

Salboni in West Bengal; and

(b) the time by which it is likely to be completed?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) Land has been acquired at Salboni.

(b) The work is likely to be completed in about four years.

Processing Charges for Cheques

8416. SHRI K.S. RAO:
SHRI P. NARSA REDDY:
SHRI P.M. SAYEED:
SHRI SANAT KUMAR MANDAL:

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has decided to charge commercial bank processing charges at the rate of 25 paise per cheque for both incoming and outgoing cheques;

(b) if so, the reasons therefor;

(c) the amount likely to be netted by the Reserve Bank of India on this account;

(d) whether the commercial banks have been asked to pay these charges with retrospective effect;

(e) if so, the details thereof;

(f) whether the commercial banks have shown resentment over this decision and are reluctant and under strain to pay the charges;

(g) whether the Indian Banks' Association has taken up the matter with the Reserve Bank of India; and

(h) the steps Government propose to take to balk down any possible move by the commercial banks in turn to pass on the burden to customers?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) to (e). To facilitate faster clearance of cheques and to improve customer service, Reserve Bank of India (RBI) provides mechanized cheque processing service in the Clearing Houses at Bombay, Delhi, Calcutta and Madras. In keeping with the well established practice of sharing costs for operating the Clearing House by member banks, RBI proposes to recover cheque processing charges from member banks on a no-profit-no-loss basis to cover the operating expenses incurred by it on equipment, infrastructure and other facilities for providing the service. RBI has further reported that pending a final decision about the rate of charges, it has advised banks to make a provision in their accounts for the year ended 31.3.1990 at a tentative rate of 25 paise per cheque, outgoing or incoming, processed by RBI on their behalf.

The amount likely to be netted by RBI on this account will depend on the rate of charges finally fixed and the number of cheques processed at the Clearing Houses.

(f) RBI has reported that two commercial banks and two foreign banks have written to it in this regard. While one bank has shown reluctance to pay the charges, the other three banks have requested to lower the rate of charges and to make it effective retrospectively.

(g) RBI has reported that Indian Banks' Association has not taken up the matter with it.

(h) RBI has reported that it has not taken any view on the question of passing this burden to customers.