
THE STORY OF CASH LOGISTICS

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Cash management and logistics planning, that is required during the day is to be planned, and is to ensure is in clockwise precision, that cash is available during the requirement, and thus working in a creative, secretive guarded environment, and cash management has always remained in the background even though sufficient cash may not be available during the period of stringent measures.

The secrecy of management of cash is that it should have sufficient requirement, of cash available during any time of emergency.

The transportation of cash is mainly divided into different requirements. The first requirement is that cash is transported from mints, where currency, is printed by the Reserve Bank of India, offices, and chests, of the banks situated in different cities. A tier I city normally has around 15-30 chests. The cash logistics have companies to transport these chests in phases, as these trucks carry full cash, and they are normally guarded by the Central and State security as they move around the country. It so happens the secrecy is kept to the maximum as that the driver of the logistic vehicle will not be able to know the contents of the vehicle, much of the secrecy is kept on the movement of the vehicle.

In the second phase that are in second and third parts, in which private logistics companies are engaged to move cash-transit it is that chests are shifted to bank branches, and bank replenishment that is the bank branches to Automatic Teller Machines. For cash-in-transit, the logistic company conveying cash rents out armored cars, along with the drivers, handlers, and security personnel, to the banks. The logistic vans carry cash from chests to various branches, as well as from the branches to the chests completing the day, and it is in the chests that cash is sorted into three categories: cash which has to put Automatic Teller Machines, and next cash which can be used for the counter, and the cash which is soiled and cannot be put to use, and put back for circulation, the logistic company takes the responsibility of the complete supply chain.

The cash which has to be replenishment, the logistics company are not hired or taken by the banks, but by usually Management Service Providers, which manage and maintain Automatic Teller Machines in the confined areas, with logistic support in the supply chain, on behalf of the banks and other financial services companies. There are requests to load a huge amount of cash by banks, to solve the logistic problems in supply chain, and for this purpose, an indent is issued to the logistic company to distribute the cash to the designated bank as per the requirement.

The employees in the bank or concerned check their indent, against the logistic company, and the high-value cash, and they loaded in logistic vans, which transports the cash to the several Automatic Teller Machines, where the operations of cash transaction are bound to be taken as per requirement for the public.

A typical logistic built in a van, which has a well-built vault, and is covered with basic armor, which can carry, basically five working personnel, a set of handlers for handling the movement, and a set of security guards are part in logistic personnel team. The security personnel are hired as per requirement, and are hired as new personnel, and trained as per requirement, with use of necessary firearms, it is a rare phenomenon that ex-police, ex-military personnel are employed as a form cost reduction for the logistic company or banks.

On an average daily basis, the cash logistics company transports high value of cash worth nationwide, as the logistic company also has its chests in various locations, as some of the foreign banks which do not have such facilities prefer to park their money in these chests available.

It may not be surprising; that logistic companies transporting cash is a high technology affair. A huge central control room has large Liquid Crystal Display screens, covering the entire network within the wall, and normally that there are row personnel of the logistic company monitoring the movement of each and every logistic van the company operates, with huge logistic maps of the places, the company operates, with dots spread and splashed on the screen available on the supply chain.

The logistic vehicles are geo-fenced to maintain the safety, and the logistics follow the pre-determined routes and if any deviation will result in the driver getting attention from the control room for any deviation in routes.

The Reserve Bank of India or the Central Bank of the country, chalk out the requirement of the currency of currency notes before the start of the financial year, and the requirement is communicated to the government. When the government permits Reserve Bank of India, which is called the Central Bank meant for cash management in supply chain, raises an indent for printing the requirement of specific bank notes in its four presses in the country.

Earlier the printing of banknotes the requirement of paper procurement was done from overseas, but the paper material is sourced locally, and necessary security features are installed by paper mills, and the papers for printing are sent printing press using a security type logistic system in the supply chain. The printed notes with additional security features are logistically sent to Reserve Bank of India or Central Bank, and its regional offices and there are currency chests where the currencies are notes are stored. Reserve Bank of India or the Central Bank then raises a voucher for the currency or notes that are needed.

Banks raise their demand for cash with Reserve Bank of India or the Central Bank, for their requirement from their regional offices, and Reserve Bank of India or Central Bank, sends the money to the banks as per requirement, and thus the respective banks keep the currency or cash in their respective chests, and thus engage Cash Management logistic firms to fill their Automatic Teller Machines, Automatic Teller Machines providers do a daily requirement of cash at the end of the day for the next day's transaction and indent.

Banks validate the indent and the cash transferred to the bank branch which is linked to that Automatic Teller Machine, and if there is a shortage of cash in the banks, they generate their cash or currency or borrow currency or cash from the chest. Cash management firms transfer cash from branches to Automatic Teller Machines. The firms will also fill up the Automatic Teller Machines which holds the notes of a different denomination, and the cash or money is

dispensed when the customer requires the currency or cash when the card is used at Automatic Teller Machines.

It is not advisable to draw an inference on monthly income velocity on the currency, as first high denomination notes are substituted with lower denomination, likely the circulation velocity should increase, and it is also advisable to compute velocity of the currency or cash on a monthly basis, as the measure of aggregate income is not available on the monthly frequency.

In a cash logistics, the Central Bank role is to see that the cash crunch is sorted out and it is not a logistic issue and business of logistic transport company. The Central Bank had the conception the shortage of some Automatic Teller Machines, is largely due to shortage of largest schedules, and replenishing Automatic Teller Machines frequently, and the re-cal liberation of Automatic Teller Machine which is still a problem in the supply chain.

Cash in transit or cash or valuables in transit in logistics management is the physical transfer of banknotes, coins, credit cards, and items of value from one location, to another through logistic. The main location, in logistic, include cash center, or bank practices, Automatic Teller Machine points.

The increasing brand toward re-cycling at Automatic Teller Machines are likely to ascertain the market, economic size, and population density to have a positive impact on the financial sector. The densely populated areas have a higher Automatic Teller Machines penetration and higher geographic approach to logistics in supply chain cash management.

The logistics companies operating indent to increasing financial challenges, including fuel cost, and risk management, and transport companies are experiencing low profit in transporting cash from chest, banks, with repeated effect to satisfy bank or customers, and they lack appropriate security personnel coupled with good training and delay in the detection of stolen currency or cash in logistics of supply chain.

Cash replenishment, the normal procedure for replacement of currency, takes about 2 to 3 weeks, in a normal course of time, and also being pulled out which is under circulation, and dispensing smaller denomination, of cash, and replenishment in Automatic Teller Machines with multiple currencies, at different time is a mammoth task, for a logistics company. As per cash management, a huge amount of sufficient cash should be transferred, and the numbers of physical trips count are higher and thus increase it will the cost of operation for logistics companies. An intelligent logistic technology can perform and add greater value to automation, and optimize the decision making for optimum use of the supply chain and deliver the task in the lowest possible time even in cash collection.