

*Integrated Headquarters
Ministry of Defence (Navy)
Directorate of Pay and
Allowances
D-II Wing, Sena Bhawan
New Delhi- 110105*

**MEMORANDUM OF UNDERSTANDING (MoU) BETWEEN
THE INDIAN NAVY AND IDBI BANK LTD.**

This Memorandum of Understanding (MoU) is made on 23rd day of July, 2010 between President of India acting through the Integrated Headquarters of Ministry of Defence (Navy) through Cmde Jaywant Korde, VSM, Principal Director, Pay & Allowances, Integrated Headquarters of Ministry of Defence (Navy) having its office at Sena Bhawan, New Delhi-110105 hereinafter called the "**Indian Navy**" which expression shall unless the context otherwise requires include its Successors and permitted assigns on the first part.

And

IDBI Bank Ltd, a company incorporated and registered under the Companies Act, 1956. (1 of 1956) and banking company, within the meaning of Section 5 (c) under the Banking Regulation Act 1949 carrying the business of banking and having its Registered office at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400 005, through. Sh P K Das, General Manager & Head-Branch Banking (hereinafter referred to as 'IDBI Bank Ltd /the Bank' which expression shall, unless it be repugnant to the context or meaning thereof, mean and include its successors and assigns) of the second part.

IDBI Bank Ltd and **Indian Navy** are collectively referred to as the "**the parties**".

And Whereas

The Indian Navy in its efforts to simplify and streamline the salary disbursement procedure and to make available modern banking facilities to its personnel has called for and evaluated proposals from various banks and has decided to accept the proposal submitted by **IDBI Bank Ltd** as one of the Banks among others.

And **IDBI Bank Ltd** possessing technologically advanced infrastructural facilities having offered to provide banking services as detailed herein below to the Indian Naval Personnel who would be operating their salary accounts with **IDBI Bank Ltd**.

Now this Memorandum of Understanding (MoU) witnesseth as under :

Both Parties have agreed as follows:-

1) Period of MOU

This MOU shall commence as of the effective date and shall be operative initially for a period of 3 years w.e.f. 23rd July, 2010 which may be extended for a further period of another 3 years or as mutually agreed by both the parties.

2) Credit of Salary

- a) The **IDBI Bank Ltd**, upon receipt of consolidated cheque from the Indian Navy, undertakes to credit salary into account of all Naval Personnel who may be holding their accounts in the various branches, at various stations of the **IDBI Bank Ltd**, by **last working day of the month** or on dates communicated in writing by the **Indian Navy** through **Naval Pay Office, Mumbai**.
- b) The **Indian Navy** undertakes to issue a consolidated cheque payable at **Mumbai** towards total salary of Naval personnel having their accounts in the Bank. The consolidated cheque will be issued 03 days in advance together with salary details of personnel on magnetic media on format mutually decided by both the parties. The consolidated salary cheque as well as the bank account/salary details will be provided to the Bank by the **Indian Navy(Naval Pay Office, Mumbai)** two or three working days before the date of actual disbursement of salary. In case of any unavoidable circumstances, the Bank, on request from Indian Navy may also collect the cheque and salary/bank details from Naval pay office, Mumbai. The bank will arrange **timely clearance** of the cheque from the Reserve Bank of India and ensure that the salary is credited to respective accounts and is available for withdrawal at the start of the normal banking hours on the **schedules date** of disbursement of salary. IDBI Bank Ltd will forward a list of personnel whose amount is not credited to the account due to any reason to Naval Pay Office within 02 working days after the cheque is realized with exact reasons for not crediting like account closed, Name/Account no. mismatch etc. All efforts will be taken to ensure that remittances sent are not returned for frivolous reasons. Bank will run a check band on Name and Account no.
- c) **Sundry Payments during the Month**. All other sundry payments during the month are also to be remitted to individual account holders as per details provided by Naval pay office. For all non salary payments money will be transferred to respective accounts within one working day of realization of cheque. In case of failed transaction, details of the accounts along with the amount where money could not be transferred should be intimated in writing to the Naval Pay Office within 02 working days.

