

Benchmarks &gt;

Nifty LIVE12,243.45 27.55

NSE Gainer-Large Cap &gt;

Alkem Laboratories ...

2,248.70 99.65

FEATURED FUNDS

Mirae Asset Tax Saver Fund

Direct-Growth

★★★★★

3Y RETURN

19.5 %

INVEST NOW

Stock Analysis, IPO, Mutual Funds, Bonds &amp; More

Market Watch

# You can soon deposit cash at any ATM

BY ASHWIN MANIKANDAN, ET BUREAU | UPDATED: JAN 10, 2020, 06.10 AM IST

Post a Comment

Mumbai: After making payments interoperable between banks with its [Unified Payments Interface \(UPI\)](#), the National Payments Corporation of India (NPCI) is pushing top banks to make cash deposit too an interoperable feature at their ATMs and branches.

NPCI believes that an interoperable cash-deposit system enabled through its National Financial Switch (NFS), initially developed by Institute for Development & Research in Banking Technology (IDBRT), could help reduce the cost of currency handling for the entire banking system, said four people aware of the matter. This will also help ATM operators reduce the costs to replenish cash at ATMs, as the currencies deposited through the machines can be "recycled" for withdrawals as well.

"All major private and public-sector banks have been asked to join the interoperable network," a private banker said on the conditions of anonymity. "However, for banks, before accepting these terms, there are several factors to be considered, such as tackling of counterfeit currency deposits through this mode and a thorough reconciliation framework, before a widespread adoption of the platform will be seen."

While 14 banks are already operating live on the Interoperable Cash Deposit network, NPCI estimates that around 30,000 ATMs of top banks could immediately be upgraded into interoperable deposit machines using the IDBRT-developed mechanism, without any significant hardware upgrades, another person aware of the discussions said.

NPCI didn't respond till press time Thursday to an email seeking comment. This plan once fully implemented will, for example, allow a bank customer of [HDFC Bank](#) to make cash deposits at ATMs enabled with deposit facilities at State Bank of India branches or offsite locations. These machines are generally called cash-deposit machines, or cash recyclers.

The facility would be largely beneficial for ecommerce players & food aggregators where delivery agents can reduce high costs of handling cash accumulated by instant credits made at deposits accepting ATMs.

Union Bank, [Canara Bank](#), [Andhra Bank](#) and South Indian Banks are among the banks currently providing interoperable deposit facilities.

Punjab and Maharashtra Cooperative Bank, where last year the Reserve Bank of India froze customer accounts owing to financial irregularities, is also among the banks which give customers interoperable deposit services.

The interchange, or the charges for processing these deposit, is currently fixed at Rs 25 for deposits below Rs 10,000, the person cited above said. For deposits above Rs 10,000, it is Rs 50. "Interoperability between banks is what made UPI so popular.

While the percentage of the 'cash-in' transactions are minuscule as compared to 'cash-out' facilities, an interoperable system can lead to enhanced convenience for the customer," said Kaushik Roy, vicepresident and country leader, South Asia, at payments technology company ACI Worldwide. "From an infrastructure point of view, no significant upgrades would be needed for deposit-accepting machines as authentication follows the same pathway as cash withdrawals," he said.

Stay on top of business news with The Economic Times App. [Download it Now!](#)

## RELATED COMPANIES

EXPAND

Hdfc Bank

Canara Bank

Andhra Bank

**Big Change:**[The end of Five-Year Plans: All you need to know](#)