

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:21
ANSWERED ON:06.12.2013
AUTOMATED TELLER MACHINES
Rajukhedi Shri Gajendra Singh

Will the Minister of FINANCE be pleased to state:

- (a) whether Automated Teller Machines (ATMs) of the Public Sector Banks (PSBs) are being set up as per the norms prescribed by the Reserve Bank of India (RBI);
- (b) if so, the details thereof and if not, the reasons therefor along with the steps taken /being taken by the Government/RBI against the defaulting PSBs;
- (c) whether the RBI has recently permitted/proposes to allow non-banking companies to set up white-label ATMs in the country; and
- (d) if so, the details thereof including the number of such ATMs set up/likely to be set up by them along with the procedure laid down by the RBI for the purpose?

Answer

The Finance Minister (SHRI P. CHIDAMBARAM)

(a) to (d) :- A Statement is laid on the Table of the House

Statement referred to in reply to parts (a) to (d) of Lok Sabha Starred Question No.21 for 6th December, 2013 by Shri Gajender Singh Rajukhedi regarding Automated Teller Machines.

(a) and (b):- In terms of extant guidelines of Reserve Bank of India (RBI), Scheduled Commercial Banks are permitted to install Off-site/Mobile ATMs at centres / places identified by them subject to reporting. The conditions subject to which Off-site/Mobile ATMs can be operationalised by banks are as follows:

- I. The business transacted at the Off-site ATM shall be recorded in the books of the respective branch/ base branch / Centralised Data Centre.
- II. No person other than the security guard should be posted at such Off Site ATM centre.
- III. Bank should make adequate stand-by arrangements for meeting the cash requirements of the ATM.
- IV. The bank should ensure that only properly sorted and examined notes are put into circulation through the ATM.
- V. Third party advertisement on the ATM screens/Network, such as display of products of other manufacturers /dealers /vendors is not permitted. However, there is no objection to banks utilizing the ATM screens for displaying their own products.

(c) and (d):- RBI has issued guidelines on the operations of White Label ATMs (WLAs) on 20th June 2012. RBI has reported that two entities have so far been granted final authorization and 11 entities have been granted in principle approval to set up WLAs. Further, 415 WLAs have been installed till October 2013.

Non-bank entities have been permitted to set up WLAs in India, after obtaining authorization from RBI under the Payment and Settlement Systems (PSS) Act, 2007. Such non-bank entities should have a minimum net worth of Rs.100 crore as per the latest financial year's audited balance sheet, which is to be maintained at all times. The authorized non-bank entity chooses the location of the WLA as per the RBI Policy guidelines dated 20th June 2012. These guidelines are available on the website www.rbi.org.in