

Master Circular

# BRANCH LICENSING



**Department of Banking Operations and Development**

**Reserve Bank of India**

**Central Office**

**Mumbai**

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**July 08, 2004**  
Ashadha 17, 1926 (S)

All Scheduled Commercial Banks (Excluding RRBs and LABs).

Dear Sir,

Section 23 of Banking Regulation Act, 1949 – Master Circular on Branch Licensing.

Reserve Bank of India has been issuing instructions to commercial banks regarding opening/shifting/closing of branches/extension counters/offices, etc. from time to time. With a view to consolidating all the current instructions that are valid as on date, a master circular has been prepared to enable banks to peruse the required information at a single source.

2. Foreign banks may be guided by paragraph 18 of this Master Circular.
3. This master circular supersedes all earlier instructions relating to branch licensing.

Yours faithfully,

**( C.R.Muralidharan)**  
**Chief General Manager- in - Charge.**

Encls. : as above

## Contents

### **Subject**

1. LEGAL REQUIREMENTS
    - 1.1 General Policy on Branch Licensing
  2. OPENING OF BRANCHES
    - 2.1 General Branches
      - 2.1.1 At Rural Centre
      - 2.1.2 At Hilly/Tribal Area
      - 2.1.3 At Semi-urban/Urban and Metropolitan Centre
    - 2.2 Specialised Branches
    - 2.3 Housing Finance Branches
    - 2.4 Industrial/Project Area Branches
    - 2.5 Satellite Offices
    - 2.6 Service Branches
    - 2.7 Regional/Administrative/Zonal/Controlling Offices
  3. SHIFTING OF GENERAL AND SPECIALISED BRANCHES
    - 3.1 At Rural Centres
      - 3.1.1 Within the Block and Service Area
      - 3.1.2 Outside the Block/Service Area.
      - 3.1.3 Sole branch functioning at a Rural Centre
    - 3.2 At Semi-urban Centres.
    - 3.3 At Urban/Metropolitan Centres
  4. CLOSURE OF BRANCHES
    - 4.1 Rural Centres
    - 4.2 Semi Urban Centres
    - 4.3 Urban and Metropolitan Centres
  5. SPLITTING OR PART SHIFTING OF BRANCHES WITHIN THE SAME CENTRE .
  6. SPINNING-OFF OF BUSINESS
  7. SWAPPING/ TAKE OVER OF BANK BRANCHES SWAPPING OF BRANCHES TAKE OVER OF BRANCHES
  8. CONVERSION OF BRANCHES
    - 8.1 Conversion of general/specialised branches
    - 8.2 Conversion of full-fledged rural branches into Satellite Offices
  9. MOBILE OFFICES
  10. OPENING OF EXTENSION COUNTERS
  11. UPGRADATION OF EXTENSION COUNTERS INTO FULL-FLEDGED BRANCHES
  12. AUTOMATED TELLER MACHINES
  13. VALIDITY OF AUTHORISATIONS AND LICENCES
  14. OPENING OF OFFICES AT NATIONAL CAPITAL TERRITORY (NCT) DELHI
  15. OPENING BRANCHES IN HARYANA
  16. CLASSIFICATION / RE-CLASSIFICATION OF CENTRES
  17. SUBMISSION OF RETURNS ON BRANCH BANKING
  18. FOREIGN BANKS
    - 18.1 Foreign Banks Entry into India
    - 18.2 Closure of branches
    - 18.3 Credit Card Centres
- Annexure I  
Annexure II  
Annexure III  
Appendix

## **Master Circular on Branch Licensing**

### **1. LEGAL REQUIREMENTS**

The opening of branches by banks is governed by the provisions of Section 23 of the Banking Regulation Act, 1949 (the Act). In terms of these provisions, banks without the prior approval of the RBI, cannot open a new place of business in India or abroad or change otherwise than within the same city, town or village, the location of the existing place of business. Thus it is mandatory for banks to seek prior approval/licence from RBI before opening of branches/offices – Commercial banks and Local Area Banks from Department of Banking Operations and Development, Urban Co-operative Banks from Urban Banks Department, Regional Rural Banks from Rural Planning and Credit Department.

#### **1.1 General policy on Branch Licensing relating to Indian Scheduled Commercial Banks.**

The Board of Directors of banks are required to decide on the policy and strategy for setting up new branches taking into account the yearly business plan, potential for business at the new centres for opening of branches, profitability of the proposed branches, the efficacy of the internal control system, redeployment of staff where surplus manpower has been identified and for extending prompt and cost-effective customer service to the clientele.

Banks should obtain prior approval of their Board/Committee of Directors before opening, shifting or closing of offices/branches etc. The proposal for opening/shifting of branches is to be submitted along with the prescribed application in Form VI (Rule 12) of Banking Regulation (Companies Rules), 1949 to Reserve Bank of India for approval/licence. (Annexure I)

Requests received from banks for opening of branches are considered by Reserve Bank of India on merits of each case and taking into consideration overall financial position of the bank, quality of its management, efficacy of the internal control system, profitability and other relevant factors.

After the receipt of authorisations from Reserve Bank of India, the banks should finalise premises and infrastructure etc. and approach the concerned Regional Office of Reserve Bank of India for the actual licence for opening of the branch.

Further, if the branch proposes to undertake government business it should obtain prior approval from the concerned Government authority and Reserve Bank of India. The banks should approach the Regional Director, RBI of the concerned jurisdiction for conducting business of the State Government, and the Department of Government & Bank Accounts, Central Office, RBI, Mumbai in regard to Central Government business. The branch should be opened only after obtaining a licence from Reserve Bank of India. There should not be inordinate delay by banks in utilisation of authorisations / licences for opening of branches.

## **2. OPENING OF BRANCHES.**

### **2.1 General branches.**

#### **2.1.1 At Rural centres.**

It is left to the judgement of the individual banks to assess the need for opening additional branches at rural centres (population less than ten thousand) within their Service Area. The banks' proposals for opening branches at rural centres are to be approved by concerned District Consultative Committee (DCC) and submitted to the Central Office of Department of Banking Operations and Development (DBOD) for prior approval through the concerned State Government (Directorate of Institutional Finance). However, new private sector banks may forward their proposals directly to Reserve Bank of India since these banks are required to open a minimum of 25% of their total branches in Rural/Semi Urban areas as a condition of the licence issued to them under Section 22 of the B.R.Act, 1949. The rural branches of these banks have to accept the allocation under the Annual Credit Plan, if allocated to them by the respective District Consultative Committee.

#### **2.1.2 At Hilly and Tribal Areas.**

Having regard to the peculiar topography in hilly/tribal areas and sparsely populated regions there could still exist need for additional bank branches in such areas. Also, in States like Bihar and North Eastern States viz Assam, Manipur, Tripura etc, the Average Population Per Bank Office is comparatively higher and hence such areas and States should be given preference in opening new bank branches.

#### **2.1.3 At Semi-urban/Urban and Metropolitan Centres.**

The banks can identify Semi-Urban centres (population more than ten thousand but less than one lakh), Urban centres (population more than one lakh but less than ten lakh) and Metropolitan centres (population more than ten lakh) for opening of branches depending upon the business potential and profitability of the proposed branches. They should forward the proposals together with relative Board Resolutions to Central Office of DBOD for prior approval. Requests from the banks for opening branches at these centres will be considered on merits of each case.

Note: Population criteria mentioned above will be as per latest census report figures of the centre (revenue unit and not locality).

### **2.2 Specialised branches.**

Banks can open the following categories of Specialised branches without prior approval but only after obtaining a licence from the concerned Regional Office of RBI prior to the opening of these branches.

- (a) Industrial Finance branches
- (b) Overseas branches
- (c) SIB/SSI branches
- (d) Treasury branches, and
- (e) NRI branches

The banks should ensure that the specialised branches opened do not adversely affect the viability of other branches of the bank in the area. (cf. para 3(vii) of circular DBOD No.BL.BC.132/22.01.001/92 dated 20.05.1992).

