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Title: Need to formulate norms for clearing local cheques in two days and out station cheques in four-six working days.

SHRI B. MAHTAB (CUTTACK): By inordinately delaying the clearance of cheques deposited by customers, bank-public sector, private and foreign are enriching themselves by about thousands of crores of rupees and to be specific Rs.3726. crore in 2005-06 alone. This has been revealed by a study conducted by the Indian Statistical Institute (ISI) and the RBI's Department of Statistical Analysis & Computer Services. It states that the enrichment had been on 13 thousand lakh cheques worth Rs. 113,37,000 cr. As Banks enjoyed 'free float of customers' fund on 50 per cent of the cheques transacted.

Reserve Bank of India has given the Banks the freedom to formulate their own policies on the issue of cheques clearance since November, 2004. But most Banks have not put their cheques collection policy in place and over 94 per cent of 55537 bank offices or branches have no idea as to what the policy was about. This chaos has led to the violation of consumers' right to access their funds in time. While cheques of upto Rs.15,000 have to be credited immediately, it happens only in 2-5 per cent cases. More than 15 Banks impose additional charges for clearing cheques immediately. This is in violation of all banking regulations.

Out station cheques clearance has become a virtual nightmare for customers. While cheques between two State capitals take 10-14 days for clearance, those from the hinterland are not being realized for months.

Therefore, I urge upon the Government to impress the Reserve Bank of India to stipulate a two day norm for clearing local cheques while outstation cheques could be cleared in four-six working days. With internet banking and the induction of suitable information technology tools, most banks could credit even outstation cheques instantaneously, something not being done currently.