The **IDBI Bank Ltd will not charge** any commission or service charges either from the individual or **Indian Navy** for this service.

3) Facilities to Salary Account Holders

The Bank undertakes to provide following facilities/ services to Indian Naval Personnel who would be drawing their salary through IDBI Bank's defence salary Account: -

Details of Features and Benefits

Account Balance Requirement	Pride-Crown		Pride-Imperial	
Eligibility	Sea man II , Seaman I , Leading Sea Man, Petty Officer, Chief petty officer, Master Chief Petty Officer II, Master Chief Petty Officer I, Midshipman, Sub Lieutenant, Lieutenant, Lieutenant. Commander		Commander and above, to all High Rank senior Officials.	
Minimum Balance Requirement (If salary is not credited for continuous three months, the salary account benefits will be withdrawn and account will be transferred to Super Savings Scheme without any further intimation with AQB requirement of Rs. 5000)	Nil		Nil	
Lifetime Unique Account Number.	Available		Available	
Saving Account with Flexi-fixed deposit	Sweep out to Fixed Deposit available over savings balance of Rs. 25000. In multiples of Rs. 10,000 for a tenure of min 6 months.* *On customer specific request		Sweep out to Fixed Deposit available over savings balance of Rs. 25000. In multiples of Rs. 10,000 for a tenure of min 6 months.* *On customer specific request	
Passbook	Available		Available	
Cheque Book Charges				
Free personalized PAP OR local cheque book available (Charges as applicable for bulk indent of cheque books /Continuous cheque leaves)	Unlimited, free		Unlimited, free	
Payable at Par Charges PAP utilization	Free without limits		Free without limits	
Transaction on other Banks ATMs				
	Bal enq	cash withdrawal	Bal enq	cash withdrawal
Domestic	Free	20 cash withdrawal transactions free at	Free	Free. Unlimited.

		other Banks ATM, monthly. Rs. 20 per withdrawal above the free limit (Free limit includes the 5 transactions as mandated by RBI)	
International	Rs.30	Rs.140	Free
International Debit Cum ATM Card features	Free Unlimited transactions, International Debit cum ATM Gold card. Visa Flag card		Free Unlimited transactions, International Debit cum ATM Platinum card. Visa Flag card.
	Daily limits		Daily limits
	Customers can withdraw cash upto Rs 75,000/- . Rs.75,000 limit for point of Sale/Merchant establishments		Customers can withdraw cash upto Rs.1 lac. Rs.2 Lacs limit for point of Sale/Merchant establishments
	Loyalty Redemptions*		Loyalty Redemptions*
	Customers will gain 1 loyalty point for every Rs 100 spent on the Gold Card. Customers can redeem each point for a cash credit of Re 1 to their account.		Customers will gain 2 loyalty points for every Rs 100 spent on the Platinum Card. Customers can redeem each point for a cash credit of Re 1 to their account subject to the minimum accumulation of 1000 points.
	Petrol Surcharge Waiver*		Petrol Surcharge Waiver*
	Petrol surcharge will be waived off for transactions on the Gold Card. Surcharge will be waived only for transactions with a value between Rs.400 and Rs.2000.		Petrol surcharge will be waived off for transactions carried out on the Platinum Card, surcharge will be waived only for transactions with a value between Rs.400 and Rs.5000.
Annual Fees	No		No
One add-on card per account(ATM cum-debit card)	Free		Free
Additional add-on cards per account (ATM cum debit card)	Free		Free
Replacement of damaged card	Free		Free
Replacement of lost / stolen card	Rs.115		Rs.115
Re-generation of PIN	Nil		Nil
Lost card liability	Nil		Nil