For opening of all other categories of specialised branches, such as personal banking branches, merchant banking branches, asset recovery branches etc., banks are required to seek the prior approval of Central Office of Department of Banking Operations and Development. (cf. para. II of circular DBOD No.BL.BC.41 /22.01.001/92 dated 9.10.1992)

Further, banks have been permitted to categorise their general banking branches having 60% or more of their advances to SSI sector as specialised SSI branches. However, banks should ensure that after their classification as Specialised SSI branches, non-SSI Clientele of SSI branches are not put to inconvenience / deprived of banking facilities. (cf. Circular DBOD. No. BL.BC.74/22.01.001/2002 dated 11 March 2002)

Banks are required to obtain necessary amendment to the licences from the concerned Regional Office immediately on classification of these branches as Specialised SSI branches.

### **2.3 Housing Finance branches**

The banks should designate one of their specific branches in each district for the purpose of housing finance. The housing finance branch so designated could also undertake other normal banking functions. Banks are however required to obtain prior amendment to the licence from the concerned Regional Office of Reserve Bank of India. (para 3(VII) of circular DBOD No.BL.BC.132/22.01.001/92 dated 20.05.1992).

### **2.4 Industrial/Project Area Branches**

Project sites, industrial areas/estates promoted by the State Governments and new markets are expected to require additional bank branches. In considering these requirements, the existing banking arrangements of such projects/industrial areas are to be taken into account. While applying for opening of branches at such centres banks are required to provide the following information :

- (a) Project description together with the estimated outlay thereon;
- (b) Stage of implementation of the project;
- (c) Deficiencies in the existing banking arrangements and whether arrangements could be worked out for the purpose with a nearby bank branch functioning at/near such project centre;
- (d) Whether the project place falls in an existing service area; if so, the bank whose branch is servicing such area;
- (e) The involvement of the banks, if any, in financing such projects;
- (f) Existing branches, if any, and the viability of the proposed branch.

(cf para 3(iii)of circular DBOD.No.BL.BC.16/C.168(64D)-90 dated 12-9-1990)

### **2.5. Opening of Satellite Offices.**

Where the banks do not find it viable to open branches in rural areas, they may open satellite offices after obtaining approval of concerned District Consultative Committee and Directorate of Institutional Finance of the concerned State Government. The application for opening of the satellite office along with relative Board approval should be forwarded to the Central Office of Department of Banking Operations and Development for prior approval.

The following guidelines may be followed by the banks for establishing Satellite Offices:

- a) The Satellite Offices should be established at fixed premises in the surrounding villages and should be controlled and operated from a base branch located at a Central Village/Block Head Quarters.
- b) Each Satellite Office should function on a few specified days(at least twice) in a week at specified hours.
- c) All types of banking transactions may be conducted at these offices.
- d) The customers of the Satellite Offices may be permitted to transact business at the base branch on non-operating days of such offices.
- e) While separate ledgers/registers/scrolls may be maintained for each Satellite Office, all the transactions carried out at these offices should be incorporated in the books of account of the base branch.
- f) The staff attached to the base branch, preferably consisting of a member of supervisory staff, a cashier-cum-clerk and an armed guard, may be deputed to the Satellite Offices.
- g) Adequate arrangements for insurance of furniture, cash-in-transit, etc. may be made.

(cf. circular DBOD.No.BL.BC.72/C-168(64-D)-87 dated 14.12.1987 )

### **2.6. Service branches**

The banks can open, without the approval of Reserve Bank of India, Service branches/Regional Collection Centres for facilitating clearing and allied work at large centres. However, banks are required to obtain a licence from the concerned Regional Office of RBI prior to the functioning of these branches. Similarly, banks can shift or close these offices at their discretion without approval of RBI. In case of shifting, banks are required to obtain necessary amendment to the licence from the Regional Office of RBI under whose jurisdiction the proposed location for shifting falls before the shifting of the office. In case of closure of such offices, the licence has to be surrendered to the concerned Regional Office of RBI for cancellation immediately after the closure of the office under advice to Department of Statistical Analysis and Computer Services (DESACS) of RBI. (cf. para 3(VI) of circular DBOD No.BL.BC.132/22.01.001/92 dated 20.05.1992)

### **2.7 Regional/Administrative/ Zonal/Controlling Offices.**

Banks may at their discretion open Regional/ Administrative/ Zonal/ Controlling offices which are not permitted to transact any banking business. However banks are required to obtain a licence from the concerned Regional Office of Reserve Bank of India before functioning/opening of these offices. Banks can also shift or close these offices at their discretion without approval of RBI. In case of shifting, banks are required to obtain necessary amendment to the licence from the Regional Office of RBI under whose jurisdiction the proposed location for shifting falls before shifting of the concerned offices. In case of closure of such offices, the licence has to be surrendered to the concerned Regional Office of RBI for cancellation immediately after the closure of the office under advice to DESACS of RBI. (cf. para 3(V) of circular DBOD No.BL.BC.132/ 22.01.001/ 92 dated 20.05.1992)

### **3. SHIFTING OF GENERAL AND SPECIALISED BRANCHES.**

#### **3.1 At Rural Centres.**

##### **3.1.1 Within the Block and Service Area.**

The shifting of branches in rural centres may be effected by banks themselves without obtaining the approval of RBI subject to their complying with the following conditions:

- Both the existing and proposed centres should be within the same Block and Service Area of the branch.
- It should be ensured that the relocated branch would be able to cater adequately to the banking needs of the villages allocated under Service Area Approach.

(cf. para 3(I) of circular DBOD No.BL.BC.132/22.01.001/92 dated 20.05.1992)

However, banks need to obtain amendment in the licence from the concerned Regional Office of RBI before effecting the shifting.

##### **3.1.2 Outside the Block/Service Area**

Shifting of rural branches outside the Block/Service Area is allowed without insisting on the approval of District Consultative Committee (DCC) and State Government at centres which are served by more than one commercial bank branch (excluding Regional Rural Bank branch) subject to the following conditions:

- a) Branches being shifted are in existence for five years or more and are incurring losses consecutively for the last three years.
- b) Branches located at centres suffering from certain natural risks beyond the control of the bank, such as, those which are prone to floods, landslides or likely to be submerged due to construction of dams or affected by natural calamities etc.
- c) Branches functioning in places where law and order problem or terrorists' activities posing threats to bank personnel and property.
- d) Branches where the premises occupied by the bank are in a dilapidated condition or burnt/destroyed and no suitable premises are available at the Centre/Block/Service Area.



The permission for shifting of loss-making rural branches as at above will be given by the concerned Regional Office of RBI. Accordingly, banks are advised to submit their proposals in this regard, duly approved by their Board of Directors, to the concerned Regional Office of RBI under whose jurisdiction the centre falls, for approval. In case of branches falling under the jurisdiction of Mumbai Regional Office the proposals should be forwarded to Central Office of DBOD. (cf. circular DBOD No.BL.BC.74 /22.01.001/98 dated 29.07.1998 and circular DBOD No.BL.BC.23 /22.01.001/2000-01 dated 12.09.2000 )

### **3.1.3 Sole Branch functioning at a Rural Centre.**

A branch which is the only bank branch functioning at a rural centre should not be shifted / closed/ merged outside the service area as this would render the relative area unbanked. However, under exceptional / unforeseen circumstances banks may approach Central Office of DBOD, RBI for permission after taking the approval of DCC / DIF in the matter.(cf. para 2 of circular DBOD No.BL.BC.23 /22.01.001/2000-01 dated 12.09.2000)

### **3.2 At Semi-urban Centres.**

In case the semi-urban branches of banks have been allocated service area, the same norms for shifting of branches in rural centres would also be applicable for semi-urban centres. (cf. para 3(I) of circular DBOD No.BL.BC.132/22.01.001/92 dated 20.05.1992)

Where no service area has been allotted, banks may shift their branches at semi-urban centres within the same locality/municipal ward without the approval of Reserve Bank of India. However, they have to obtain an amendment to the licence from the concerned Regional Office of Reserve Bank of India before shifting. Regarding shifting of branches outside the locality/municipal ward, banks have to obtain approval of the concerned Regional Office of RBI. Banks should, however, ensure that the locality/ward is not rendered unbanked due to the shifting.

