

FINANCE MINISTRY ASKS BANKS TO GIVE PREFERENCE TO INDIAN FIRMS FOR ATM PROCUREMENT

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Banking, NPAs and RBI

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A finance ministry official said the directions are in accordance with the guidelines issued in 2017 by the then [Department of Industrial Policy and Promotion](#) (DIPP). "Banks have been directed to ensure compliance," he said. The DIPP has since then been renamed the Department for Promotion of Industry and Internal Trade (DPIIT).

DIPP had directed all departments to evolve an internal system of vetting the restrictive and discriminating terms against domestic manufacturers especially included in the tenders they float with state governments. The extant norms also said there should be no criteria for bidders that would be advantageous to foreign manufactured goods.

A bank executive said the move may help domestic [ATM manufacturers](#), who number over 200,000.

The Confederation of ATM Industries of India has in the past raised the issue that the revenues from providing ATMs as a service are not growing due to very low ATM interchange and everincreasing costs. It has also said that 100,000 ATMs, including white-label ones (owned and operated by non-bank entities) ones may be shutdown.

The DPIIT is also looking to amend the public procurement order so that penal action can be taken against erring officials of procurement agencies of any government department if they include restrictive or discriminatory conditions against domestic suppliers in bid documents.

Earlier this week, the [Reserve Bank of India](#) (RBI) relaxed norms for white-label ATM (WLA) operators and allowed them to buy wholesale cash directly from the central bank.

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