

F.No.7/126/2011-BOA (Pt.)
Ministry of Finance
Department of Financial Services

Jeevan Deep Building
Sansad Marg, New Delhi
Dated :1st June, 2012

The CEOs of
All Public Sector Banks

Dear Sir,

Sub- Strategy for turn-around of loss making ATMs.

The data in respect of loss-making ATMs of Public Sector Banks (PSBs) was collected and analyzed in this Ministry. The analysis of data shows that a large number of ATMs of PSBs are incurring losses. A sound strategy in this regard is to be put in place as loss making ATMs are not viable if they continue to be loss making.

2. It may be recalled that in order to enhance the use of alternate channels of transactions, a special campaign has been launched vide a letter No. 7/85/ 2012-BOA dated 07-05-2012 wherein all PSBs were requested to promote transaction through alternate channels by issuing debit cum ATM cards to all account holders. This may form a part of your strategy as it would further the use of ATMs, making them profitable by increasing the number of hits.

3. In line with the above, you are requested to firm up the strategy for turn-around of loss-making ATMs of your bank. In this regard, you may review your business plan including opting for :

In case of on-site ATMs

- i. issue of debit cum ATM Cards,
- ii. educate Branch staff
- iii. educate customers- Branch Managers may have weekly meetings with the customers,
- iv. off load cash drawals from Branch to ATM, and

- v. any other measures which bank may like to take up.

in case of off-site ATMs

- i. relocation of such ATMs,
- ii. closing down of such ATMs,
- iii. publicity for enhancing number of hits
- iv. any other measures which bank may like to take up.

4. You are also requested to intimate a firmed up strategy for turn-around of loss-making ATMs of your bank to this Ministry by 30st June 2012.

Yours faithfully

(Pravin Rawal)
Deputy Secretary to the Government of India
Ph – 011-23346874
email – dirboa-dfs@nic.in

Copy to all Govt. Nominee Directors on the Boards of PSBs