### **3.3 At Urban/Metropolitan Centres.**

The banks may shift their branches in urban/metropolitan centres within the same locality/municipal ward without the approval of Reserve Bank of India. However, they have to obtain an amendment to the licence before the shifting so as to comply with the terms of the licence issued to them under section 23 of BR Act 1949. Regarding shifting of branches outside the locality/municipal ward, banks have to obtain approval of the concerned Regional Office of RBI. Banks should ensure that the locality/ward is not rendered unbanked due to the shifting. (cf. para 3(II) of circular DBOD No.BL.BC.132/22.01.001/92 dated 20.05.1992)

## **4. CLOSURE OF BRANCHES.**

### **4.1 Rural Centres**

Closure of rural branches would require the permission of the Reserve Bank of India. Further, while closure of the loss making branches at rural centres having a single commercial bank branch is not

permitted, at centres served by more than one commercial bank branches (excluding that of RRBs) the decision for closure of one of the branches may be taken by the concerned banks by mutual consultation without involving State Government and DCC. Matters, such as, transfer of all assets and liabilities of the branch proposed to be closed, to another branch of the same or different bank, reallocation of villages under the Service Area Approach, redeployment of staff, etc. should be sorted out by the banks themselves. Due notice has to be given to the constituents of the branches which are proposed to be closed. Accordingly, banks are advised to submit their proposals for closure of rural branch (other than single bank branch) duly approved by their Board of Directors, to the concerned Regional Office of RBI under whose jurisdiction the centre falls, for approval. In case of branches falling under the jurisdiction of Mumbai Regional Office the proposals may be forwarded to Central Office of DBOD. In exceptional cases of closure of loss-making single rural branch, the proposal should be submitted to Central Office, Department of Banking Operations and Development, after getting the approval of District Consultative Committee and Directorate of Institutional Finance of the concerned State Government. (cf. para 2 of circular DBOD. No.BL.BC.74 /22.01.001-98 dated 29.7.1998 and circular DBOD. No.BL.BC.23 /22.01.001-2000-01 dated 12.09.2000)

#### **4.2 Semi-urban Centres.**

Wherever the semi urban branches have been allocated service area, the same norms as for closure of branches in rural centres will also be applicable for semi urban centres.

Where no service area has been allotted, banks may close their branches at semi-urban centres (excluding SSI/SIB and Agricultural Development Branch) without the approval of Reserve Bank of India. However, they have to surrender the licence to the concerned Regional office of RBI immediately after closure. Banks should ensure that the locality/ward is not rendered unbanked due to the closure.

#### **4.3 Urban and Metropolitan Centres.**

Banks can close down their unremunerative branches in urban and metropolitan centres(excluding SSI/SIB and Agricultural Development Branch) without approval of Reserve Bank of India. Immediately after the closure of the branch the banks are required to surrender the relative licence to the concerned Regional Office of RBI for cancellation under advice to DESACS, Mumbai. Banks should ensure that the locality/ward is not rendered unbanked due to the closure. (cf. para 2 of circular DBOD No.BL.BC.81/C 168(64D)-91 dated 16.02.1991).

### **5. SPLITTING OR PART SHIFTING OF BRANCHES WITHIN THE SAME CENTRE.**

The banks can, without the approval of RBI, effect splitting of branches or part shifting of some of the departments of the parent branch to nearby locations due to space constraints, for better customer service, etc. but they cannot conduct identical business from both the premises. They are, however, required to obtain necessary amendment to the licence from the concerned Regional Office of RBI

before the splitting/ part shifting of these branches. (cf. para 3(III) of circular DBOD No.BL.BC.132/22.01.001/92 dated 20.05.1992)

## **6. SPINNING-OFF OF BUSINESS.**

The banks may resort to spin-off of business such as, government business, small-scale industry business, etc. from an existing branch, and open a new specialised branch (out of the five types mentioned at paragraph 2.2) at their discretion without the approval of RBI. However banks are required to obtain a licence from the concerned Regional Office of Reserve Bank of India before opening of these branches. Spinning off of business to open any type of specialised branch other than the five categories mentioned above, would require prior approval of Central office of DBOD. (cf. para 3(IV) of circular DBOD No.BL.BC.132/22.01.001/92 dated 20.05.1992)

## **7. SWAPPING AND TAKE OVER OF BANK BRANCHES.**

### **7.1 SWAPPING OF BRANCHES.**

Banks can swap their stray/unremunerative branches or those in remote areas with other banks. Decision to swap branches may be taken by the concerned banks by mutual consultation. Matters, such as, transfer of all assets and liabilities etc. of the branches proposed to be swapped should be sorted out by the banks themselves. In case any agreement is reached in this regard, the bank may forward the licences to the concerned Regional Office of RBI for amendment, before the swap. Due notice has to be given to the constituents of the branches, which are proposed to be swapped. (cf. para 3(IX) of circular DBOD No.BL.BC.132/22.01.001/92 dated 20.05.1992 .)

### **7.2 TAKE OVER OF BANK BRANCHES.**

Banks can take over branches at rural and semi urban centres from another bank by mutual agreement. All issues connected with transfer of assets and liabilities, staff etc. of the branches proposed to be transferred should be sorted out by the banks themselves on mutually agreed terms and conditions, subject to adherence of RBI guidelines wherever applicable. Due publicity should be given to the constituents of the branch by the existing bank as well as the bank taking over the branch. The transfer of a branch from one bank to another would lead to transfer of deposit accounts from one bank to another. Such deposits will continue to be governed by the terms of contract agreed to between the customer and the bank branch that is being taken over. Accordingly, the same rate of interest will be payable till maturity on such transferred deposits, as was payable at the time of takeover of the branch. In that event the directive with regard to rate of interest vide paragraph 22 (c) of our Master Circular DBOD.Dir.BC.12/13.03.00/2002-2003 dated 31<sup>st</sup> July 2002 will not apply till the maturity of such deposits. The existing depositors of the branch being taken over may be allowed premature withdrawal of deposit, consequent to the transfer of business to another bank, without imposing any penalty.

After a detailed agreement is reached on transfer, the bank taking over the branch may forward the licence to the concerned Regional Office of RBI for cancellation and obtain a fresh licence prior to transfer.

In cases where a rural branch of another bank being taken over, is the only branch functioning in the village/town, the bank taking over the branch will not be permitted to merge it with any other of its existing branch in rural/ semi- urban area (with service area obligation), as it would render the area unbanked. (cf. Circular DBOD.BL.BC. 13 /22.01.001/2003 dated 18.8.2003)

## **8. CONVERSION OF BRANCHES.**

### **8.1 Conversion of General/Specialised branches**

Conversion of branches from General to Specialised and vice versa would require the approval of Central Office of DBOD of Reserve Bank of India.

### **8.2. Conversion of Full-fledged Rural branches into Satellite Offices.**

The banks may themselves decide the need for conversion of their existing loss making branches at rural centres into Satellite Offices keeping in view the cost-benefit aspect, the likely inconvenience that may be caused to the existing clientele, the effect of the conversion on the performance in the preparation of District Credit Plan and priority sector lending. The final decision with regard to conversion of rural branches should, however, be taken in consultation with District Administration/State Government.

The same guidelines as given at para 2.5 may be followed by the banks for establishing Satellite Offices.

Banks are required to obtain necessary amendment to the licences from the concerned Regional Office of RBI before conversion of rural branches into Satellite Offices . (cf. para 1of circular DBOD.No.BL.BC.72/C-168(64-D)-87 dated 14.12.1987 and para V of circular DBOD No.BL.BC.41/22.01.001/92 dated 9.10.1992)

*Conversion of branches into satellite offices at centres other than rural is not permissible.*

## **9. MOBILE OFFICES.**

Where the banks do not find it economical to open full-fledged branches or Satellite Offices at rural centres, they may open Mobile Offices. They are, however required to obtain necessary licence from the concerned Regional Office of RBI before opening of such offices. The scheme of Mobile Offices envisages the extension of banking facilities through a well protected van with arrangements for two or three officials of the bank sitting in it with books, safe containing cash, etc. The mobile unit would visit the places proposed to be served by it on certain specified days/hours. The mobile office would be attached to a branch of the bank. The mobile offices should not visit rural places which are served by co-operative banks and places served by regular offices of commercial banks.