Any Branch Banking (Not applicable for FD transactions)		
Any Branch Cash Deposit / Any Branch Cash Withdrawal.	Free upto Rs. 1,00,000 per day. Above Rs. 1,00,000 Rs.2.9 per 1000 (minimum Rs.25).	Free upto Rs. 2,00,000 per day. Above Rs. 2,00,000 Rs.2.90 per 1000 (minimum Rs.25).
1-Cash deposit and withdrawal at non-home branches is restricted to 1 transaction per day per account.		
2-Third party cash deposit (Third party cash withdrawal is not allowed.)	3rd party Cash deposit Maximum of Rs.1 lakh per day per account	3rd party Cash deposit Maximum of Rs.1 lakh per day per account
Request for duplicate statement through Phone banking / ATM	Free	Free
Insurance Cover	Rs. 3 lac for death on accident and Rs. 50000 purchase protection upto 90 days. * Debit card has to be swiped atleast once for the insurance claim to be eligible.	Rs. 3 lac for death on accident and Rs. 50000 purchase protection upto 90 days. * Debit card has to be swiped atleast once for the insurance claim to be eligible.
Remittances		
Demand Drafts on all IDBI Branch locations	Free, Unlimited	Free, Unlimited
Demand Drafts on correspondent bank/Non-Branch locations	Free Upto Rs.200000/-. Above Rs.200000 Rs.1.50/1000 (Min. Rs. 60 & Max Rs.8,300)	DD/PO Free upto Rs.300000/-. Above Rs.300000 Rs.1.50/1000 (Min. Rs. 60 & Max Rs.8,300).
Pay Orders (PO) (to be issued from Home Branch only)	Free	Free
Electronic Funds Transfers	Free	Free
RTGS & NEFT	Free* *charges will be waived off after levy.	Free* *charges will be waived off after levy.
Card to Card Funds transfer	Free	Free
Foreign currency demand drafts & international money orders	0.30% (Min. Rs.265, Max. Rs.1110)	0.30% (Min. Rs.265, Max. Rs.1110)
Speed Clearing	Free Upto Rs.1 lakh. Above Rs.1 lakh - Rs.150	Free Upto Rs.1 lakh. Above Rs.1 lakh - Rs.150
Demand draft / pay order cancellation / revalidation		
Local	Rs.53	Rs.53

Foreign currency	Rs.151	Rs.151
Issue of duplicate drafts	Rs.102	Rs.102
Cheque Transaction Charges		
Out Station Cheque Collection On branch and non branch locations (on realization basis)	Up to Rs.10,000 : Rs.50 per Inst. Above Rs.10,000 up to Rs.1,00,000 :Rs.100 per Inst Rs.1,00,001 & above : Rs.150 per Inst	Up to Rs.10,000 : Rs.50 per Inst. Above Rs.10,000 up to Rs.1,00,000 :Rs.100 per Inst Rs.1,00,001 & above : Rs.150 per Inst
Foreign Currency cheque collection Handling charges per transaction Rs. 25 + courier charges	0.25% (Min. Rs. 150 & Max. Rs. 1500),	0.25% (Min. Rs. 150 & Max. Rs. 1500),
Cheque issued and returned (I / W Cheque)		
Financial	Rs.151	Rs.151
Technical	Free	Free
Cheque deposited and returned(O/W cheque)		
Local	Free	Free
Outstation	Rs.102	Rs.102
Cheque stop payment instructions		
Per cheque	Rs.53	Rs.53
Range of Cheques	Rs.102	Rs.102
Interest concession on loans i.e. Home Loan, Car Loan, Personal Loan, Educational Loans(All Loans will be sanctioned at the discretion of the Bank)	Concession of max upto 50 bps on ongoing card rate.	Concession of max upto 50 bps on ongoing card rate.
3-in-one account: Savings, Demat and share trading	First year charges waived	First year charges waived
Locker charges	25% concession on card rate.	50% concession on card rate.
Monthly statement	Free	Free
Standing Instructions(Set up)	Free	Free
Standing Instructions Execution	Free	Free
Alternate Channel Banking		
Internet Banking, Utility Bill payments through Internet	Free	Free
Phone Banking	Free	Free
Mobile Banking	Free	Free
Mobile payment service(PayMate)	Free	Free
SMS Alerts	Free	Free

Note 1: All loans will be disbursed to the eligible personnel subject to the discretion of the Bank and upon fulfilling of eligibility criteria by the Naval Personnel and meeting of Bank's conditions.

