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Directorate of Non Public Funds
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New Delhi – 110 001

BA/4076/HEL/2022-23

|| Jul 2022

The Flag Officer Commanding-in-Chief
{for CSO (P & A)}
Headquarters, Western Naval Command
Mumbai – 400 023

The Flag Officer Commanding-in-Chief
{for CSO (P & A)}
Headquarters, Eastern Naval Command
Visakhapatnam – 530 014

The Flag Officer Commanding-in-Chief
{for CSO (P & A)}
Headquarters, Southern Naval Command
Kochi – 682 004

The Commander-in-Chief
{for CSO (LA& P)}
A & N Command
Port Blair – 744 102



MOU WITH AXIS BANK FOR INBA HIGHER EDUCATION LOAN

1. Refer to NHQ IG 261 dated 07 Jul 22.
2. **Background.** INBA provides higher education loan to its members, which is recovered through EMIs deducted by NAVPAY. The outstanding loan, attached to terminal benefits in certain cases, is recovered in full at the time of retirement from the member's terminal benefits. The recovery, as a lump sum at the time of retirement, in certain cases leads to financial hardship. The issue was brought to the notice of INBA during AGMs by members. In order to address the said issue, INBA concluded a MoU with Axis Bank on 29 Jun 2022 to facilitate higher education loan to members at preferential rate.
3. **Applicability of MoU.** The MoU is applicable to **serving INBA members receiving salary through Axis Bank DSP Account only**. Axis Bank has also extended credit facilities of taking over of higher education loan of eligible members on retirement, so that members do not have to pay the loan from their savings/retirement benefits at the time of retirement.

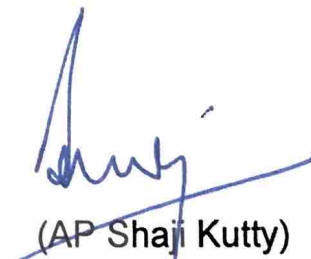
4. **Salient Aspects of MoU.** The Salient aspects of the MoU are enumerated below :-

Ser No	Particulars	Details
(a)	Eligibility	As per the extant guidelines of the Axis Bank (available on Axis Bank website)
(b)	Purpose	For Higher Education Loan
(c)	Rate of Interest	<ul style="list-style-type: none"> • 0.5% subsidy for male child over commercial rate. • 0.75% subsidy for female child over commercial rate.
(d)	Unsecured loan	<ul style="list-style-type: none"> • Up to Rs 40 Lakhs; subject to repaying capacity • Based on GRE score
(e)	Funding	For universities in India & Abroad
(f)	Moratorium	For the duration of course period
(g)	Tax exemption	100% tax exemption on interest under Sec 80(E)

5. Copy of MoU is available on NUD. Members are advised to go through it carefully prior applying for loan. Members may also seek any clarifications from Axis Bank on email id – inbaeducationloan@axisbank.com

6. The contents of this letter may be given wide publicity.




 (AP Shaji Kutty)
 Commodore
 Cmde (NPF)

Copy to:-

The Commanding Officer
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 Defence Offices Complex
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