(cf. circulars DBOD No.BL99/C.168-68 dated 19-1-1968 and DBOD.No.BL.BC.72/C-168(64-D)-87 dated 14.12.1987 )

## **10. OPENING OF EXTENSION COUNTERS.**

10.1 The banks can open Extension Counters at the premises of the institutions of which they are the principal bankers after obtaining licence from the concerned Regional Office of Reserve Bank of India for the purpose. Extension Counters can be opened within the premises of big offices/factories, hospitals, military units, educational institutions, etc. where there is a large complement of staff/workers, students, who because of their identical working hours and non-availability of banking facilities at a reasonable distance find it difficult to carry out their banking transactions. The Extension Counters should carry out limited type of banking business, such as,

- deposit / withdrawal transactions,
- issuing and encashment of drafts and mail transfers,
- issue and encashment of travellers cheques,
- sale of gift cheques,
- collection of bills,
- advances against fixed deposits of their customers (within the sanctioning power of the concerned officials at the Extension Counter),
- facility of safe deposit locker (provided adequate security arrangements are made).
- Depository services to its customers, provided the bank is registered with SEBI as Depository Participant. EC should not extend credit facility against pledge of dematerialised securities or facilitate Securities Lending and Borrowing thereat. (circular DBOD.No.BL.BC.23/22.01.001/2003 dated 11.9.2003)

Further, if the extension counter proposes to undertake government business it would require prior approval of concerned Government authority as also of RBI, Central Office, Department of Government & Bank Accounts.

Extension Counters are not allowed to be opened at residential colonies, shopping complexes, market places and places of worship, etc.

10.2 Banks should furnish particulars of the proposed Extension Counters in Parts I and II of the format given in the Annexure II, to the concerned Regional Offices of RBI while applying for licence before opening of EC. (para III of circular DBOD No.BL.BC.41/22.01.001/92 dated 9.10.1992)

## **11. UPGRADATION OF EXTENSION COUNTERS INTO FULL-FLEDGED BRANCHES.**

11.1 The banks should obtain approval of Reserve Bank of India for upgrading Extension Counters into full-fledged branches. The proposals are considered by the Regional Offices of RBI if the following conditions are fulfilled:

- the Extension Counter has been functioning for a minimum period of five years,
- the number of deposit accounts exceeded 2,000 during the last one year,
- the average deposits (i.e. on a monthly basis ) for the last three years are more than Rs.3 crore for Metropolitan centres and Rs.2 crore for other centres.

11.2 The proposals wherein any of the above conditions are not fulfilled entirely, but otherwise the concerned extension counters are grown to the extent of converting into a branch, such cases are considered on merits of each case.

## **12. AUTOMATED TELLER MACHINES (ATMS).**

12.1 The banks need not obtain permission of the Reserve Bank of India for installation of ATMs at branches and Extension Counters (ECs) for which they hold licences issued by the Reserve Bank. The banks should, however, report to the Central Office of DBOD, the concerned Regional Offices of RBI and DESACS as and when the ATM is installed at a branch or an Extension Counter. (cf. circular DBOD No.BP.BC.152/21.03.051-94 dated 29.12.1994)

12.2 In addition to the installation of ATMs at branches and Extension Counters, banks may install off-site ATMs at other places identified by them without approval of RBI, but they should obtain a licence from the concerned Regional Office of RBI before operationalising the ATM so as to be in conformity with Section 23 of the Banking Regulation Act, 1949.

Banks can also shift or close these off-site ATMs at their discretion without approval of RBI. In case of shifting, banks are required to obtain necessary amendment to the licence from the Regional Office of RBI under whose jurisdiction the proposed location for shifting falls, before the shifting of the concerned off-site ATM. In case of closure of off-site ATMs, the licence has to be surrendered to the concerned Regional Office of RBI for cancellation immediately after the closure of the off-site ATM under advice to central office of DBOD.

12.3 The following functions may be provided at ATMs:

- Deposits/ Withdrawal
- Personal Identification Number (PIN) changes
- Requisition for cheque books
- Statement of accounts
- Balance enquiry and

- Inter account transfer - restricted to accounts of the same customer or different customers of the bank, at same centre or different centres within the country.
- Telephone connection between the “stand-alone” ATMs and the branch or Network control centre can be provided.
- Mail Facility for sending written communication to the bank (similar to cheque deposit facility)
- Utility payment like Electricity bill, Telephone bill etc.
- Product Information

No person other than security guard should be posted at such “non-branch” / “stand-alone” ATM centres. (cf. circular DBOD No.BP.BC. 60/ 21.03.051/ 96 dated 16 May 1996 and circular DBOD No.BL.BC. 5/ 22.01.001/ 2003 dated 23 July 2003)

Banks are not permitted to display products and services of other manufacturers /dealers /vendors on their ATM screens for a fee which amounts to advertising and is not a permitted activity in which a bank can engage under Section 6(1) of the Banking Regulation Act, 1949. However, banks can utilise the ATM screens for displaying their own products. (Circular DBOD.No.BL.BC.62/22.01.001/2002 dated 28 January 2002.)

### **13. VALIDITY OF AUTHORISATIONS AND LICENCES.**

13.1 Presently authorisations are issued to banks for opening of branches based on the requests received from them, on the merits of each case. With a view to ensuring expeditious utilisation of authorisations and actual establishment of the branch, it has been decided to limit the validity of authorisation to a maximum period of two years.

Banks are required to obtain necessary licence prior to the opening of an office/branch from the concerned Regional Office of RBI under whose jurisdiction the centre falls. It is observed that some banks obtain a licence and do not open the branch for a considerable period of time and approach the Regional Offices for revalidation of licences time and again. Banks should therefore, approach the Regional Office for licence only after the infrastructure is ready for opening of the office/ branch.

13.2 Further, banks often approach for approval for change in name of a branch due to change in name of the locality or street/road where the branch is located. Since there is no change in location of the branch, banks need not seek approval or approach for amendment to licence in the matter but intimate the change to the concerned Regional Office of RBI and DESACS, Mumbai. Changes may also take place due to change in name of taluk/district or reorganisation of districts or formation of new states. Under such circumstances too, banks need not forward the relevant licences to the Regional Office for amendment and may adopt the changed name on the basis of Government Notification, under advice to the concerned Regional Office of RBI and DESACS, Mumbai. (cf. para 1 of circular DBOD.No.BL.BC.86/C-168-84 dated 21.08.1984 and DBOD.No.BL.BC.24/BL.66-91 dated 6.09.1991)

13.3 In case any alteration in any name was to be made for avoiding confusion between branches of various banks bearing the same name in the same locality or on account of other justifiable circumstances, such requests should be addressed to the concerned Regional Office of the Reserve

Bank and, while forwarding such requests, the relative licences, together with the covering letters, should also be sent.(cf circular DBOD.No.BL.BC.147/C.168-78 dated 20-10-1978)

#### **14. OPENING OF OFFICES IN THE NATIONAL CAPITAL TERRITORY (NCT) OF DELHI.**

Under the provisions of Master Plan of Delhi-2001, banks are permitted to open offices in Commercial Use Zones and in the commercial centres in Residential/Industrial Use Zones. Further, under Mixed Use Regulation of Master Plan, banks could function on the ground floor of residential premises to the extent of 25 per cent of ground floor coverage or 50sq.mt. area, whichever is less. The banks, while applying for licences for opening of offices in the NCT of Delhi, are required to give a declaration that the proposed locality/premises of the branch is in conformity with the norms/provisions of MPD-2001. Where the banks are not able to give such declaration, the licences will be issued only on submission of NOC from DDA. (cf. circular DBOD No.BL.BC.64/22.01.003/97 dated 5.06.1997)

#### **15. OPENING BRANCHES IN HARYANA.**

While applying for licences for opening branches/offices in Haryana, the banks have to ensure that they are located in conforming areas approved for commercial use by Haryana Urban Development Authority. A no objection certificate from Haryana Urban Development Authority should be furnished in this regard.

#### **16. CLASSIFICATION / RE-CLASSIFICATION OF CENTRES.**

Banks are advised to ascertain the population group classification of the centres of which they are not sure, from Department of Statistical Analysis & Computer Services (DESACS), RBI, Banking Statistics Division, C-8/9, Bandra-Kurla Complex, Mumbai-400051, before approaching DBOD for opening of new branches. Any query with regard to reclassification of centres also may be referred to DESACS by the Head Office of the bank along with relevant documents such as Gazette Notifications, etc. in support of the change.

#### **17. SUBMISSION OF RETURNS ON BRANCH BANKING.**

(i) Immediately on opening of a place of business, all commercial banks are required to inform the *date of opening* and the *postal address* of the office/branch to the Central Office and the concerned Regional Office of RBI.

