



भारत सरकार Government of India  
रेल मंत्रालय Ministry of Railways  
रेलवे बोर्ड (Railway Board)



**RBA No. 141/2017**

No.2017/ACII/9/4

New Delhi, dated: 04.10.2017

PFA's

All Zonal Railways/PUs.

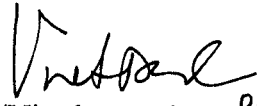
Sub: Clarifications regarding practices of netting of applicable MDR charges on Government dues paid through Debit/Credit Cards.

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Attention is invited to Board's letter of even no. dated 26.05.2017 (RBA No. 63/2017). In this regard, please find enclosed a copy of Department of Government and Bank Accounts, Reserve Bank of India, Mumbai's letter no. DGBA.GBD.No. 505/31.02.007.2017-18 dated 07.09.2017 regarding absorption of MDR charges on debit card/credit card circulated under Controller General of Accounts/ Ministry of Finance's letter no. S-11012/1(12)/MDR/2017/GBA/5438-97 dated 27.09.2017 for information and necessary action.

Kindly acknowledge receipt.

DA: As above

  
(Vivek P. Tripathi) 04/10/2017  
Director Finance(CCA)  
Railway Board

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**Office of the  
Controller General of Accounts  
Ministry of Finance  
Department of Expenditure  
Mahalekha Niyantak Bhawan  
E Block, INA, New Delhi  
Tele/Fax : 011-24649365  
Email: [sao-rbd@nic.in](mailto:sao-rbd@nic.in)**

**No. S-11012/1(12)/MDR/2017/GBA/5438-97 27<sup>th</sup> September 2017**

**Office Memorandum**

**Sub:- Clarifications regarding practices of netting of applicable MDR Charges on Government dues paid through Debit/Credit Cards**

Please find enclosed herewith a copy of the Department of Government and Bank Accounts, Reserve Bank of India, Mumbai circular No. DGBA. GAD. No. 505/31.02:007/2017-18 dated 7<sup>th</sup> September 2017 addressed to all the agency banks regarding absorption of MDR Charges on debit card/Credit Card for information and necessary action.

Encl. as above



**(Shailendra Kumar)**  
Deputy Controller General of Accounts (GBA)

To

- (i) All Pr. CCAs/CCAs/CAs (Independent Charge)
- (ii) Advisor (Accounts), Railway Board, Ministry of Railways, New Delhi
- (iii) Jt. Controller General of Defence Accounts, O/o the Controller General of Defence Accounts, Raksha Lekha Bhawan, Ulaan Batoor Raod, Delhi Cantonment, Delhi - 110010.
- (iv) Deputy Director General (Accounts), Department of Telecommunications, Sanchar Bhawan, Ashok Road, New Delhi - 110 001.
- (v) Deputy Director General (PAF), Department of Posts, Dak Bhawan, Sansad Marg, New Delhi - 110 001
- (vi) Director, O/o the DGACR, AGCR Building, New Delhi - 110002
- (vii) Sr. AO (ITD) with the request to upload the same on the CGA's website.



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

DGBA.GBD.No.505/31.02.007/2017-18

September 5, 2017

All Agency Banks

Dear Sir / Madam

**Reimbursement of Merchant Discount Rate (MDR) Charges for Government transactions up to Rs.1 lakh through debit cards**

Please refer to Circular No. DGBA.GAD.No.2128/44.02.001/2016-17 dated February 16, 2017, read with the OM No. S-11012(1(12)/MDR/2017/RBD/824-894 dated May 11, 2017 issued by O/o the CGA and our clarificatory mail dated May 23, 2017 regarding the reimbursement of Merchant Discount Rate.

2. It is again clarified that the full amount paid to the Government by the customers / through debit / credit cards should be remitted to the concerned Government Ministry / Department. The reimbursement of MDR charges on debit card use (up to Rs.one lakh) can be claimed from RBI separately as per extant guidelines. Deduction of MDR charges from the receipts of government is not permissible at all.

3. Please note that MDR charges on debit card transactions above Rs.one lakh and on any credit card transaction are not being absorbed by Government of India and hence will not be reimbursed by RBI. Accordingly, agency banks should not deduct MDR charges from the receipts of the government in these cases also.

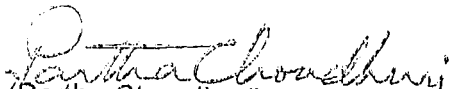
4. It may please be noted that as directed by the O/o the CGA vide its OM No.S-

सरकारी एवं बैंक लेखा विभाग, केन्द्रीय कार्यालय, मुंबई सेंट्रल रेल्वे स्टेशन के सामने, भायखळा, मुंबई 400 008  
Department of Government & Bank Accounts, Central Office, Opp. Mumbai Central Railway Station, 4<sup>th</sup> Floor, Byculla, Mumbai 400 008  
Telephone: (022) 2308 4121, Fax No. (022) 2300 0370/2301 6072/2301 0095, e-mail: pcgmdgbaco@rbi.org.in

हिन्दी आसाम है, इसका प्रयोग बदाइय ।

11012/1(12)/MDR/2017/RBD/824-894 dated May 11, 2017, agency banks which have remitted the net amount of Government receipts after deduction of MDR charges to the Ministries/Departments in contravention of the guidelines referred to above are required to remit the MDR charges so deducted immediately to the concerned Ministry/Department under intimation to Reserve bank of India.

Yours faithfully

  
(Partha Choudhuri)  
General Manager



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2016-17/228

DGBA.GAD.No.2128/44.02.001/2016-17

February 16, 2017

All Agency Banks

Dear Sir,

**Reimbursement of Merchant Discount Rate**

The Government of India (GoI) has decided to absorb the Merchant Discount Rate (MDR) charges in respect of debit card transactions while making payments to GoI. The Office Memoranda issued by the Office of Controller General of Accounts dated December 14 and 15, 2016 and Central Board of Direct Taxes dated January 30, 2017 in this regard are enclosed. Agency banks may also be guided by the extant RBI Circulars regarding the applicable MDR rates.

2. In order to operationalise the above, RBI will reimburse banks the MDR on debit cards used for payment of tax and non-tax dues to the Government of India with effect from January 1, 2017. Agency banks are advised to forward their claim for reimbursement of MDR along with statutory auditor's certificate, as in the case of agency commission claims, to our CAS Nagpur on a quarterly basis. The claims may be signed by the Officer-in-Charge of the Government Banking Division of the bank. He should also certify that MDR charges for transaction amounts upto ₹ 1.00 lakh have not been collected from the payer. The first such claim may be made by April 30, 2017 for the quarter ending March 31, 2017.

Yours faithfully,

(Partha Choudhuri)  
General Manager

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