

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 845**  
TO BE ANSWERED ON 25<sup>th</sup> July, 2022

**NEW BANKING POLICY FOR PURCHASE FROM FOREIGN COUNTRIES**

845. SMT. GEETA ALIAS CHANDRAPRABHA:

Will the Minister of Defence be pleased to state:

- (a) whether the banking responsibility has been given to HDFC Bank, ICICI Bank and Axis Bank by the Ministry for the purchase from foreign countries; and
- (b) if so, the manner in which it will provide benefit in the matters of purchases from foreign countries and the details thereof?

A N S W E R

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a) & (b): In line with opening of allocation of Government business to Private Sector Banks by the Department of Financial Services, the Ministry has assigned HDFC Bank, ICICI Bank and Axis Bank to provide financial services in form of Letter of Credit (LC) and Direct Benefit Transfer (DBT) business for overseas procurement by the Ministry. Till now, only authorized Public Sector Banks were utilized to provide these services to the Ministry. Allocation of LC and DBT business to Private Sector Banks is expected to bring in greater competition and efficiency in the banks.

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