(ii) Further, banks should submit returns in Proformae given in Annexure III relating to the new offices/branches opened and change in status due to merger/closure, etc. of existing offices/branches effected during the quarter to DESACS, (Banking Statistics Division) and the concerned Regional Office of RBI within 15 days of the end of the quarter to which they relate. (cf. para.6 of circular DBOD.BC.No.127/ 12.05.005/99-2000 dated 30.11.1999). 'Nil' statement must be submitted in case there is nothing to report.

(iii) In terms of Rule 13 of the Banking Regulations (Companies) Rules, 1949 banks are required to submit a list relating to its offices in India in Form VII within a period of one month from the close of



every quarter to the office of RBI situated in the state in which their Registered/Head Office is located.

## **18. FOREIGN BANKS.**

### **18.1 Foreign banks entry into India.**

Foreign banks are allowed to operate in India through branches only. A foreign bank desirous of opening its maiden branch in India may apply to RBI giving relevant information about the bank, its major shareholders, financial position, etc. Request from banks will be examined, keeping in view i) the financial soundness of the bank ii) international and home country ranking iii) rating iv) international presence v) economic and political relations between the two countries (in particular the home country of the bank should not discriminate against Indian banks). The bank should be under consolidated supervision of the home country regulator.

A new foreign bank is required to bring in assigned minimum capital of US \$ 25 million, of which US\$ 10 mio shall be brought in at the time of opening each of the first two branches and the balance of US\$ 5 mio. at the time of opening the third or more branches. Permission to open the second and subsequent branch will be granted taking into account, inter-alia, the policy prevailing at the relevant time and the performance of the first branch.

The assigned capital has to be maintained unimpaired, on an ongoing basis and in case of any loss, which results in erosion/impairment thereof, the difference should be brought in immediately as capital funds from the Head Office. Further, the Indian entity is required to maintain the required percentage of Capital to Risk-weighted Assets of its Indian operations.

Existing foreign banks desirous of opening branches may approach the International Banking Section in the DBOD with their specific requests.

### **18.2 CLOSURE OF BRANCHES.**

It has been observed that foreign banks close their branches without giving adequate notice of such closure to their depositors, borrowers and other customers thereby causing avoidable inconvenience to all concerned. It is expected that due notice of such closure be given to their customers and others to ensure that the customers are not put to any inconvenience.

Foreign banks operating in India are therefore advised that they should invariably inform the Reserve Bank, well in advance, of their intention of closing of any of their branches including those in metropolitan areas. They should also furnish a detailed plan of closure to ensure that their customers' interest and convenience are addressed adequately(circular DBOD.IBS.BC. 32/23.03.001/2002-03 dated October 17,2002).

### **18.3 CREDIT CARD CENTRES.**

(DBOD No. IBS.BC.130/23.31.006/99-2000 dated 24 December 1999.)

Foreign Banks may freely set up centres to support the following activities relating to credit cards.

- i) Attending to the request for and issue of credit cards
- ii) Processing of credit cards
- iii) Acceptance of credit card payment by cheques

- iv) Marketing credit cards to prospective customers
- v) Utilisation of services of agent at centres (where the bank has no presence) to carry out credit card related activities.
- vi) Maintenance of cash balances for meeting expenses of the centre and not for payment to credit card holders.

However, before the centres commence operations, a licence under Section 23 of the B.R. Act, 1949 should be obtained from the concerned Regional Office of the RBI.

**ANNEXURE - I**  
**[Paragraph-1.1]**

**Form of application for permission to open a new place of business or change the location (otherwise than within the same city, town or village) of the existing place of business under Section 23 of the Banking Regulation Act, 1949 - Banking Regulation (Companies) Rules 1949 Rule 12 Form VI**

Address .....

Date .....

.....

Department of Banking Operations and Development

Reserve Bank of India

.....

Dear Sir,

We hereby apply for permission to \* open a new place of business / change the location at ..... of an existing place of business from ..... to ..... in terms of section 23 of the Banking Regulation Act, 1949. We give below the necessary information in the form prescribed for the purpose.

Yours faithfully,

Signature .....

1. Name of the Banking Company

2. Proposed Office  
(Give the following information)

(a) Name of city/town/village:  
(in case the place is known by more than one name, the relative information should also be furnished)

(b) Name of the locality/location:

(c) Name of i) Block

ii) Tehsil :

iii) District :

iv) State / Taluka :

(d) Status of the proposed office :

(e) The distance between the proposed office and the nearest existing commercial bank office together with the name of the bank and that of the centre/locality :

@(f) Name of the Commercial banks and the number of their offices functioning within kms. together with the names are functioning :

the radius of 5 of centres where these

3. Previous application:  
(Give particulars of applications if any previously made to the Reserve Bank in respect of the proposed place of business)

4. Reasons for the proposed office:  
(State detailed reasons for the proposed office and give statistics and other data, as under, which may have been collected for the proposed office)

(i) Population of the place:

@(ii) Particulars of the command area (i.e. the area of the operation of the proposed office):

(a) Approximate radius of the command area :

(b) Population :

(c) Number of villages in the command area :

(iii) The volume and value of the agricultural mineral and industrial production and imports and exports in the area of operation of the proposed office as under :

Commodity	Production		Imports		Exports	
	Volume	Value	Volume	Value	Volume	Value
(1)	(2)	(3)	(4)	(5)	(6)	(7)

(iv) If there are schemes for agricultural mineral or industrial development, give details of the same and their probable

effects on the volume and value of the present production, imports and exports.

- (v) If the existing banking facilities are considered inadequate, give reasons :
- (vi) Prospects: Give as under, an estimate of minimum business which the banking company expect to attract at the proposed place of business within 12 months:
- a) Deposits : Amount in thousands of rupees.  
b) Advance : Amount in thousands of rupees.

5. Change of location of an existing office

(Give the exact location of the office which is proposed to be closed and of the place where it is proposed to be shifted giving particulars of the new location as in Item 2,3, & 4)

6. **Expenditure :**

(State the amount already spent or proposed to be spent on staff, premises, furniture, stationery, advertising etc. in connection with the proposed office. Also State that minimum income which the banking company expects to earn at the proposed office within 12 months)

		*Estimate of annual Expenditure
a)	Establishment Charges	Rs.
b)	Stationery & Miscellaneous	Rs.
c)	Rent & Bldg.	Rs.
d)	Interest to be paid on deposits	Rs.
e)	Interest on funds borrowed from H.O.on Rs.____@____%	Rs.
	<b>TOTAL</b>	<b>Rs.</b>

Estimated annual Income :

- a) Interest on advances Rs.  
b) Commission Rs.  
c) Exchange Rs.  
d) Interest on funds lent to Rs.

H.O.

TOTAL : Rs.  
Estimated Profits Rs.

**7. Other particulars:**

**(Any additional facts which the banking company may wish to add in support of its application)**

- \* The portion not applicable to be struck off.
- @ The information need be furnished only in the case of application for centres with a population of less than one lakh.

**NB :** 1. The words 'office' and 'offices', wherever they occur in this form, include a place or places of business at which deposits are received, cheques cashed, moneys lent or any other form of business referred to in sub-section (1) of section 6 of the Act is transacted.

2. Item (5) to be replied to if the application is for changing the location of an existing place of business.

3. If a banking company is unable or unwilling to supply full details in respect of any of the items, reasons for the omission may be given.

4. The information asked for in items (2), (3), (4), (5) and (6) is to be given separately for each office where the application relates to the opening of or changing the location of more than one office.

5. In the case of change of the location of "administrative office" where no banking business is transacted or proposed to be transacted (such as "Registered Office, Central Office or Head Office") only an application in the form of a letter need be submitted, indicating the reasons for the change.

