

Government of Odisha
Finance Department

No. 26237 /F., Bhubaneswar, Dt. 20.11.2018
FIN-TRY-CMS-0001-2017

From,

Shri D.Biswal,
Joint Secretary to Government,

To

**The Additional Chief Secretary to Government/
The Principal Secretary to Government/
The Commissioner-cum-Secretary to Government/
The Secretary to Government/
The Principal Accountant General (A&E), Odisha/
All Heads of Department**

Sub: Merchant Discount Rate (MDR) on Debit Cards for State Government transactions-clarification regarding.

Sir,

In inviting a reference to the subject cited above, it is indicated that, Finance Department vide Office Memorandum No.22909/F, dt.11.07.2018 have laid down operational procedure for collection of State Government Receipts through Point of Sale (PoS) devices - Mobile PoS, BHIM UPI, Bharat QR Code, AePS Devices in Government Offices to receive digital payment of all kinds.

2. In the said Office Memorandum, the maximum Merchant Discount Rate (MDR) on Debit Card transactions (as per the guidelines issued by Reserve Bank of India vide their Circular dated 6th December, 2017) has been defined as follows:

Sl. No.	Merchant Category	Merchant Discount Rate (MDR) for Debit Card transactions (as a % of transaction value)	
		Physical PoS infrastructure including online card transactions	QR code-based card acceptance infrastructure
1.	Small merchants (with turnover upto Rs. 20 lakh during the previous financial year)	Not exceeding 0.40% (MDR cap of Rs. 200 per transaction)	Not exceeding 0.30% (MDR cap of Rs. 200 per transaction)
2.	Other merchants (with turnover above Rs. 20 lakh during the previous financial year)	Not exceeding 0.90% (MDR cap of Rs. 1000 per transaction)	Not exceeding 0.80% (MDR cap of Rs. 1000 per transaction)

3. In the Office Memorandum it is also laid down that, for digital transactions taking place through Debit Cards/BHIM UPI/AePS Devices up to Rs.2000/-, MDR will be borne by the Government of India as per Gazette Notification of Ministry of Electronics and Information Technology, Government of India for a period of two years w.e.f. 1st January 2018. However, for transaction value above Rs.2000/-, MDR will be applicable on the entire transaction value.

4. Now, in connection with Merchant Discount Rate (MDR) on debit cards for State Government transactions, it has been clarified by Reserve Bank of India vide their Letter DPSS.CO.PD No. 708/02.14.003/2018-19 dated 27th September, 2018 that, their circular dated 6th December, 2017 on MDR for debit card transactions prescribes the maximum MDR that can be charged by the acquiring banks. However, the actual MDR payable by the merchant to the acquiring banks is based on mutual agreement. Therefore, in case of Government receipts, the actual MDR to be effected can be negotiated by the concerned Departments of the Government with the respective acquiring banks (Agency Banks) and the rate so negotiated may be intimated to Finance Department.

Yours faithfully,

Dr. Sube
Joint Secretary to Government
20.11.18

Memo No. 36238 /F., Dated. 20-11-2018

Copy forwarded to Secretary to Governor, Odisha, Bhubaneswar / ACS to Chief Minister, Odisha / Secretary, OLA, Bhubaneswar / All Revenue Divisional Commissioners /All Collectors & District Magistrate/ All District and Session Judges/ All Sub-Collectors /DAG, Odisha, Puri / Director General, Gopabandhu Academy of Administration, Bhubaneswar / Director, Madhusudan Das Regional Academy of Financial Management, Bhubaneswar/ Director Small Savings, Finance Department, Odisha, Bhubaneswar/ Biju Pattnaik State Police Academy, Bhubaneswar/ Director Institutional Finance, Finance Department, Odisha, Bhubaneswar/Regional Director, Reserve Bank of India, Public Accounts Department, Bhubaneswar /Principal, Secretariat Training Institute, Bhubaneswar/ Principal, Odisha Shorthand & Typewriting Institute, Bhubaneswar for information and necessary action.


20/11/18
Under Secretary to Government

Memo No. 36239 /F., Dated. 20-11-2018

Copy forwarded to Directorate of Treasuries and Inspection, Odisha, Bhubaneswar/ All Treasury Officers of District Treasuries and Special Treasuries / Sub-Treasuries for information and immediate necessary action.


20/11/18
Under Secretary to Government

Memo No. 36240 /F, dt. 20-11-2018

Copy forwarded to the DGM, Allahabad Bank, Regional Office, 3/1-B, Civic Centre, IRC Village, Nayapalli, Bhubaneswar-751005/ Regional Head, Andhra Bank, Circle Office, M-14, Baramunda Housing Board Colony, Bhubaneswar-751013 / Regional Head, Union Bank of India, Regional Office, 3/1-A, Civic Centre, IRC Village, Nayapalli, Bhubaneswar-751015 / DGM, United Bank of India, Regional Office, Region-1, A/32, Kharavela Nagar, Unit-3, Bhubaneswar-751001 / AXIS Bank, Plot No. 1, Nandighos Estates, Bapuji Nagar, Bhubaneswar-751009/ Local Head, HDFC, Bank, Plot No. 295/2926, 1st Floor, NH-5, Patrapada, Bhubaneswar-751019/ Zonal Office, ICICI Bank, 1st Floor, Bhanjaprava Building, In front of Sriya Talkies/ IDBI Bank, IDBI House, Ground Floor, Unit-IX, Janapath, Bhubaneswar-751002/Oriental Bank of Commerce, Alok Bharati Tower, Saheednagar, Bhubaneswar-751007/ DGM-ZM, Bank of India, Zonal Office, Star House, 1/1-D, Jayadev Vihar, Nayapalli, Bhubaneswar-751015 / CGM, LHO, State Bank of India, 3/1, Local Head Office, Pandit Jawaharlal Nehru Marg, Bhubaneswar-751001 / DGM, Canara Bank, Circle Office, Red Cross Bhawan, 1st Floor, Bhubaneswar-751022 / DGM, Indian Bank, Circle Office, B-2, East Saheed Nagar, Bhubaneswar-751007 / Sr. RM, Central Bank of India, Regional Office, 104, Surya Nagar, Bhubaneswar-751001/ GM & Circle Head, Circle, UCO Bank, 3rd Floor, C/2, Ashok Nagar, Unit-II, Bhubaneswar-751009/ DGM, Indian Overseas Bank, Regional Office, B-2, West Saheed Nagar, Bhubaneswar-751007 / DGM, Punjab National Bank, Circle Head, Circle Office, 4th Floor Din Dayal Bhawan, Janapath, Ashok

Nagar, Bhubaneswar-751009 / Convener, SLBC, UCo Bank, 3rd Floor, C/2, Ashok Nagar, Unit-II, Bhubaneswar-751009 for information and necessary action.


20/11/18
Under Secretary to Government

Memo No. 36241 /F., dtd. 20.11.2018

Copy forwarded to all Officers of Finance Department /all Branches of Finance Department / Joint Secretary in charge of PU&IF, Branch/ Deputy Examiner, Local Fund Audit, Finance Department/ Efficiency Audit Organization, Finance Department for information and necessary action.


20/11/18
Under Secretary to Government

Memo No. 36242 /F., dtd. 20.11.2018

Copy along with copy of the enclosure forwarded to the Head, Portal Group, Secretariat, Odisha, for information and necessary action. It is requested to hoist this Memorandum in the website (www.odisha.gov.in/finance/index.htm) of Finance Department for general information.


20/11/18
Under Secretary to Government