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Attention! Cash Hoarders on the Loose at ATMs

Fear of not having enough hard cash in hand driving people to stock up

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Mumbai: Still finding it hard to get cash at an ATM? That's because people haven't stopped hoarding notes. The supply of currency to automated teller machines has risen to about 80-85% of pre-demonetisation levels but the fear of not having enough hard cash in hand is driving people to stock up.

"The moment there are ₹500 notes at an ATM, people tend to queue up and keep the cash with them even if they don't need it," said Anand Garollu, India services general manager, NCR Corporation, which makes and manages cash dispensers. "I believe this fear among the general public will take another few weeks to ebb and make things absolutely normal."

ATMs are getting more average footfalls than that before November 8, when it was announced old ₹500 and ₹1,000 notes would cease to be legal tender.

"If an ATM was receiving 120 customers daily before, now it hovers around 130 to 140, still around 10% more," Garollu said.

Immediately after the demonetisation announcement, ATM replenishment rates plummeted as RBI struggled to print new notes fast enough. Also, the machines needed to be recalibrated for the new notes, which were smaller than the previous ones.

Still Cashless

Total no of ATMs in the country
2,19,866*

Total Amount Filled In ATMs Across India Per Day:
₹1,530 crore**

Cash Supply: **80-85% of Pre-Demonetisation Days**

Currency With Public: **₹9.1 Lakh Crore (As On Jan 20, 2017)**

Avg Footfall Per ATM: **10% More Than Pre-Demonetisation Days**

Situation To Normalise By: FEBRUARY END

Source: *RBI, **CMS Infosystems

That meant long queues at ATMs — or the ones that had cash — even as weekly withdrawal limits were put in place.

While the overall weekly withdrawal limit of ₹24,000 on savings accounts remains, the daily curb on cash from ATMs has been lifted. That's one of the reasons ATMs are emptying out rapidly, experts said. The limit on savings accounts will be raised to ₹50,000 from February 20 and abolished altogether from March 13, RBI said last week.

That could calm fears and reduce the propensity to hoard, bankers hope.

"The supply should attain complete normalcy by the end of February 2017," said Ravi Goyal, managing director of AGS Technologies, which replenishes ATMs through subsidiary SecureValue India.

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