Note 2: Subject to service exigencies, the Indian Navy will provide the details/ whereabouts of the individuals who have defaulted in repaying their loan amount as taken from the Bank.

Note 3: Insurance Cover* for Salary account- This is a concurrent insurance. (Benefits payable are in addition to what the claimant would be getting from other Insurers).

****Conditions Apply***

1. Kindly note that death due to "The Insured's participation in any naval, military or air force operations whether in the form of military exercises or war games or actual engagement with the enemy, whether foreign or domestic" is an exclusion. However, insurance cover to Naval personnel in case of death due to accidents onboard naval ships, when they are employed during peace time operations, will be considered on case to case basis.
2. The policy is renewable on yearly basis.
3. Once you open an IDBI Bank Salary Account, your insurance policy will start from the 7th day of the subsequent month or the date the debit card had been swiped first through a POS (point of Sale) or an ATM whichever is later.
4. The claim will be payable only if the debit card had been swiped at least once through a POS (point of Sale) or an ATM.
5. These covers are only available upto **90 days** from the date of purchase of the tangible goods provided it is kept inside the residential premises of Cardholder which is a concrete (pucca) Building only.

4) International Debit-cum-ATM card

IDBI Bank Ltd agrees to issue a free International Gold Debit-cum-ATM visa card for Pride- Crown and free International Debit-cum-ATM Platinum visa card for Pride-Imperial categories.

IDBI International card will have following features.

In addition to insurance cover* for **lost and counterfeit cards**, customers will also be covered for:

- a) **Personal Accident Cover-** In the unfortunate event of loss of life, insurance cover for the accident leading to loss of life is available to International Gold and platinum card including Add-on Cards upto Rs. 5 lakh, subject to submission of proper claim..
- b) **Loss of checked baggage-** Rs. 50,000.
- c) **Purchase Protection-** In case of theft/ damage of the goods purchased on the Debit card, insurance upto Rs. 20,000 is available upto 90 days. The claim will be settled by the Insurer Company as per the prevailing Terms and conditions.
- d) **Fire and Burglary for Household Contents-** Rs 50,000/-

** Insurance provided on Debit card is not a concurrent insurance.*

5) IDBI Preferred account status for Pride- Imperial Account Holders

Apart from the above mentioned facilities to our Pride-Imperial customers, Preferred Status shall be given to them. Additional facilities given under this are:

- Preferred Banking Lounges at branches for Pride-Imperial account holders, to offer you priority services.
- Dedicated Relationship Managers at these lounges to assist you.

6) Continuation of facilities after retirement

The **Bank** will continue to extend facilities mentioned above to the Navy account holders in the same account number **even after their retirement** at the option of the concerned retired Naval personnel. All instruments issued by Naval Pay Office for payment of retirement benefits including fund withdrawals will be credited into individual's account within one working day of realization of cheque.

7) Recall of Salary Disbursed

In exceptional circumstances, the **Indian Navy** may recall the salary erroneously disbursed to deserters or delinquent personnel. Upon written request of the **Indian Navy** (Naval Pay Office, Mumbai), communicating specific details of personnel, bank account, period and amount, and further subject to availability of funds in the specified account, the **IDBI Bank Ltd** will comply with the request and refund the amount by a Bank Draft to the **Indian Navy (Naval Pay Office, Mumbai)** for crediting into the Government account. The **IDBI Bank Ltd** will not be liable or held accountable for any consequential or related action arising from the act of debiting the specified amount and refund of amount to the **Indian Navy and the Indian Navy** shall indemnify and keep indemnified, defend and hold harmless IDBI Bank against any loss, damages, liabilities, and claims, actions etc suffered or incurred by IDBI Bank.

