

**Digital pipe dream** 

The digital infrastructure is so woefully inadequate that a paperless economy is a distant dream. By RAMESH CHAKRAPANI

Н	he government's decision to								
	remove 500- and 1,000-rupee								
	notes from circulation resulted in								
an	an unprecedented situation marked by								
chaos and uncertainty, the most visible									
signs of which were the interminable									
queues at ATMs.									

The lack of preparedness comes as no surprise looking at data from the Reserve of Bank of India (RBI), which show that there are barely two lakh ATMs for a population in excess of 121 crore. The number of credit cards issued in the country is around 2.59 crore, while debit cards are exponentially higher around

However, the average monthly credit card spend was significantly higher around Rs.9,382 (for July 2016, the latest month for which figures were available), compared with a Rs.245 for

The country's money stock has also been steadily rising over the past five

While the currency with the public rose from Rs.10,653.04 billion in October 2012 to Rs.17,013.81 billion in October this year, the value of notes in circulation also zoomed from Rs.10,952.94 billion to Rs.17,540.22 billion during the same period.

**Annual outflow under** 

liberalised remittance

scheme for residents

Top debit card issuers (July 2016)									
State Bank of India	20,27,02,641								
Punjab National Bank	4,63,42,213								
Bank of India	3,84,72,119								
Bank of Baroda	3,55,10,473								
ICICI Bank	3,39,89,826								
Canara Bank	3,34,14,614								
HDFC Bank	2,41,21,066								
Central Bank of India	2,06,62,104								
Andhra Bank	1,92,54,763								
Union Bank of India	1,75,33,461								
Axis Bank	1,65,65,284								
SBH	1,61,95,495								
Indian Bank	1,54,61,004								
Indian Overseas Bank	1,44,59,458								
SBBJ	1,24,54,969								
Syndicate Bank	1,22,28,868								
SBT	1,17,32,034								
Corporation Bank	1,01,16,268								
All India total	69.72.22.455								

Top credit card issuers	(July 2016)
Bank	Credit cards
HDFC Bank	78,14,027
ICICI Bank	38,76,656
State Bank of India	38,63,854
Axis Bank	26,77,047
Citibank	24,04,885
Standard Chartered	10,23,878
Kotak Mahindra Bank	8,23,046
American Express	874,724
IndusInd Bank	475,314
HSBC	446,041
Canara Bank	200,890
Punjab National Bank	200,226
Ratnakar Bank	181,227
Andhra Bank	153,312
Union Bank of India	151,333
All India Total	2,59,43,794

Rising money stock (in Rs.billion)																			
Oc	t 28,	2016		Oc	t 30,	2015		00	+ 31	2014									
								Oct 31, 2014			Oct 18, 2013				Oct 19, 2012				
17,013.81	17,540.22	4	10,671.40	14,449.91	51.51	8/	3.75	17	13,485.64	65	7.88	11,886.22	12,259.41	75	3.22	10,653.04	10,952.94	12	1.94
17,01	17,54	759.14	10,67	14,4	14,951.51	710.78	9,580.75	13 005 17	13.48	666.59	8,487.88	11,88	12,25	538.75	7,408.22	10,69	10,99	445.15	6,684.94
CI	■ Currency with the public ■ Notes in circulation ■ Cash on hands with banks ■ Deposite money of the public																		

## Point of sale July 2016 24.341.415 23,955.513 transactions June 2016 of cards May 2016 (Rs.crore) DEBIT CARD July 2016 17,091.923 1<u>5,500.54</u>1 June 2016 May 2016 15,514.763 TOTAL July 2016 41,433.338 June 2016 **ATM** May 2016 40,474.76 **AVERAGE CREDIT CARD SPEND (Rs.)** July 2016 9,382.37 June 2016 9.378.19 May 2016 9,925.28 **AVERAGE DEBIT CARD SPEND (Rs.)** July 2016 **245.14** June 2016 **224.27** May 2016 **228.15**

CREDIT CARD

Top banks by ATM presence (as of July 2016)									
Bank	On-site	Off-site	Total						
State Bank of India	20,419	29,496	49,915						
ICICI Bank	4,827	9,359	14,186						
Axis Bank	3,037	9,972	13,009						
HDFC Bank	5,622	6,398	12,020						
Bank of Baroda	6,320	4,135	10,455						
Canara Bank	5,289	4,498	9,787						
Punjab National Bank	5,168	4,545	9,713						
Bank of India	3,436	4,371	7,807						
Union Bank of India	4,374	2,519	6,893						
Central Bank of India	3,509	1,803	5,312						
Corporation Bank	2,247	847	3,094						
IDBI Bank	1,748	1,622	3,370						
Indian Overseas Bank	2,718	976	3,694						
Syndicate Bank	3,382	377	3,759						
Andhra Bank	2,940	791	3,731						
All India Total	1,03,282	98,579	2,01,861						

A history of paper money in Ind Paper money originates in



late 18th century

 Earliest note issues by Bank of Hindostan (1770-1832), General Bank in Bengal and Bihar (1773-75), Bengal Bank (1784-91)

 Paper Currency Act of 1861 gives Government of India monopoly of issuing notes



First set of British India notes were 'Victoria Portrait' Series in denominations of 10, 20, 50, 100, 1000

 George V Series introduced in May 1923 in 10, 50, 100, 500. 1000, 10,000 denominations



Currency Note Press established at Nashik in 1928

 First notes issued by the RBI in 1938 in 5, 10,100, 1,000 and 10,000 denominations

Notes of 500 and above demonetised in 1946

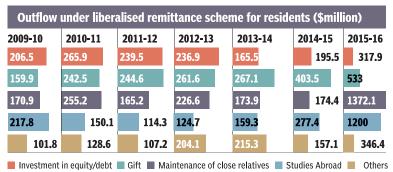
• 1,000, 5,000, 10,000 notes reintroduced in 1954, demonetised in 1978

New Mahatma **Gandhi Series** introduced in 1996 (10, 50, 100, 500, **1000** notes)

20 note introduced in 1972, 50 note in 1975

> 500 note reintroduced in October 1987





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2012-13 2013-14 2014-15

Outflow (\$million)

Sep 2016 2015-16