

(b) whether the State Bank of India closes its accounts once in a year i.e. in October and pays interest to its customers on savings bank accounts on yearly basis; and

(c) whether Government propose to pay interest to savings bank account holders of the State Bank of India on half yearly basis?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) to (c). In terms of Section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, every nationalised bank is required to cause its books to be closed and balanced as on 31st December of each year.

Similarly, in terms of Section 39 of the State Bank of India Act, 1955 and Section 39 of the State Bank of India (Subsidiary Banks) Act, 1959, State Bank of India and the seven subsidiaries of the State Bank of India res-

pectively, are required to cause their books to be closed and balanced as on 31st December, in each year.

It was decided in 1970 by the Reserve Bank of India, in consultation with Government, that in so far as the 14 Nationalised Banks are concerned, in addition to the above statutory requirement of closing the annual accounts on the 31st December of each year, for adoption by the Board of Directors, of the bank concerned, the banks should have an internal assessment of the working of the bank during the first half of each year by closing the books on the 30th June of the year.

As regards payment of interest on Savings Bank Accounts, while the 14 Nationalised Banks and the seven subsidiaries of the State Bank of India pay interest on Savings Bank Accounts on half-yearly basis, the State Bank of India pays interest on a yearly basis as indicated below:

Bank(s)	Period for which interest is calculated on Savings Bank Accounts	Month in which interest is credited to the Savings Bank Accounts
1. 14 Nationalised Banks and 7 Subsidiaries of SBI.	(i) 1st Dec. to 31st May	June
	(ii) 1st June to 30th Nov.	December
2. State Bank of India	1st Oct. to 30th Sept.	October

Reserve Bank of India has reported that it has taken up with the State Bank of India the question of its paying interest on Savings Bank Accounts on half-yearly basis as in the case of the other public sector banks.

Resignation of Shri P. C. Lal as Chairman of Indian Airlines

*302. **SHRI R. K. MHALGI:** Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether Ex. Air-Chief Marshal Shri P. C. Lal resigned the post of

Chairman of Indian Airlines on the 14th April, 1976 with retrospective effect from the 12th April, 1976;

(b) the reasons that led Mr. Lal to submit his resignation with retrospective effect; and

(c) whether Government have investigated into the matter and if so, with what result?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTAM KAUSHIK): (a) No, Sir.

(b) Does not arise.

(c) On examination of relevant records it is found that Air Chief Marshal P. C. Lal, former Chief of Air Staff, was appointed Chairman-cum-Managing Director, Indian Airlines, with effect from 1st August, 1973 for a period of three years, but proceeded on leave with effect from 12th April, 1976 upto 30th June, 1976, and action was taken under Rule 13 of the Indian Airlines Corporation Employees' Service Regulations, with a view to enabling him to draw salary for a period of 30 days from the 1st of July, 1976.

Centralisation of Recruitment of Staff for Nationalised Banks

*303. SHRI S. D. SOMASUNDARAM: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) the progress made in the centralisation of recruitment of staff of all categories for the nationalised banks;

(b) whether common yardsticks have been evolved for determining optimum strength of staff required in comparable units of the nationalised banks; and

(c) if so, the particulars thereof?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) The Banking Service Commission was set up in February, 1977, under the Banking Service Commission Act, 1975, for the selection of personnel for appointment to services and posts in the cadres of junior officers and the clerical cadres in public sector banks. The Commission has not yet started recruitment of personnel for banks.

(b) and (c). While some banks have developed their own norms to relate their staff strength with the workload, no common yardsticks have been evolved for determining opti-

mum staff strength required in comparable units in public sector banks.

2-Year Farm Investment Programme

2327. SHRI R. V. SWAMINATHAN: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether a million Indian farmers are expected to benefit from a two-year farm investment programme being launched by the Agricultural Refinance and Development Corporation supported by the International Development Association;

(b) the main features of the proposed plan;

(c) to what extent it is likely to be helpful for the country to achieve agricultural production; and

(d) by what time the benefits are to be derived from the proposed scheme?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) Yes, Sir.

(b) International Development Association has approved a credit of \$ 200 million for a 2 year programme of support to Agricultural Refinance and Development Corporation for its investment programme for following purposes:

Purpose	Amount (\$ Million)
1. Minor Irrigation and on farming land development	175
2. Loans for diversified lending	24
3. Training	1
Total	200

The main features of the proposed plan are:

1. The investment programme will cover a wide spectrum of purposes.