

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4840

ANSWERED ON:18.12.2009

ATMS

Majhi Shri Pradeep Kumar;Rajbhar Shri Ramashankar;Singh Shri Rakesh

Will the Minister of FINANCE be pleased to state:

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- (a) whether the Government proposes to set up extension counter of banks and Automatic Teller Machines (ATMs) in the country in view of the forthcoming Commonwealth Games;
- (b) if so, the details thereof;
- (c) whether the ATM cardholders have to pay some charges for using ATMs of other banks after a particular number of withdrawals in a month;
- (d) if so, the details thereof;
- (e) whether the Indian Bank Association has urged the Reserve Bank of India (RBI) to fix the limit for free transactions at another bank's ATM; and
- (f) if so, the details thereof and the action taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b) : - At present no such proposal is under consideration of Government.

(c) to (f) : - Reserve Bank of India (RBI) had earlier vide its circular dated March 10,2008, directed that banks may permit all their customers to withdraw cash and carry out balance enquiry at other Banks' ATMs free of any transaction charges with effect from April 01,2009.

Subsequent to implementation of this directive, Banks had made a representation through Indian Banks' Association (IBA) to the RBI seeking to limit such transactions as the cost incurred by banks, due to such transactions were high.

After considering the representation, in order to strike a balance between operational efficiency and customer convenience, RBI has vide its letter dated August 06,2009, communicated to IBA permitting as under: -

- i. Maximum cash withdrawal at other Bank's ATM would be Rs.10,000/- per transaction.
- ii. Banks should permit 5 cash withdrawals per month free of charge from other bank's ATM.
- iii. RBI's mandate for 5 free ATM transactions at other bank's ATM relate only to card holders maintaining a savings bank account.