

## No improvement in cash inflow at banks, ATMs

Our Bureaus

*People wary of spending and money is not getting circulated, say bank officials*



No respite People standing in a queue to exchange old ₹500 and ₹1,000 notes, outside the Reserve Bank of India headquarters in Mumbai on Friday Shashi Ashiwal

Mumbai/ Hyderabad, November 25:

Bank branches and ATMs at many locations in the country did not see much improvement in terms of inflow of currency due to a host of factors, such as not enough cash in currency chests and people withdrawing money but not spending it.

A senior public sector bank official said: “The demand for currency is outstripping supply. Though people are withdrawing money from banks/ATMs, they are not spending it. So, the currency is not getting circulated.

“Despite an assurance from the RBI about sufficient supply of notes, currency supply from the currency chests is only so much. However, the supply situation is expected to improve over the next few days.”

He added that in rural areas, where the branches/ATMs are usually located far away from the currency chests, the supply of new notes could be a bit of a hassle due to logistical issues involved.

An ICICI Bank branch official said since his branch did not receive any cash from the currency chest over the last two days, they tapped other branches of the bank for cash.

An Andhra Bank branch manager in Hyderabad said: “We have been given just ₹ 2 lakh in the form of ₹ 100 notes and ₹ 10 coins which got exhausted in no time. Our average deposit size is ₹ 50 lakh. Now, how do I answer my customers?”

The pressure is so much that Andhra Bank has passed ‘informal’ orders to down the shutters of those branches which have no cash. The same situation is noticed in some branches of other banks too. Only a few ATMs were seen dispensing cash. Meanwhile, there was heavy pressure on currency exchange counters at RBI’s regional offices in Mumbai and Hyderabad, following the RBI notifying members of the public that exchange of banknotes in ₹ 500 and ₹ 1,000 denominations will continue to be available at its counters up to the current limits (of ₹ 2,000) per person.

Police were seen regulating the crowds and turning away children standing in queues with Aadhaar cards in Hyderabad.

### ‘Crunch may continue’

The situation will not ease soon, say bankers. “The total capacity of the four currency printing presses in the country is only 300 crore notes of higher denomination per month while notes being withdrawn is approximately 622 crore of ₹ 1,000 notes and 1,530 crore of ₹ 500 notes,” said BS Rambabu, a functionary of the All India Bank Employees' Association.

The currency crunch will continue as public sector banks were not being given adequate cash, he added.

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