

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:835
ANSWERED ON:25.02.2011
MOU BETWEEN SBI AND INDIAN ARMY
Deshmukh Shri K. D.

Will the Minister of FINANCE be pleased to state:

- (a) whether the State Bank of India has signed any Memorandum of Understanding (MoU) with Indian Army for the disbursal of pay to the personnel of armed forces in the country;
- (b) if so, the details thereof;
- (c) whether the Government has fixed any time-limit for the implementation of the said MoU; and
- (d) if so, the date on which the MoU is likely to be implemented?

Answer

MINISTER OF THE STATE IN MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): State Bank of India (SBI) has informed that they have signed a Memorandum of Understanding (MoU) with Indian Army on 28.01.2011 for offering Defence Salary Package. Under the MoU, SBI has offered Zero Balance Account facility, free Multi City Cheque, anywhere banking, concessions in personal segment loans like rebate in interest, concession in margin and waiver of processing fees, free remittances, etc. The unique account number, allotted to the army personnel, can be retained even after retirement for drawing pension. The same package has been extended to Air Force and Navy as also to the Central Paramilitary Forces.

(c) & (d): The MoU is implemented with immediate effect for a period of 3 years.