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‘Indelible ink’ move sees resurgence in exchange of old currency notes

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The ‘indelible ink’ clause has put paid to plans of people who wanted to exchange bank notes multiple times utilising the services of money mules

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Bank branches on Wednesday saw a heavy rush of customers for exchanging old high-denomination bank notes.

Bankers attribute this to people with loads of cash wanting to head off the stringent condition, whereby indelible ink will be put on their right index finger so as to identify that they have exchanged old currency notes.

However, the pressure on branches for depositing cash and withdrawing cash over the counter and from ATMs has eased a bit. Bank branches have been besieged by throngs of customers in the last one week as ₹ 500 and ₹ 1,000 bank notes were demonetised with effect from November 9.

The ‘indelible ink’ clause has put paid to plans of people who wanted to exchange bank notes multiple times utilising the services of money mules, many of them teenagers and young adults. These mules are avoiding branches where the finger is being inked.

A senior official at Central Bank of India’s Fort branch said: “I have seen customers slink away when they come to know that their finger will get inked before the exchange of notes takes place. Since not all bank branches have started the inking procedure, they go to other branches.”

Some customers were visibly irritated over the indelible ink norm. “How many more restrictions does the government want to place for giving our own money back,” fumed Muhammadi Begum, who works for Wipro, while waiting in queue at ICICI Bank’s Khairatabad branch.

A customer at Union Bank of India’s Thane (East) branch said he came all the way from Bhiwandi, which is about 13 km away, for the second day in a row to exchange notes as the scene outside most of the branches in his powerloom town was chaotic.

According to BS Rama Rao, Executive Director of Bangalore-based Vijaya Bank, use of indelible ink has curtailed many “repeat” customers from coming to exchange old notes with different identity proofs.

According to RBI guidelines, a customer can exchange up to ₹ 4,500 only once. And according to the Standard Operating Procedure advised to banks, while exchanging the specified bank notes (₹ 500 and ₹ 1,000), the bank branch concerned, issue office of RBI or post offices will put an indelible ink mark on the right index finger of the customer so as to identify that he/she has exchanged old currency notes.

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