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Demonetising: Parts from China on the way to help banks get ATMs running

By [Dheeraj Tiwari](#), ET Bureau | Updated: Nov 18, 2016, 01:57 AM IST

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NEW DELHI: It's been more than a week since Rs 500 and Rs 1,000 notes were scrapped but only about 22,500 — or a tenth of the country's 202,000 [automated teller machines](#) — have been tweaked to accept new notes. That slow pace, which has no doubt played a key role in exacerbating public anxiety, has got something to do with the machines needing new parts that are in short supply and are now being rushed to India, said a senior official. "These are being purchased from China," the official said.

"The magnetic component and the hardware, also known as magnetic spacer and wedge, are not in stock. Once we have the supplies, it should not take more than a week to get all [ATMs](#) running." State Bank of India chairman [Arundhati Bhattacharya](#) said, however, that not all machines need these parts. "Adequate supplies have been lined up and are now getting continuously received.

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This will not pose a problem," she said. A senior finance ministry official said some banks have told the government that the situation is manageable. "It is not a big problem and banks are sourcing the supplies," he said. With the old notes having been withdrawn, machines that haven't been reprogrammed can only dispense Rs 100 (or Rs 50) notes and have been rapidly running out of money.

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Another banker told ET that getting the parts and making changes to dispensers may take some time. "Our aim is to get at least 50,000 machines running in the next one week. If they work 24x7, we will be able to manage this problem," he said. The mechanism has to be able to weigh the currency notes. "So, according to weight, it dispenses money. If it cannot weigh, it will not work," said the official.

Awaiting Supplies

ATMs need to be recalibrated with new magnetic wedges and spacers to fit the new ₹500 and ₹2000 notes and weigh them

Bank officials say with adequate supplies in place from China, the exercise needs only a week to be completed

Adequate supplies have been lined up and are now getting continuously received. This will not pose a problem

ARUNDHATI BHATTACHARYA
Chairman, SBI

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Some bankers said the pace of ATM calibration needed to be speeded up to alleviate distress. "This will be felt more in remote areas as it will take time to update the machines there," one of them said.

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A [National Payments Corporation of India](#) (NPCI) official said the issue should be addressed in the next few days. The indigenous RuPay card's payment gateways have been functioning smoothly. "We have got 35 lakh transactions, of which 25 lakh has been done on ATMs, and around six lakh on various point of sales machines," he said.