

F. No. 3/2/2013-FI
Government of India
Ministry of Finance
Department of Financial Services

3rd Floor, Jeevan Deep Building,
Sansad Marg, New Delhi,

Dated: Dec. 23, 2013

To,

Chairman SBI,
MDs of SBI Associates Banks,

**Sub: Clarification on deployment of onsite ATMs – Our Circular dated
Dec. 09, 2013**

Madam(s)/Sir(s)

Please refer to our Circular of even number wherein it was clarified that Bank ATMs within a vicinity of 500 meters of the Bank Branch may be treated as on-site ATMs and those of other Banks would not be treated as on-site ATMS.

2. SBI and its associates Banks have now requested that the ATMs of its associate Banks which are present in the vicinity of 500 meters be treated as onsite ATMs in view of the following reasons:

- a) Customer is allowed unlimited free transactions on SBI and Associate Bank ATMs.
- b) SBI does not install a branch/ATM adjacent to or in close vicinity of their associate Banks so as to prevent cannibalization of business of the associate Banks. This is also helpful to reach more locations and increase customer access points.

- 2 -

3. In view of the above, it has been decided that SBI and its associate Banks' ATMs in the vicinity of 500 meters of the respective branch may be treated as on-site ATMs. However, in any location, if there are multiple branches of SBI and/or its associate banks, then each of these branch must have an on-site ATM.

4. It is therefore, requested that the monthwise ATM installation plan for December 2013 to March, 2014 may be worked out and shared with us at

fi-dfs@nic.in with a copy to pande.alok@nic.in.

Yours faithfully,

Sd/-
(Dr. Alok Pande)
Director (Financial Inclusion)
Tele: 23748771, Email: fi-dfs@nic.in

Copy to: CMDs of All PSBs, for information.

F. No. 03/02/2013-FI
Government of India
Ministry of Finance
Department of Financial Services

3rd Floor, Jeevan Deep Building,
Sansad Marg, New Delhi,
Dated: Dec. 09, 2013

To
Chairman SBI,
CMDs of all Public Sector Banks,
MDs of SBI Associates Banks

Subject: Clarification on deployment of onsite ATMs

Madam(s)/Sir(s)

As per the Budget Announcement of 2013-14, all PSBs are required to have on-site ATMs in all branches by 31.03.2014. The matter was reviewed in the meeting of the Finance Minister with the CEOs of PSBs on 22nd October, 2013. It was noticed that pace of implementation was very slow. Out of 34668 branches identified for installation of on-site ATMs, only 9533 ATMs were installed by 31.10.2013.

2. In view of the requests made by the Banks on deploying ATMs the following policy questions were considered:

- a) Should the definition of "on-site" ATM be interpreted liberally to include ATMs of the same Bank in a vicinity of 500 Meters?
- b) Whether ATMs of other Banks in the vicinity of 500 meters from the Branch also can be interpreted as on-site ATMs?

3. It has been decided that point (a) above may be considered by Banks subject to stipulation that Banks may try to shift the ATM to the nearby branch in future unless commercial considerations do not permit such shifting. As regards point (b) above this request is **not** acceptable since the deployment of ATMs on-site/near the branches is a

stated policy objective of the Government. As per the information available from Reserve Bank of India as on 31.03.2013, the ATM to Branch ratio of PSBs was 0.96, that of Private Banks was 2.78 and those of foreign Banks was 3.8. The PSBs therefore, need to improve this ratio for greater financial inclusion and also to cut down the cost of operations.

4. It is therefore, requested that the monthwise ATM installation plan for December 2013 to March, 2014 may be worked out and shared with us at fi-dfs@nic.in with a copy to pande.alok@nic.in.

Yours faithfully,

Sd/-
(Dr Alok Pande)
Director (FI)

Tele: 23748771, Email: fi-dfs@nic.in