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Title : Need to stop the closure of Clearing House at Cuttack, Orissa.

SHRI B. MAHTAB (CUTTACK): The Reserve Bank of India's decision to merge the Cuttack Clearing House presently managed by the State Bank of India at its main branch with Bhubaneswar Clearing House has agitated the public at large and precious banking hours were disrupted for two days after which RBI has kept the merger in abeyance. RBI had planned the closure of the Clearing House in Cuttack since 2002, but due to inept handling of the issue the matter has led to such impasse. Today, there are 44 Clearing Houses Cheque Processing Centre using MICR technology in this country. Further, 127 cities in the country are covered by Special Electronic Fund Transfer (SEFT) facility. The pace at which technology is advancing the number is bound to go up. Therefore, it is not advisable to merge the Cuttack Clearing House with that of Bhubaneswar. Rather advance technology be made available in Cuttack.

The valid reason for RBI, Bhubaneswar insisting upon the closure of Cuttack Clearing House seems two fold: firstly, the present MICR machine at Bhubaneswar with a capacity of 30,000 instruments handles only 15,000 instruments. If instruments of Cuttack is taken to Bhubaneswar, then there will be capacity utilization. Secondly, with increase in the volume of business by RBI, Bhubaneswar its official status would be enhanced benefiting its staffing pattern and promotion. RBI has not spent a single pie for the MICR machine at Bhubaneswar. It is acquired by SBI. Similarly, if Cuttack would be allowed to go for a MICR machine, then the cost would be born jointly and not by RBI alone. There are 36 number of banks with at least 120 branches in Cuttack. I would urge upon the Government to refrain from closing down the Clearing House at Cuttack and instruct RBI to install a new Cheque Processing Centre with MICR technology at Cuttack.