

Banks urge RBI to ease up on cassette swap norm in ATMs

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May incur an expense of ₹3,200-4,800 crore

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Staring at a huge expenditure of ₹3,200-4,800 crore for introducing cassette swap in ATMs, banks are likely to petition the Reserve Bank of India to suitably relax this stipulation.

Onsite ATMs

Bankers feel that onsite ATMs should be exempted from the regulatory directive, requiring banks to use lockable cassettes in their ATMs (which will be swapped at the time of cash replenishment). The reason for seeking the exemption is that such ATMs can be replenished from the branch itself without the fear of cash being pilfered.

Given that banks are weighed down by bad loans, introducing cassette swap for all ATMs will hit them harder. As of May-end 2018, there were 2,25,608 ATMs in the country. If two lakh ATMs (assuming that the remaining ATMs are advanced, having lockable cassettes that hold cash) require cassette-swap facility, then the cost of procuring two to three sets of four cassettes each at the rate of ₹20,000 per cassette would amount to ₹3,200-4,800 crore.

In order to mitigate risks involved in open cash replenishment/ top-up, the RBI has advised banks to use lockable cassettes in their ATMs, which will be swapped at the time of cash replenishment.

The central bank directed banks to implement the cassette-swap in a phased manner, covering at least one-third ATMs operated by the banks every year so that all ATMs achieve cassette swap by March 31, 2021.

“With cassette swap, every ATM will have four extra cassettes. These cassettes will be in the vault of the cash logistics agencies. When cash is given by the bank, the agencies will load the cassettes under camera surveillance. The cassettes are sealed with a number and all that so that they cannot be tampered with.

“Then they will carry these cassettes to the ATM and load them in place of the older sealed cassettes (which are in the ATM and brought back to the vault). This process is faster as it entails swapping cassettes.

Plus, it prevents pilferage and reconciliation issues for the bank,” said Radha Rama Dorai, Managing Director – ATM & Allied Services, FIS.

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