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ATMs continue to run dry

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The majority of ATMs continue to run dry as the demonetisation exercise draws to a close. According to sources, 60 per cent of ATMs are cash-starved with those in remote locations worse off.

Experts say although ATMs have been re-calibrated to dispense new notes, they are being fed only at a fraction of their capacity.

Manjunath Rao, senior vice-president and head of sales at CMS Infosystems, says after re-calibration ATMs can hold about ₹42 lakh on average but his company is not loading more than ₹6.76 lakh in a machine. "On any given day, we do not load more than 13,000 of the 55,000 ATMs that we operate across the country. Not more than 40 per cent of ATMs are working," he adds.

According to CMS, it loaded ₹1,528 crore during November 1-8 in its ATM network and between November 9 and December 20 it loaded ₹455 crore.

Service providers complain most ATMs are still cash-starved or cannot be replenished quickly because banks are not supplying them enough notes. They say they are receiving only 20 per cent of what they



Majority of ATMs in Mumbai, New Delhi, Kolkata and Chennai have their shutters down. The problem remains acute in remote locations

PHOTO: PTI

used to from banks.

"We have taken up the matter with banks and asked them to accord priority to ATMs, which cater to the public at large," says V Balasubramanian, president, transaction processing, ATM services, Financial Software and Systems. The company manages 40,000 ATMs across the country.

A manager at a private sector bank says even though the supply has improved, banks are using cash for their customers. "My loyalty is first towards my own customers. In an ATM I have no control over who withdraws money. When I have rationed cash, I will first

look at giving it to my customers," he adds. Most ATMs continue to dispense only ₹2,000 notes and customers prefer visiting bank branches where the chances of receiving ₹100 and ₹500 notes are higher.

Balasubramanian adds the average number of transactions at ATMs has declined from 115 a day before demonetisation to 39 now. He says only 10 per cent of the ATMs — of the 20 per cent operational — are loaded twice a day.

Business Standard reporters visited several ATMs in Mumbai, New Delhi, Kolkata and Chennai and found a majority of them have their

shutters down. The problem remains acute in remote locations.

Friday's circular by the Reserve Bank of India asking banks to deposit all old currency notes in RBI chests by December 31, has added to their worries. "In Assam, we have seven RBI currency chests. Branches in remote areas will find it extremely difficult to send the notes to the chests before the deadline. Bankers are worried about the action they may face if they fail to meet the deadline," says an executive with a public sector bank.

"This is a challenging task, but we will meet the deadline," says Charan Singh, executive director, UCO Bank. "Currency withdrawn has started coming back and circulation has picked up. Supply has also eased," he adds.

Some experts say the situation at ATMs may improve after December 31 when free withdrawals end. Banks may load cash in their ATMs because it will result in fees if another bank's customer withdraws money.

For now, banks are waiting for further directions from the government, expected on Saturday, to understand if the cash situation at ATMs and banks will improve in the coming days.