GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:784
ANSWERED ON:12.11.2010
NEFT
Ganpatrao Shri Jadhav Prataprao

Will the Minister of FINANCE be pleased to state:

(a) whether the National Electronic Fund Transfer (NEFT) has been started by the banks;

(b) if so, the salient features thereof alongwith the details of monthly transactions being done through NEFT;

(c) whether the Government proposes to expand the working hours as well as to strengthen the NEFT; and

(d) if so, the details thereof alongwith the action taken in this regard?

Answer

The Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a): Reserve Bank of India (RBI) has started National Electronic Fund Transfer (NEFT) facility since November 2005 and presently 98 banks offer this facility in the country.

(b): Salient features of NEFT facility are:- (i) It is a secure and electronic payment system for facilitating one-to-one funds transfer requirements of individuals and corporates; (ii) This facility is available from 9.00 hours in the morning to 19.00 hours on week days and 9.00 hours to 13.00 hours on Saturdays; (iii) It facilitates origination of transactions by walk-in-customers upto Rs. 50,000 without the need for a bank account; (iv) There are no minimum or maximum amount restrictions; (v)It has reach of over 70,000 branches as on date; (vi) This system provides batch settlements at every hourly interval, thus enabling near real-time transfer of funds.

A volume of 11.6 million transactions was processed during October, 2010.

(c) & (d): Encouraged with the overwhelming response to the NEFT system, the number of settlements on week days and Saturdays have been increased from 6 and 3 to 11 and 5 respectively with effect from March 1, 2010. Tightening of Return timing, increase in the operating hours, move to hourly settlements and implementation of Positive Confirmation are some of the steps taken to strengthen the NEFT system. Efforts are on to extend NEFT facility to branches of Regional Rural Banks.