

02:59 PM   17 NOV <b>MARKET STATS</b> ▾	SENSEX <b>26,251</b> ▼ -47.85	NIFTY 50 <b>8,089</b> ▼ -22.15	GOLD (MCX) (Rs/10g.) <b>29,324</b> ▼ -59.00	USD/INR <b>67.78</b> ▼ -0.17	<b>CREATE PORTFOLIO</b>	<b>Download ET MARKETS APP</b>	CHOOSE LANGUAGE ENG
--	----------------------------------	-----------------------------------	--	---------------------------------	-------------------------	--------------------------------	------------------------

# Demonetisation: Before queues end bankers fret about another

By [Saloni Shukla](#) & [Atmadip Ray](#), ET Bureau | Nov 17, 2016, 01:53 AM IST

[Post a Comment](#)

MUMBAI | KOLKATA: Senior bankers, in the midst of a firefight to service hordes of customers rushing to [banks](#) after the November 8 [demonetisation](#), fear the clamour for cash would multiply in the first week of December when most pay out monthly household bills like the help's salary in the first few days of receiving their pay cheques.

**RELATED COMPANIES**

[EXPAND](#)

[State Bank...](#)

"I don't think crowds at branches are going to reduce immediately. In fact, we are expecting higher traffic in the first week of December," a top executive with a Mumbai-based private sector bank said on the condition of anonymity.

The rush may ebb towards the last week of December but rise again after salary disbursements. ICICI Bank's head for retail banking Anup Bagchi said that it's important that the ATM network functions at full throttle and doesn't run out of cash easily.

"If all 2.5 lakh ATMs across the country come on stream with full capacity then we will be able to tide over this rush," he said.

According to Indian Banks' Association, Rs 30,000 crore was put into the system in the first three days of the new cash injection. Interestingly, Reserve Bank of India data showed that currency with public was Rs 17,01,380 crore on October 28, a week before Prime Minister [Narendra Modi](#)'s demonetisation announcement. Banks have been under severe strain ever since the government announced the withdrawal of old Rs 500 and Rs 1,000 currency notes.

Their employees across the country have been working through the day. Banks have also deployed their central office staff to branches to manage the rush.

Reports coming from the interiors suggest that banks are [rationing](#) payments up to Rs 1,000 or even less although the government revised the currency exchange limit to Rs 4,500 and withdrawal limit to Rs 24,000. Cash withdrawal limit in ATMs was raised to Rs 2,500 per day.

The government has deployed helicopters to send currency notes to far flung areas but the demand seems to be much higher than supply.

"As of now, there is no news of Rs 500 notes in our local currency chests," [State Bank of India](#) Kolkata chief general manager Partha Pratim Sengupta said.

"Many people from lower income group are being trapped by money mules who are visiting branches multiple times with different identity proofs for exchanging currency," he added.

This makes life even more difficult for banks such as SBI to serve its own customers. Banks have using indelible ink on the right index finger of the person coming to branches for exchanging notes.

Reports of customers forcing banks to keep shutters up beyond the normal banking hours are also coming from several places.

"The situation is getting critical as the public seems to be losing patience. I don't know how many more days we will be able to handle the public," said a branch manager with a state-owned bank in Kolkata.

"Scenes of scuffles are breaking out outside branches where we ran out of cash. I wonder how we will deal with the December traffic, which will come to withdraw their salaries," said a branch manager with a PSU bank in Mumbai's Vile Parle area.

Stay on top of business news with The Economic Times App. [Download it Now!](#)