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Dry ATMs dispensing more disappointment than cash

By ET TEAM | Nov 26, 2016, 12.28 AM IST

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Prime Minister [Narendra Modi](#) wants India to go cashless. And it seems that automated teller machines, or ATMs, have been taking the lead ever since the [demonetisation](#) drive began. They are absolutely what PM wants the economy to be — cashless.

The result: people's frustration is building up because ATMs are either getting emptied faster than they are refilled, or they are just not working.

ET reports from commercial hubs and shopping districts of Delhi, Mumbai, Bangalore, Kolkata, Chennai and Hyderabad as the struggle to find a cash-rich [ATM](#) is becoming the national pastime of an average citizen.

By conservative estimates, four of five ATMs in any area across cities seem to be obsolete. Most of the ones that are functioning are dispensing Rs 2,000 notes, which introduces the users to another problem: how to get them broken into smaller denominations.

The general pattern of currency availability observed is the closer the machine is to its bank branch, the higher the chances of it being refilled regularly. Offsite ATMs and smaller [banks](#) seem to be competing in dispensing disappointment.

In a bank in central Kolkata, branch staffers gave a conflicting picture about the [cash](#) position, with the bank manager claiming that the branch had adequate reserves to meet customer demand for three days, while junior employees confided that there was scarcely enough to meet even a day's requirement, and that they would be dialing RBI for replenishment.

"What to do, sir? We're helpless as we are receiving very limited cash supplies from the RBI," said an executive at [HDFC Bank](#) in Hyderabad, who did not want to be named. "We are running out of cash within an hour of opening the bank almost every day."

As the weekend approaches, banks have told security guards to turn away customers patiently and to tell them wait till Monday for cash refills.

"The bank has no more money and would only come by Monday," said an [ICICI Bank](#) executive at an ITO branch in Delhi. The Union Bank in Byculla West in Mumbai was not dispensing cash at the time of visit. Even when it does, it runs out of cash within an hour or so.

The same happens at other places such as Delhi's Janpath area. Across the country, the [State Bank of India](#) and its associate ATMs seem to be in better shape as they continue to dispense cash and help customers.

However, average waiting period across ATMs seem to be between two and four hours across the major cities. According to bankers, some relief is expected at various branches as the initial rush at banks to exchange old currency has fallen.

"No exchange means we are only serving our own customers who are coming to either deposit old currency and withdrawing new ones. But there is a shortage of cash. Our ATM was filled earlier today but it got over by afternoon. Things are such that we don't know when money will come next," said a public sector bank official based in Mumbai.

The '24-hour ATM' label seems heavy on irony as the stretch on Lok Manya Tilak Marg in Mumbai, which houses ATMs of Axis, HDFC, ICICI, Kotak and RBL among others — were all closed.

Recalibration of ATMs to suit new currency dimensions has been a major issue with many ATMs still awaiting visits from engineers. For instance, of the 23,000 ATMs in [Tamil Nadu](#), Chennai-based FSS manages nearly 9,000 of them.

Calibrating the machines means a physical visit to each one of them to modify the "cassettes" that hold the money inside the machine.

"We have been able to recalibrate more than 1.2 lakh ATMs. But because of the huge demand for cash in the country, ATMs are seeing record footfalls and are getting exhausted faster than usual. We are trying to replenish as many as we can, but that is becoming a huge

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challenge," said one of the bankers who is tracking the cash replenishing efforts by the ATM Task Force.

Bankers say no improvement in the situation is likely before two-three weeks and in some cases, maybe a month.

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