

## INDUSTRY

## No 'less cash' two years post note ban

## Money trail

■ Currency in circulation increased to ₹19.6 lakh crore as on Oct. 26, 2018, from ₹17.9 lakh crore on Nov. 4, 2016

■ Cash withdrawals from ATMs in Oct. 2016 were ₹2.54 lakh crore, while the number for August 2018 was ₹2.75 lakh crore — a growth of 8%

■ ATM withdrawals had crashed to ₹1.06 lakh crore in December 2016

■ Mobile banking transactions rose to ₹2.06 lakh crore in Aug. 2018 from ₹1.13 lakh crore in October 2016



SOURCE: RBI DATA

### SPECIAL CORRESPONDENT

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### Cash in circulation and ATM withdrawals have only increased, RBI data shows

Thursday, November 8, marks the second anniversary of the demonetisation exercise. It was on the same day in 2016 that Prime Minister Narendra Modi announced that ₹1,000 and ₹500 currency notes would no longer be legal tender. These notes constituted over 86% of the currency in circulation, then.

One of the objectives of demonetisation was to move to a 'less-cash' society. However, two years down the line, it appears the objective has not been achieved.

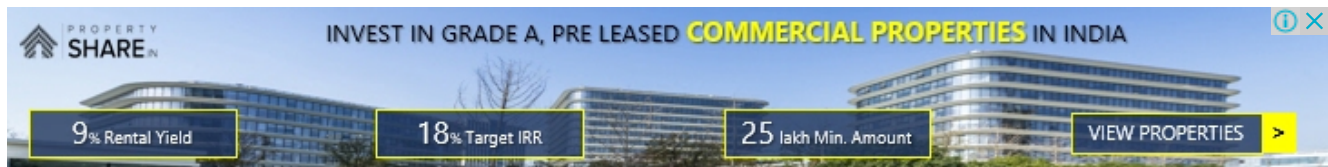
According to Reserve Bank of India (RBI) data, currency in circulation rose to ₹19.6 lakh crore as on October 26, 2018, a 9.5% growth from two years ago. The currency in circulation was ₹17.9 lakh crore on November 4, 2016, the week before the note ban came into force.

With cash back in the system, ATM withdrawals have picked up. According to RBI data, cash withdrawals from ATMs grew 8% to ₹2.75 lakh crore in August 2018 from ₹2.54 lakh crore in October 2016. The October figure, which will be released in December, could well be higher, as withdrawals generally increase in the festival season. Cash withdrawals from ATMs fell sharply during the demonetisation exercise, hitting ₹1.06 lakh crore in December 2016.

## ATM numbers

While cash withdrawals have gained pace, addition of ATMs has been slow. In the last two years, about 8,000-odd ATMs had been added. In the three months till August 2018, ATMs expansion has picked up again with about 1,000 ATMs being added every month. There are 2.28 lakh ATMs as of August 2018.

Mobile banking transactions in August 2018 stood at ₹2.06 lakh crore, 82% higher than the October 2016 figure of ₹1.13 lakh crore.



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