

(a) the factors leading to the increase in service charge for clearing up-country cheques and drafts in nationalised banks from 6 np to 20 np for transaction;

(b) whether there is any proposal to meet the enhanced cost of clearing cheques from out of the increasing turnover and if not, the reasons thereof; and

(c) to what extent this enhanced service charge will give a momentum to the inflationary spiral ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The public sector banks have revised their service charges with the objective of covering to some extent the cost incurred by them in rendering these services to customers. The revised service charges are related to cost inputs of the banks in relation to specific services including the cost of clearing of up-country cheques/drafts.

The revised service charges are still in the process of stabilisation and their impact cannot be assessed at this stage.

Expenditure on administration and staff in nationalised banks

2319. SHRI DIGVIJAY SINH : Will the Minister of FINANCE be pleased to state :

(a) what percentage is utilised for administration and staff expenses out of the profit of nationalised banks;

(b) out of all such expenditure incurred what percentage is provided towards clients facilities such as service charges for clearing up country cheques, drafts and guarantee fees; and

(c) the percentage of this type of expenditure in proportion to administrative and staff expenditure ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Reserve Bank of India has advised that administra-

tion and staff expenses are judged in relation to total expenditure instead of profit. Profit is computed after meeting all expenditure including administration and staff expenses. According to the available information the percentage of administrative and staff expenses to the total expenses for nationalised banks is worked out to be 22.5 per cent for the year 1985. RBI has further advised expenditure incurred for clearing of up-country cheques, drafts and guarantee fees is included in the administration and staff expenses and break-up of expenditure on clearing of up-country cheques, drafts and guarantee fees is not maintained by banks.

Inter-zone transfers in Punjab and Sind Bank

2320. SHRI RAM BHAGAT PASWAN : Will the Minister of FINANCE be pleased to refer to the reply given to Starred Question No. 666 on 11 April, 1986 regarding transfer of officers of Punjab and Sind Bank and state :

(a) whether Punjab and Sind Bank have laid down any guidelines for inter-zone transfers of their officers;

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The Punjab and Sind Bank have advised that in accordance to their Officers' Service Regulations, 1982 every officers is liable for transfer to any office or branch of the Bank or to any place in India. In accordance with administrative convenience, Government guidelines, and in order to rotate the officers working in Eastern, Western and Southern parts of the country as also in Central States, the Bank has framed a transfer policy for officers.

Charging of interest by financial institutions on term loan from export-oriented units

2321. PROF. SAIFUDDIN SOZ : Will the Minister of FINANCE be pleased to state :

(a) whether all financial institutions are charging interest at the rate of 14 per cent