Pending refund of the amount recalled, the **IDBI Bank Ltd.** will freeze all transactions to the salary account to prevent fraudulent withdrawals from it.

8) Confidentiality

Each party shall treat as confidential all information obtained as a result of entering or performing this MOU but shall be bound to disclose if needed by operation of law or by judicial authorities and/ or at the request of appropriate Govt. authorities.

9) Defence Banking Complaint Redressal and Review Mechanism

A standing one-point team called the Defence Complaint Redressal Cell, comprising amongst other a Special Relationship Manager from **IDBI Bank Ltd** and a member from the **Indian Navy (Naval Pay Office, Mumbai)** will be constituted to resolve all operational issues.

In the odd occasion of a difference of opinion between the parties, the same one point team/Cell can address and resolve the issue at hand.

10) Termination

In any case of discontinuing the MOU, the Bank will not withdraw the facilities of salary disbursement till alternate arrangements are made by Integrated Headquarters of Ministry of Defence (Navy).

This MOU may be terminated by either party by giving three months advance notice of termination to the other Party (the "Defaulting Party") provided:

If the Defaulting party has committed a material breach of any term of this agreement and has failed to remedy such breach (if capable of remedy) within thirty (30) days after notice from the other party to do so

or

If the Defaulting party repeatedly commits the same breach of any of the terms of this MOU then the MOU may be terminated without any further notice.

If the Defaulting party shall cease to carry on its business or substantially the whole of its business:

or

If there is a material adverse change in any applicable law affecting Banks generally.

11) Miscellaneous

The Bank will consider the installation of ATMs, and setting up of branches at locations that are mutually convenient. The Indian Navy on its part will make efforts to provide space for setting up ATMs and Branches which is suitable for the Bank's requirements. The space, if available, will be provided on rent as per market rates/ mutually agreed by both the parties and same will be payable to Govt./Indian Navy or as decided by the authorities concerned. If **Indian Navy** is unable to provide so, **IDBI Bank Ltd** shall try to find the suitable place to set up its ATMs. In such an event, if **IDBI Bank Ltd** is also unable to get such space, IDBI Bank shall not be liable to set up ATMs as contained above. IDBI Bank shall use its best efforts to procure such space should Navy fail to provide the space.

The Bank has designated officers for handling Defence Banking related issues and will also be undertaking the marketing of Navy Accounts. This should be facilitated by the Navy in terms of allowing distribution of publicity material, making presentations, etc as per mutual convenience.

12) Publicity

IDBI Bank Ltd may publish/ market about its services extended to Naval personnel under this MOU and/ or promote its business objectives from time to time subject to confidentiality clause mentioned above.

13) Amendment

Any provisions of this MOU may be amended, waived, discharged or terminated (in each case) only by an instrument in writing signed by or on behalf of the Party against whom enforcement of the amendment, waiver, discharge or termination is sought. No breach of or default under any of the provisions of this MOU by either party may be waived or discharged without the other Party's written consent thereto.

14) Notices

Each notice, demand or other communication to be given or made hereunder shall, except as otherwise provided herein, be given or made in writing and may be sent by one party to the other Party by Registered Post, telex, facsimile or hand to the address or numbers mentioned above or such other address and numbers as one Party may inform the other in writing.

*Signed on behalf of Indian Navy
IHQ, MoD(N), New Delhi*

Signed on behalf of IDBI Bank Ltd

**Cmde Jaywant Korde
Principal Director, Pay & Allowances**

**Shri P.K. Das
General Manager
Head, Branch Banking**