## ANNEXURE - II [Pragraph 10.2]

### Particulars to be furnished by the bank in respect of its request for an Extension Counter (E.C)

#### PART - I

1. Name of the bank
2. Name of the institution & its full postal address where Extension Counter is sought to be opened.
3. Name & address of the base office of the bank to which E.C. is proposed to be attached.
4. i ) Distance between the base office and the proposed extension counter.

ii) Distance between the proposed E.C. and the nearest office of the applicant bank (including E.C., mobile office, satellite office etc.)

iii) Distance between the proposed E.C. and the nearest offices / extension counters, mobile offices etc. of \*Other banks (including urban-Co.op. banks)

	Name of bank	Type of office	Distance
	_____	_____	_____
	(i)		
	* Other than the bank applying for the	(ii)	
		(iii)	

- counter
- iv) Particulars of Employees' Co-op. Credit Society, if any, functioning in the premises.
  5. i ) Name of the **Principal Banker** to the institution at which the Extension Counter is sought to be established.
  - ii) Whether the institution has agreed to provide accommodation for housing the E.C?
  - iii) Whether the institution has any objection to the members of the public other than the staff / employees / workers / institution being allowed access for availing of banking facilities within the campus /premises at

the extension counter? If so, the reasons therefor.

(A LETTER FROM THE COMPETENT AUTHORITY OF THE INSTITUTION AS IN THE PRESCRIBED PROFORMA GIVEN IN PART II OF THE APPLICATION SHOULD BE ENCLOSED IN SUPPORT OF THE ABOVE)

6. i) Name/s of the banker/s other than the Principal Banker to the Institution referred to in 5(i)
- ii) The type of accounts & extent of deposits maintained by the institution with each of the above banker/s.

7. i) Number & types of clientele specifically attached to the institution whose banking needs are to be catered to (Please give separate figures)

<u>Staff/Workers/Students/Teachers/Others*</u> (specify)	TOTAL
-----	=====

- ii) Estimated No. of other general public etc. whose requirements are to be met
- =====

8. (a) Amount of deposits expected within two years of operation at the counter from :

<u>First Year</u>	<u>Second year</u>
No. of Amt.	No. of Amt.
A/cs.	A/cs.
-----	-----

- i) Staff/ Workers/ Students / Teachers \* of the institution itself
- ii) The institution
- iii) The General Public

- (b) Daily quantum of cash transactions  
\* Delete whichever is not applicable

**Number Amount Number Amount**

9. Reasons for opening an E.C.
10. Nature of transactions to be conducted at the proposed E.C.
11. Amount of rent, if any, payable (excluding incidentals) by the bank, rate of rent & areas offered for locating the extension counter.



12. Amount of commercial rate of rent as prevalent in the area or as approved by State/Central Govt.
13. Brief calculations as to the viability/ economics of the proposal for a period of 3 years.

Date: \_\_\_\_\_

(Signature & Seal of the applicant bank)

## Declaration to be made by the competent authority of the institution in the premises of which the E.C. is proposed to be opened

### PART - II

Date: \_\_\_\_\_

1. We have requested \_\_\_\_\_ to open its extension counter in the premises of \_\_\_\_\_ for the benefit of the following persons attached to the above institution. @
- (Name of the bank)  
(Name & full address of the institution)

* Workers	.....	} }	Please indicate
* Staff/Employees	.....		actual numbers
* Students	.....		separately
* Teachers	.....		

@ (Where there are more than one institution being managed by the authority issuing this letter which are also to be benefitted by the E.C., the names of these institutions, their distance from the proposed location of the extension counter, the number of students/staff etc. attached separately to **each** of the institutions, the name and the distance of their bankers should also be indicated **separately**).

\* (Strike out whichever is not applicable)

2. (a) \_\_\_\_\_ is our principal banker.
- (Name of the bank and place)

We also deal with the following bankers (give names of bankers and their distance from the institution).

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

(b) Extent of our Accounts with the principal banker and other bankers as on \_\_\_\_\_ (latest position please)

Name of the bank	Type of account(s) maintained	Amount (Rs. in _____)
------------------	-------------------------------	-----------------------

- 1.
- 2.
- 3.
- 4.

3. We undertake to provide necessary accommodation for the extension counter within the premises of our institution (mentioned at S. No. 1 above).
4. We have no objection to allow outsiders to have access to the extension counter.
5. If the extension counter is proposed to be allowed to a bank other than the principal banker, the reasons therefor.
6. Whether a similar letter to any other banker for the purpose has been issued :

(Signature of Competent Authority on behalf of the institution mentioning designation and seal, if any)

**To be filled in by the applicant bank**

The information furnished by the institution in para 1 is verified by us and found to be correct.

(Signature & seal of the applicant bank)

This certificate should be submitted **in original**, by the applicant bank to Reserve Bank of India alongwith its application for E.C. in the prescribed proforma.

**Annexure III**  
**[Paragraph – 17]**

**PROFORMA – I**

*(Note : Proforma II & III has been renamed as Proforma I & II respectively)*

**Statement of New Office / Branch opened during the Quarter :**

**(Please read the instructions before filling the Proformae)**

**Items.**

1. (a) Name of the Bank / Co-operative institution :  
(b) Uniform Codes : Part - I ( 7 digits ) :  
(See instructions 1,2,3)  
Part- II ( 7 digits ) :  
(to be allotted by DESACS, C.O., RBI)
2. (a) Name of the New Branch / Office :  
(b) Reference No. and Date of Authorisation  
(c) Licence Number :  
(as obtained from RBI)  
(d) Date of Licence :
3. Date of Opening of the New Office /Branch :
- 4.1 Name /Municipal Number of the building (if any):
- 4.2 Name of the Road ( if any) :
- 4.3 (a) Name of the Post Office :  
(b) PIN Code :  
(c) Tel. No. / Telex No. Fax No. (if any) :  
(including STD code)
- 4.4 Name of the Locality within the centre (See explanation) :
- 4.5 Name of the Centre ( revenue village/city/ town /Municipal Corporation) within the limits of which office is located (See explanation) :
- 4.6 Name of Tehsil/Taluka/Sub-Division :
- 4.7 Name of Development Block :
- 4.8 Name of the District :
- 4.9 Name of the State :
5. Population as per latest Census of the Centre ( See explanation ) :
6. Is/are there any other bank branch/es other than your office/branch : Yes : ( ) No: ( )  
(See explanation and put tick mark in appropriate box)

7. (a) Status of the new office/branch  
(See explanation) :
- Code : -      Status : -
- (b) Is this an administratively independent office/branch required to submit returns to RBI ?      Yes: ( )      No : ( )  
(See explanation and put tick mark in appropriate box)
- (c) If answer in 7(b) is no, then supply following :
- (i) Name of the base office /branch :
- (ii) Uniform code numbers of the base office/branch :
- Part - I ( 7 digits ) :**  
**Part - II ( 7 digits ) :**
- (iii) Type of temporary office (satellite/extension counter/mobile office/cash counter/..... ): \_\_\_\_\_ (Write type of office )
8. (i ) Whether this office/branch conducts
- (a) Government business ?      Yes ( )      No ( )
- (b) Treasury/Sub-treasury business ?      Yes ( )      No ( )
- (ii) Whether there is a Currency Chest attached to this branch/office :      Yes ( )      No ( )
- (iii) If "Yes", then state
- (a) The type of currency chest : A( )      B( )      C( )
- (b) Date of establishment of currency chest :
- (c) Currency chest code Number :
- (d) Mention type of area in which chest is located :  
(State "type of area", code. See explanation)
- (iv) If "No", then supply particulars of the nearest branch/office having currency chest:
- a) Bank name :      b) Branch name :
- b) Distance (in Km.): -      d) Centre name :
- (v) Whether there is a repository attached to this branch/office?      Yes ( )      No ( )
- (vi) Whether a small coin-depot is attached to this branch/office?      Yes ( )      No ( )

(put a tick mark in appropriate box)

9. Nature of Business conducted by the office/branch :  
(See explanation)
10. (a) Authorised Dealer's Category of the office/branch :  
A ( ) B ( ) C ( )  
(Put a tick mark in appropriate box)
- (b) Date of authorisation :
- (c) In the case of 'C' Category office/branch, write uniform code numbers of 'A' or 'B' Category office/branch through which its foreign exchange transactions are settled :
- (i) Name of the 'A' or 'B' category branch/office :
- (ii) Uniform code numbers of the said A/ B category branch /office at 10 (c)(i) :

**Part - I ( 7 digits ) :**

**Part - II ( 7 digits ) :**

11. Technological Status :- Code:- \_\_\_\_\_  
(See explanation)
12. Software/Hardware Communication Facilities :  
(See explanation)
13. Any other particular :

