Business Standard

Demonetisation: Govt tightens exchange of notes, eases withdrawal

Petrol pumps to give Rs 2,000 cash against debit card swipe from November 24

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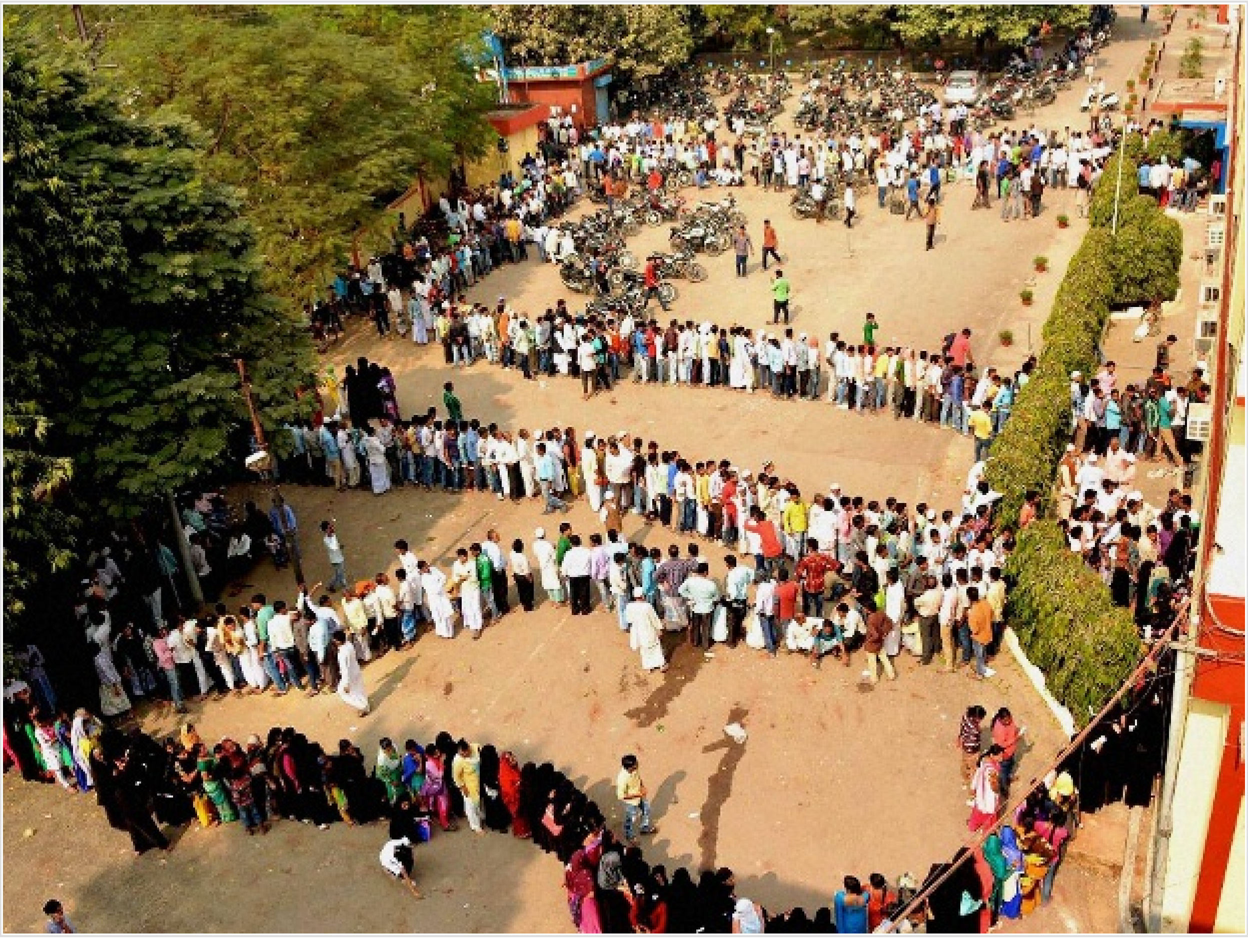

Amid reports of hardships caused by demonetisation in crop sowing and marriages, the government on Thursday eased restrictions on cash withdrawal by farmers and families with upcoming weddings, but more than halved the limit of exchange of notes at Rs 2,000.

Economic Affairs Secretary Shaktikanta Das said now families preparing for a wedding can withdraw up to Rs 2.50 lakh from bank account, citing PAN details and self declaration.

However, from Friday, individuals can exchange old Rs 500 and Rs 1,000 notes up to Rs 2,000 only, as against Rs 4,500 earlier. Select bank branches across metro cities have already started applying indelible ink on the right hand index finger of people who are exchanging notes.

Besides, farmers who have taken crop loan or have kisan credit card can withdraw Rs 25,000 per week. Also, those who have got payments through RTGS or cheque deposit in KYC compliant bank account can withdraw an additional Rs 25,000 a week. This takes the total cash withdrawal limit for farmers from KYC complaint bank accounts to Rs 50,000 per week.

“There is enough cash available with the government. This (reducing currency exchange limit) is mainly to enable larger number of people to reach the counter... We find that many people are not able to reach the counter and same persons are visiting the counter multiple times and other people are not getting the benefits,” Das said.

Late at night, it was announced that oil marketing companies have tied up with State Bank of India (SBI) to dispense cash of up to Rs 2,000 through debit card swipe at 2,500 petrol pumps from November 24.

“It may be noted that petrol pumps have been accepting currency notes of Rs 500 and Rs 1,000 denominations and will continue to do so till November 24, 2016. There is no shortage of petroleum products at the petrol pumps and consumers can purchase them as per their needs,” said an official. This facility could further be extended to over 20,000 petrol pumps gradually.
Meanwhile, unfazed by Opposition attack on Prime Minister Narendra Modi in and outside Parliament, Finance Minister Arun Jaitley has ruled out roll back of demonetisation. Rejecting the demand of political parties like Aam Admi Party and Trinamool Congress, he said, “Whatever AAP and Trinamool Congress said about the roll back, there is no question of that. It is a clear decision of the Prime Minister and government to cleanse politics and economy of the country. We will stick to it.

Delhi Chief Minister Arvind Kejriwal along with West Bengal Chief Minister Mamata Banerjee on Friday organised a protest in front of RBI office in New Delhi to oppose the government decision. The issue also rocked Parliament, leading to repeated adjournments of the Rajya Sabha and the Lok Sabha.

On Opposition’s demand for reply by Modi on demonetisation, Jaitley said: “Government has a collective responsibility. And therefore it is the prerogative of the government on who should reply to a debate.”

“Bulk of the debate has already taken place. I have attended the debate. And the government will decided who will reply to the debate. If the government thinks it is necessary at appropriate time for the prime Minister to intervene, we will consider it at that stage. But it is not necessary that there is an intervention (by Prime Minister) in every debate.”

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