

## **Beating cash crunch: e-transaction fees, ATM charges waived off**

*Task force under RBI Deputy Governor S S Mundra to recalibrate 200,000 ATMs; all-party meet likely today to reach out to Opposition*

The government on Monday advised banks and the National Payment Corporation of India (NPCI) to waive charges on e-transactions till December 31, to help out cash-strapped people hit by the demonetisation drive. Following this, NPCI waived till year-end the switching fee for all RuPay issuing and acquiring member banks for point of sales and e-commerce transactions.

It has also decided to set up a task force, under Reserve Bank of India (RBI) Deputy Governor S S Mundra, to speed up the recalibration of 200,000 automated teller machines across the country so that these can dispense the new Rs 2,000 denomination currency notes. The old machines cannot do it because of a size mismatch.

The decisions were taken after the government went into a huddle on Sunday night to address the crisis unleashed by its move to demonetise high-value currency notes last Tuesday.

Late on Sunday, after delivering two high-emotion speeches justifying the reform, Prime Minister Narendra Modi met senior ministers, bureaucrats and RBI officers. The government has also decided to extend the use of the old Rs 500 and Rs 1,000 notes for utility payments till November 24. The earlier deadline was Monday.

“Enough cash is available with the RBI. There is absolutely no reason... to panic. The supply of various networks will be improved in the days to come,” said Economic Affairs Secretary Shaktikanta Das on Monday morning.

“The focus is further strengthening and activation of the network of business correspondents, the network of post offices, ATM networks and the network and reach of the banking system, activation and widening the facility of e-payment,” he added.

The PM’s Sunday meeting went on till past midnight, and Cabinet ministers with different portfolios — home, urban development, information and broadcasting — as well as ministers of state for coal, power and finance. RBI Governor Urjit Patel and senior officers of the Prime Minister’s Office and the Union finance ministry were also present.

Asked if the authorities were unprepared to deal with the side effects of the government move, purportedly to flush out black money hoarders, Das said that was not so.

However, scenes of unrest and frustration of people queuing up outside banks and ATMs to get their old currency notes exchanged or withdraw cash for the first four days had a different tale to tell.

Sources said the government and the Bharatiya Janata Party (BJP) were apprehensive of the fallout of the move, leading to law-and-order problems. But, leaders of the government and the

party said people had been patient and public anger would subside when more currency notes are pushed into circulation in the days to come.

Opposition leaders on Monday meet to strategise for the winter session of Parliament that begins Wednesday. They said they would raise the issue of demonetisation causing hardships to people and highlight reports that some BJP members had been warned about the drive. The government expects the first few days of the session to be washed out.

An all-party meeting ahead of the winter session might be held on Tuesday. The government is likely to use that forum to reach out to the Opposition before the session begins.

Das said the focus of the PM's Sunday meeting was also on disbursement of cash in rural areas.

The cash-holding limit for 120,000 banking correspondents, who form a crucial link in the rural monetary chain, has been increased to Rs 50,000 and banks have been given flexibility to increase this limit on a case-to-case basis. It has been also decided to provide cash multiple times to the banking correspondents. Supply of cash to 130,000 post offices would also be enhanced.

However, Das clarified, higher cash withdrawal limit of Rs 2,500 was only for recalibrated ATMs. A large number of micro-ATMs would be deployed to help people withdraw cash through debit cards.

To help small traders meet their business requirements, Das said the government has decided to increase the cash withdrawal limit to Rs 50,000 per week from current accounts.

*(Business Standard)*