- 
14. For RBI use only :
- (a) AD Region Office Code :
- (b) Census Classification Code :
- (c) Full Postal Address :

PROFORMA – II

*(Note : Proforma II & III has been renamed as Proforma I & II respectively)*

**Statement of Change in Status /Merger/Closure etc. of Existing Office /Branch during the Month:**

\_\_\_\_\_

**(Please read all instructions before filling the Proformae)**

Name of the Bank/Co-operative institution : -

**A. Change in Status /A.D. Category / Nature of Business / Postal address of Office/ Branch .**

1. Name of the Branch / Office :

2. Uniform Code (existing ) : a) Part-I ( 7 digits ) :  
b) Part-II ( 7 digits ) :
3. Status of the Office /Branch :  
a) Old Status : b) Present Status :
4. Nature of Business of the Office/Branch :  
a) Nature of Business (Erstwhile) :  
b) Nature of Business (Present) :
5. Technological Status :- Code : \_\_\_\_\_
6. Change (if any) in Communication facilities :  
(Hardware/Software)
7. Authorised Dealer Category of the Office /Branch :  
a) Old Category (if any)  
b) New Category (if Upgraded / Degraded / Newly Authorised ) :  
c) Date of Upgradation /Degradation/ Authorisation :  
d) If present category is 'C' , then give uniform code number of the Link Office/Branch through which its transactions are settled :  
  
Part - I ( 7 digits ) : Part - II ( 7 digits ) :
8. Details in respect of change, if any, in the status of currency chest / repository / coin-depot / govt. business, etc. (including opening /shifting / conversion / closure). In case of shifting / conversion/ closure please mention the date also:  
a) Government business :  
b) Treasury / Sub-treasury business :  
c) Currency chest :  
d) Repository :  
e) Coin - depot :

If authorised newly for currency chest, then state details in respect of Items 8 (iii) & 8 (iv) of Proforma

- I here.

9. Full postal address (including name of the P.O., PIN Code, Tehsil/Block, Telephone No. & STD code No. ) :

**Erstwhile**

**Present**

10. If relocated give reasons for relocation :
11. If the branch /office is relocated to a different Centre, furnish details of the present Centre :  
a) Branch /Office Name :  
b) Name of the Locality :  
c) Revenue Unit (Centre Name ) :  
d) Tehsil /Block Name :  
e) District Name :

- f) State Name :
- g) Population (as per latest census) of the Centre :
- 12. Licence No. & Date :
- 13. Licence suitably amended on \_\_\_\_\_ by RBI,  
Regional Office at \_\_\_\_\_
- 14. Ref.No. & Date of RBI's approval
- 15. Any other particular.

**B. Closure /Merger /Conversion of the Office /Branch.**

- 1. Advice for : Merger /Closure /Conversion  
(Put tick mark against appropriate one)
- 2. Branch /Office Name :
- 3. Uniform Codes :           i) Part - I ( 7 digits ) :  
  ii) Part - II ( 7 digits ) :
- 4. a) Postal address Branch/Office :  
b) Centre name :  
c) District name :  
d) State name :  
e) Population category of the Centre :
- 5. Date of Closure/Merger/Conversion :
- 6. Ref.No. & Date of RBI's approval :
- 7. Reason for Closure/Merger / Conversion :
- 8. Licence surrendered for \_\_\_\_\_ on \_\_\_\_\_ to RBI, Regional  
(Closure /Merger/Conversion)  
office at \_\_\_\_\_ .
- 9. Present Type ( if not closed ) of the Branch /Offices :  
(Satellite Office, Extension Counter etc.)
- 10. Particulars of the Absorbing (Base) Office/Branch (in case of Conversion  
/Merger) :  
a) Branch /Office Name :  
b) Uniform Codes :           i) Part - I ( 7 digits ) :  
  ii) Part - II ( 7 digits ) :  
c) Full postal address :



Note : 1) For explanation of status, nature of business, etc. of the office/branch instructions under item nos 7 (a), 9, 11 etc. of Proforma I are to be seen.

2) **No action will be taken unless part-I and part-II of Uniform Code are mentioned in this Proforma.**

## Instructions for filling Proformae I & II

(Note : Proforma II & III has been renamed as Proforma I & II respectively)

### NOTE : PLEASE READ ALL INSTRUCTIONS BEFORE FILLING THE PROFORMAE

1. a) Proforma I is meant for all types of newly opened/upgraded bank branches / offices and Proforma II is meant for reporting change in status/postal address, closure/ merger/ conversion/ relocation, etc. of existing bank branches/offices.  
b) Uniform code numbers are meant for offices/branches which are **administratively independent offices /branches**, submitting separate returns to Reserve Bank of India (See explanation at 7(b)).
2. Banks may please note that in respect of newly opened/existing extension counter/satellite office/representative office/cash counter/ inspectorate/ collection counter/mobile office/stand-alone ATMs / currency chest attached to the branches/Airport counter/ Hotel counter /Exchange Bureau /Temporary office opened at the site of Fairs (exhibitions), etc., Proformae I & II **need not be sent to Department of Statistical Analysis and Computer Services (DESACS) whereas the same must be submitted to the concerned Regional Offices of RBI.**
3. Banks which have been allowed to assign Part I code to their new branches/ offices should strictly follow instruction at 1(b) mentioned above at the time of forwarding Proformae I to RBI.
4. Proformae I & II will not be accepted for allotment of Part I & II/revision of Part II code unless **all items** in the proformae are filled up properly.

### EXPLANATION OF ITEMS IN PROFORMA I

- Item No.1 (b) : Public sector banks (SBI and its Associates & Nationalised Banks) are allowed to assign only Part - I code Numbers to their branches /offices and for other banks RBI (DESACS) allots both Part I & Part II codes.
- Item No.2(a): The name of the Branch /Office is to be written.
- Item No.2(b): Reference No. and date of allotment /authorisation/approval letter issued by RBI is to be mentioned.
- Item No.2(c): The Licence No., if already available (as obtained from concerned Regional Office of RBI ) is to be written, otherwise the same should be communicated later on alongwith Uniform Codes.
- Item No.2 (d): The exact date of licence including month & year is to be indicated.  
Item No.3: The exact date of opening including month & year is to be mentioned.
- Item No.4.1 to 4.3 (c): The name/number/codes are to be written against the appropriate item number.
- Item No.4.4: The name of the locality i.e. the exact place, where the branch/office is located, is to be mentioned. The name of the locality may be the name of a village in case the branch /office is opened in a village.

Item No.4.5: The name of the City/Town/Municipal Corporation under the jurisdiction of which the locality mentioned at item No.4.4 is included is to be written. The name of the village is to be written if the branch /office is opened in a village which is a revenue unit /centre.

Note : If the name in item no.4.5 is not indicated correctly, the branch/office may get wrongly classified with incorrect Part II code. The name of Panchayat/Block/ Tehsil /District should not appear against Item Nos. 4.4 & 4.5 unless the office/branch is exactly located in the head quarter of Panchayat /Block/ Tehsil/ District.

Item 4.6 & 4.7: The names of the Tehsil/Taluka/Sub-division and the Community Development Block of the place mentioned against item No.4.5 are to be indicated at Item Nos.4.6 & 4.7 respectively.

This may not be applicable in the cases of Metropolitan cities.

Item No.5: Latest Census population figure of the Centre/Revenue Unit (not of whole Panchayat/Block/Tehsil/District) should be obtained from Census Handbook/Local Census Authority/District Collector/Tehsildar and a certificate to this effect should be attached.

Item No.6: If there is no branch /office of a regional rural bank or of any commercial/co-operative bank in the revenue unit within the limit of which the new office is located, then put tick mark against "No", otherwise put tick mark against "Yes".

