - Number: UTIBH07244002233 Serial No : 0

(OR)

Incoming/Outgoing: IC: Incoming Core Me Status: Processed

Message Type: R41: Customer Payme Branch Code : 00390

Transaction Date: 01/09/2007

SrNo	UTR Number	Amount	Status
1	UTIBH07244002233	2709529	PROCESSED

More View Transmit Close

ONLINE
Teller: 3355624
Branch: 2866
Date: 04/09/2
Time: 13

- 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

Conclusion:

- On a typical day, RTGS handles about 60,000 transactions a day for an approximate value of Rs.2,700 billion
- RTGS/NEFT facility is available in more than 53000 different bank branches throughout country

Queries as well as Suggestions are always welcomed.

Keep Smiling.....Be updated and Informed.....