Banks extend working hours, waive off ATM charges to handle impending rush

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MUMBAI: Fearing a jump in footfalls to deposit or withdraw cash following the demonetisation of Rs 500 and 1,000 banknotes, banks will remain open this Saturday and Sunday and its staff will do overtime till 2100 hrs for the next three days to clear the rush.

Banks also announced a slew of measures, including extension of banking hours, doing away with ATM charges and expanding credit limits to handle the expected huge rush to tender now defunct Rs 500 and 1000 notes.

Bankers have also been advised not to take additional leaves for the next one month, during which the government has asked holders of over 22 billion currency notes that are no longer legal tender, to deposit them in bank accounts.

For public convenience, banks will remain open on coming Saturday and Sunday, Economic Affairs Secretary Shaktikanta Das tweeted.

The Reserve Bank also came out with an order instructing all the banks to be open for business on the coming weekend, including Sunday. RBI also said ATMs will remain shut tomorrow as well.

The nation's largest lender State Bank of India was among the first to announce an extension in banking hours, till 1800 hrs tomorrow and also said each of its branches will be having a dedicated 'exchange counter' to change the currency notes.

ICICI Bank Managing Director and CEO Chanda Kochhar said the bank's branches will be open till 2000 hrs on Thursday and Friday. The bank also introduced a slew of relaxations on the electronic payments or withdrawals front.

All charges pertaining to cash deposit into one's accounts will be waived till November 30 and the fees for transacting at ATMs will also be scrapped till December 31, ICICI Bank said in a statement.

It has also doubled the daily usage limit of debit cards for use at merchant ends as well as online transactions.

Axis Bank has also waived cash handling charges, and done away with the five free transactions a month limit on its own ATMs and extended banking hours, its president Rajiv Anand told PTI.

While making the announcement to discontinue Rs 500 and 1,000 banknotes yesterday, the government had also announced closure of bank branches and ATMs today. It also announced the launch of newer notes of Rs 500 and Rs 2,000 from November 10.

People holding to the older notes will be very keen to do away with them and also get the newer series banknotes of higher denomination when the bank branches reopen tomorrow. ICICI Bank said it is ensuring that Rs 2000 and the existing notes of Rs 100 notes are available at its 'main branches' from tomorrow.

It also announced an expansion of up to 20 per cent in the credit limits for 'worthy' customers using its credit cards.

Anand said there is no need for the customers to panic and appealed them to defer their visits to branches, pointing out that there is a 50-day limit to change the older notes.

Anand said the bank also expects a significant jump in alternate channels like the newly introduced UPI, points of sale terminals and mobile and online banking because of the RBI moves.

Kotak Mahindra Bank joint managing director Dipak Gupta said apart from the cultural change in adopting digital faster, we should also see a surge in activation of new bank accounts.

In the biggest-ever move to curb black money, and crime funding Prime Minister Narendra Modi had last night announced that Rs 500 and Rs 1,000 banknotes would become illegal tenders from last midnight and massively curbed cash withdrawals through ATMs and from bank counters.

"In order to meet the anticipated heavy demand from members of the public to conduct their banking transactions, it has been decided that banks shall remain open for public transactions on Saturday, November 12, and Sunday, November 13, 2016," RBI said in a statement.

Banks are advised to keep all their branches open on November 12 and 13, 2016, as regular working days for transacting all business, it said.

RBI also asked banks to give due publicity to the availability of banking services on these days.

As per the normal schedule, the coming Saturday being the second would have been an holiday, but keeping in view the expected rush at the branches, it was decided otherwise.

It is, however, not clear whether post offices would be open or not on the weekend. There are about 1.25 lakh post offices across the country.

At the same time, the government and RBI are yet to take a call on keeping banks open on Monday, November 14, which is a holiday.

There are about 149 scheduled commercial banks, including 56 regional rural banks, with branch network of about 1.30 lakh across the country. Besides, the cooperative banks have also been asked to take deposit and exchange the old with the new one.

The first demonetisation happened under the British rule in 1946 and the first one after the Independence on January 16-17, 1978 when the Morarji Desai government demonetised bank notes of Rs 1000, 5000 and 10,000 notes.

The news triggered panic and people started queueing up at all ATMs or CDMs to either withdraw money or deposit Rs 500 and Rs 1,000 notes.

The banned Rs 500 and Rs 1000 notes account for over 86 per cent of the total Rs 16.42 lakh crore value of bank notes in circulation as of March 31, 2016, according to Reserve Bank's latest annual report.

For convenience of customers, Financial Services Secretary Anjuly Chib Duggal said banks will be working extra hours.

Meanwhile, SBI said all branches will remain open tomorrow with extended business hours up to 6 pm.

Kochhar said branch timings will be extended by two hours on November 10-11 and branches at prominent locations will remain open from 8 am to 8 pm.

Many other banks like HSBC and PNB has also announced extension of working hours.