Item No.7 (a): The names & respective codes of different types of possible status (type of branch /office) of a branch /office are listed below. The appropriate name and corresponding code are to be written. The list is not exhaustive & hence exact status of the office/branch may be written under "Any other branch/office" mentioning the name :

**IN CASE OF NON-SPECIALISED BRANCH**

**IN CASE OF ADMINISTRATIVE OFFICE**

<b>CODE</b>	<b>STATUS</b>
(01)	Branch
(02)	Sub-Branch
(03)	Sub-Office
(04)	Pay-Office
(07)	Foreign Department
(08)	Foreign Exchange Branch
(10)	Commercial Branch
(11)	Small-Business Development Office
(60)	Any other branch (not included above)

<b>CODE</b>	<b>STATUS</b>
(21)	Registered Office
(22)	Central Office
(23)	Head Office
(24)	Local Head Office
(25)	Regional Office
(26)	Area Office
(27)	Zonal Office
(28)	Administrative Office
(29)	Divisional Office
(30)	District Dev. Office
(31)	Development Office
(32)	Training Centre

(42)	Service Br./ Clearing Cell
(61) administrative	Any other office (not included above)

## IN CASE OF SPECIALISED BRANCH

CODE	NAME
(05)	Agricultural Development Branch (A.D.B)
(06)	International Banking Department (I.B.D.)
(09)	Overseas Branch
(12)	Industrial Finance Branch (I.F.B.)
(13)	Specialised Agricultural Finance Branch -Hi-Tech. (S.A.F.B. Hi-Tech)
(14)	Small Scale Industrial Branch (S.S.I)
(15)	Capital Market Service Branch (C.M.S)
(16)	Asset Recovery Management Services (A.R.M.S.)
(17)	Corporate Finance Branch
(18)	N.R.I. Branch
(19)	Housing Finance Branch
(20)	Leasing Finance Branch
(34)	Personal Banking Services Branch
(35)	Consumer Finance Branch
(36)	Custodial Services Branch
(37)	Treasury Branch
(38)	Specialised Savings Branch
(39)	Stock Exchange Branch
(40)	Auto-Tech Branch
(41)	Fund Transfer services Branch
(43)	Agricultural Finance Branch (A.F.B.)
(44)	Merchant Banking Branch
(45)	Hire-Purchase and Leasing Branch
(46)	Commercial and Personal Banking Branch
(47)	Specialised Commercial Branch
(48)	Weaker Sections Branch
(49)	Industrial Rehabilitation Branch
(50)	Draft Paying Branch
(52)	Collection and Payment Services Branch
(53)	Industrial Accounts Branch
(54)	Mercantile Banking Branch
(55)	International Exchange Branch
(62)	Any other specialised branch /office (not included above)

Item No. 7(b) : An office is administratively independent if it maintains separate book of accounts and /or is required to submit any one or more returns specified in "Annexure" and note thereto in the "Handbook of Instruction - Basic Statistical Return -1& 2" (Revised edition - March 1996)

Item No.7(c) : Name of the base office and its Uniform Code Numbers are to be written if answer to 7(b) is "No" . The name of temporary office (illustrated in instruction (2) ) is to be mentioned.

Item No. 8(iii) (d): The appropriate Code among the options listed below is to be indicated.

<b>Code</b>	<b>Type of area</b>
(0)	Normal area
(1)	Border area
(2)	Disturbed area (High risk)
(3)	Area affected by natural calamities (flood /earth quake prone area , etc.)
(4)	Inaccessible due to inadequate transport facility because of snowfall, heavy storm, etc.

Item No. 9: The appropriate nature of business ( a list of which is given below ) conducted by the branch / office is to be mentioned.

#### **NATURE OF BUSINESS**

<b>CODE</b>	<b>NAME</b>
(0)	Only banking businesss
(1)	Banking & foreign exchange business
(2)	Administration, banking & foreign exchange business
(3)	Administration & banking
(4)	Administration & foreign exchange business
(5)	Only foreign exchange business
(6)	Only administration /training etc.
(7)	Non-scheduled banks doing banking business
(8)	Other institution viz. Thomas Cook (India) Ltd., IDBI, ICICI, RBI dealing in foreign exchange.

Item No.11: The appropriate Code among the options listed below is to be indicated.

<b>Code</b>	<b>Technological Status</b>
(1)	Fully Computerised with ATM facility
(2)	Fully Computerised without ATM facility
(3)	Partially Computerised
(4)	Not yet Computerised
(5)	Stand - alone ATMs

Item No.12: The detailed particulars regarding Communication Hardware and Software, if installed in the office/branch, are to be written . (For example , RBINET, NICNET, VSAT, MainFrame etc.)

**Note:** For further clarification regarding Proformae I & II contact or write to

The Director  
Banking Statistics Division  
Department of Statistical Analysis & Computer Services  
Reserve Bank of India, C.O.,  
C-9 Building (6<sup>th</sup> Floor).,  
Bandra -Kurla Complex, Bandra (East)  
Mumbai - 400 051.  
Phone :- (022) 657 0186.  
Fax :- (022) 657 0847.

**Appendix**

List of Circulars consolidated by the Master Circular

No.	Circular No.	Date	Subject
1.	DBOD.No.BL.BC.23/22.01.001/ 2003.	11.09.2003	Providing Depository Services at Extension Counters.
2.	DBOD.No.BL.BC.13/22.01.001/ 2003.	18.08.2003	Take over of bank branches.
3.	DBOD.No.BL.BC.5/22.01.001/ 2003.	23.07.2003	Third party transfer of funds through ATMs.
4.	DBOD.No.IBS.BC.32/23.03.001/ 2002-2003.	17.10.2002	Closure of branches of foreign banks.
5.	DBOD.No.BL.BC.74/22.01.001/ 2002.	11.03.2002	Conversion of General Branches into Specialised SSI branches.
6.	DBOD.No.BL.BC.62/22.01.001/ 2002.	28.01.2002	Third Party advertisement on ATM Network.
7.	DBOD.No.BL.BC.23/22.01.001/ 2000-01.	12.09.2000	Opening of branches/ extension counters/shifting etc.-Obtention of prior licence.
8.	DBOD.BC.No.127/12.05.005/ 99-2000.	30.11.1999	Rationalisation of Returns submitted by banks to RBI
9.	DBOD.No.BL.BC.74/22.01.001/ 98.	29.07.1998	Shifting of Rural branches outside the Block/Service Area and closure of rural branches.
10.	DBOD.No.BL.BC.115/22.06.001/ 97	21.10.1997	Branch Banking Statistics- Submission of Monthly Returns- Revision of Proformae II & III
11.	DBOD.No.BL.BC.64/22.01.003/ 97.	05.06.1997	Opening of offices of commercial banks in the National Capital Territory (NCT) of Delhi.NOC from Delhi Development Authority(DDA).
12.	DBOD.No.BL.BC.76/22.01.001/ 96.	17.06.1996	Delegation of administrative powers to Regional Offices of DBOD.
13.	DBOD.No.BP.BC.60/21.03.051/ 96	16.05.1996	Automated Teller Machines (ATMs)
14.	DBOD.No.BP.BC.123/21.03.051/ 95.	16.10.1995	Automated Teller Machines (ATMs)
15.	DBOD.No.BP.BC.152/21.03.051/ 94	29.12.1994	Automated Teller Machines (ATMs)

16.	DBOD.No.BL.BC.152/22.01.001/ 93	24.08.1993	Opening /Closing of bank branches.
17.	DBOD.No.BL.BC.41/22.01.001/ 92.	09.10.1992	Delegation of authority to banks for shifting of offices , spinning-off of business etc.
18.	DBOD.No.BL.BC.132/22.01.001/ 92.	20.05.1992	Delegation of authority to banks for shifting of offices , opening of controlling offices, spinning-off of business etc.
19.	DBOD.No.BL.BC.24/BL.66/91	06.09.1991	Change in names of offices/branches in Kerala.
20.	DBOD.No.BL.BC.132/C.168 (M)-91.	11.06.1991	Opening of Specialised Housing

			FinanceBranches.
21.	DBOD.No.BL.BC.81/C168 (64D)-91.	16.02.1991	Opening/closing of bank branches.
22.	DBOD.No.BL.BC.68/C168 (64D)-91	16.01.1991	Approach to future branch expansion.
23.	DBOD.No.BL.BC.16/C168 (64D)-90	12.09.1990	-do-
24.	DBOD.No.BL.BC.72/C168 (64D)-87	14.12.1987	Branch Licensing Policy 1985-90 - Setting up of Satellite/mobile branches.
25.	DBOD.No.BL.BC.86/C168-84	21.08.1984	Change in the name of branch necessitated due to change in name of locality/street etc.
26.	DBOD.No.BL.BC.147/C168-78	20.10.1978	Change in name of branches of banks
27.	DBOD.No.BL.99/C.168-68	19.11.1968	Opening of Mobile Offices