

# Facing ATM cash crunch problem? Here's what parliamentary panel asked RBI to do

By: [FE Online](#) | Published: January 9, 2019 2:33 PM

A parliamentary panel asked the Reserve Bank of India (RBI) to look into the problem of dysfunctionality as well as the shortage of ATMs so that “a forced cash crunch is not imposed on the public”.



The number of ATMs in the country declined marginally by 1,300 to 2.07 lakh in the financial year 2017-18, RBI report showed. (PTI)

A parliamentary panel asked the Reserve Bank of India ([RBI](#)) to look into the problem of dysfunctionality as well as the shortage of ATMs so that “a forced cash crunch is not imposed on the public”. The Standing Committee of Finance, in its report tabled in Parliament last week, asked banks to put in place adequate number of ATMs so as to avoid the problem from emerging, PTI reported.

“As digital transactions have not become anywhere near universal, the committee would urge upon the RBI to pursue the lingering problem of

dysfunctionality as well as shortage of ATMs vigorously with banks, while ensuring the economic viability of ATMs for all stakeholders, so that a forced cash crunch is not imposed on the public," PTI reported citing report by the panel headed by senior [Congress](#) leader M Veerappa Moily said.

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The remonetisation drive by the Central Bank has not been able to resolve the problem of inadequate cash supply to ATMs in rural or semi-urban areas leading to closure of many ATMs.

As of end of September 2018, there were 2,21,492 ATMs in the country, according to the RBI data. Of the total number, public sector banks own 1,43,844 ATMs and private sector banks have 59,645 ATMs. There are 18,003 ATMs of foreign banks, payments banks, small finance banks and white label ATMs, which are owned and operated by non-bank entities.

Meanwhile, the number of ATMs in the country declined marginally by 1,300 to 2.07 lakh in the financial year 2017-18, RBI report showed. The total number of ATMs declined from 208,354 in FY17 to 207,052 due to several reasons.

The central bank in its annual report on 'Trend and Progress of Banking in India' said that ATMs were closed 'primarily' due to branch rationalisation

by a few public sector banks. "In FY18, the number of ATMs of state-run banks declined to 1.45 lakh from 1.48 lakh in FY17," the RBI said in the report.

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