

RBI/2008-2009/381

DPSS. (CO) No. **1381** /04.09.03/2008-09

February 09, 2009

Chairman and Managing Director /
Chief Executive Officer of all banks participating in NEFT

Dear Sir/Madam,

Indo – Nepal Remittance Scheme – Revision of service charges

Please refer to our circular DPSS CO No. 1740/4.09.03/2008-09 dated April 29, 2008 regarding launch of Indo-Nepal Remittance Scheme with effect from May 15, 2008 and forwarding there with Procedural Guidelines on Indo- Nepal Remittance Scheme.

2. As you are aware Indo-Nepal remittance is riding on the NEFT system. A separate transaction code i.e. 51 has been provided in the NEFT system for Indo-Nepal Remittances. It was observed that the usage of Indo-Nepal scheme was very limited. After discussion with stakeholders it has been decided to revise the service charges to be levied to customers for funds transfer from India to Nepal through Indo-Nepal remittance scheme. The revised charges are applicable with immediate effect. The details of the revised charges are as under:

- i. Originating bank – Maximum Rs 5/- per transaction – aligned with NEFT
- ii. State Bank of India – Rs 20/- per transaction. SBI would share this Rs.20/- with NSBL at Rs.10 each. NSBL would not charge any additional amount for crediting the beneficiary, if he maintains an account with it.
- iii. In case the beneficiary does not maintain an account with NSBL then, an additional amount would be charged- Rs 50/- for remittances up to Rs 5,000/- and Rs 75/- for remittance above 5,000/-.

3. Originating branches of participating banks may please note to recover the entire charges and pass on the appropriate amount to SBI after retaining their share.

4. Further, it has been observed that the awareness at branch level is very inadequate on the Indo-Nepal Scheme. We, therefore, request to take necessary steps to create awareness about the scheme amongst officials manning branches as also the branch counters.

Yours faithfully

(K. N. Krishnamurthy)
General Manager