



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI/2015-16/148

DBR.No.BAPD.BC.34/22.01.001/2015-16

August 6, 2015

All Domestic Scheduled Commercial Banks
(excluding RRBs)

Madam / Dear Sir

Section 23 of the Banking Regulation Act, 1949 -
Relaxations in Branch Authorisation Policy

Please refer to [circulars DBOD.No.BAPD.BC.54](#) and [60/22.01.001/2013-14](#) dated September 19, 2013 and October 21, 2013 respectively on the above subject, permitting domestic scheduled commercial banks (other than RRBs) to open branches in Tier 1 to Tier 6 centres without the need to take permission from Reserve Bank of India in each case, subject to reporting and certain other conditions.

2. In line with this rationalization, and in order to allow banks greater operational freedom, the instructions regarding merger, closure, shifting, part shifting, opening of extension counters and reporting requirements have been reviewed. The existing instructions have been dispensed with and banks may now undertake these activities in accordance with the instructions given below:

3. Merger/Closure/ Shifting of branches

- i) Banks may shift, merge or close all branches except rural branches and sole semi-urban branches at their discretion.
- ii) Shifting, merger, or closure of any rural branch as well as a sole semi urban branch would require approval of the DCC/DLRC. Further, while shifting/merging/closing sole rural or semi urban branches, banks may ensure that the banking needs of the centre continue to be met through either satellite offices/mobile vans or through Business Correspondents. Thus the centre should not be left unbanked.
- iii) Banks should, however, ensure that customers of the branch, which is being shifted/merged/closed, are informed well in time before actual shifting/merger/closure of the branch, so as to avoid inconvenience to them. Further, while considering

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shifting/merger/closure of branches, banks should ensure that they continue to fulfil the role entrusted to these branches under the Government sponsored programmes and DBT Schemes.

iv) It may further be ensured that branches are shifted/ within the same or to a lesser population category, i.e., semi urban branches to semi urban or rural centres and rural branches to other rural centres.

v) In all such cases, the license, if any was issued, of the merged/closed/shifted branch may be surrendered to the Regional Office concerned of DBS except in respect of branches in Maharashtra and Goa, which should be surrendered to DBR, CO, Mumbai.

Thus banks may shift their metropolitan, urban and semi urban branches outside the State, and their rural branches outside the block without prior approval of RBI.

4. Part-shifting of Branches

Banks may require shifting some activities/part shift activities of a branch in any centre due to space/rent constraints, and may do so without seeking prior approval of Reserve Bank of India. However, it may be noted that banking activity, i.e., deposit or loan business cannot be maintained at both places, and the new location for part shifting would have to be within 1 km of the existing location. They may also spin off certain activities such as Government business into separate branches at their discretion.

5. Opening of Extension Counters

Presently banks can open Extension Counters in the premises of institutions where they are the principal bankers, or obtain a NOC from the principal banker. With a view to enabling customer choice and operational freedom, the requirement of being the principal banker for opening of EC is not required.



6. Rationalisation of Reporting Requirements

a) Presently, in terms of [circular DBOD.No.BAPD.BC.60/22.01.001/2013-14 dated October 21, 2013](#), banks are required to report details of opening of a new place of business including Mobile branch/Mobile ATMs, closure, merger, shifting or conversion of any existing place of business immediately and in any case not later than two weeks after opening/closure/merger/shifting/conversion to the Regional Office concerned of DBS except in respect of branches in Maharashtra and Goa, which should be reported to DBR, CO, Mumbai. The banks should also report the details of opening, closure and shifting of call centres to Regional Office concerned of DBS, or DBR, CO (in respect of call centres in Maharashtra & Goa).

b) In addition, banks should submit within fourteen days of every quarter, information relating to opening, closure, merger, shifting and conversion of branches in Proformae I & II to Department of Statistics and Information Management, Banking Statistics Division, (DSIM), Reserve Bank of India, Central Office, C-8/9, Bandra-Kurla Complex, Mumbai-400 051.

In view of the reporting requirement at 6 b) above, banks, including LABs are no longer required to report details of opening of a new place of business including Mobile branch/Mobile ATMs/ call centres, closure, merger, shifting or conversion of any existing place of business including call centres to the Regional Office concerned of DBS/ DBR CO. They may however, ensure that the reporting to DSIM continues.

c) Further, the annual report of branches actually opened during the year, in terms of [circular DBOD.No.BAPD.BC.60/22.01.001/2013-14 dated October 21, 2013](#), may now be submitted in the revised format as given in the Annex.

All other instructions remain unchanged.

Yours faithfully,

(Lily Vadera)
Chief General Manager



Annex

Details of branches opened during the financial year - Name of the bank

Statement as on March 31, ----

Sr. No.	Particulars	Tier-1	Tier-2	Tier-3	Tier-4	Tier-5	Tier-6
1.	Total no. of branches at the beginning of the current year, i.e., April 1, ---- (Total of 1.1+1.2+1.3)						
1.1	No. of branches in underbanked districts of underbanked States in Tier 2 to 6 centres that are not in unbanked rural centres						
1.2	No. of branches in unbanked rural centres@						
1.3	No. of branches in other centres, i.e, neither underbanked districts of underbanked states nor unbanked rural centres.						
2.	Shortfall in Opening -Total No of branches that could not be opened in the last year and carried forward for opening in the current year (obligation /entitlement branches) (Total of 2.1+2.2+2.3)						
2.1	No of Obligation /entitlement branches carried forward that were to be opened in other centres, i.e, neither underbanked districts of underbanked states nor unbanked rural centres.						
2.2	No of obligation branches carried forward for opening in the current year in unbanked rural centres.						
2.3.	No of Obligation branches carried forward for opening in underbanked districts of underbanked states in Tier 2 to						



	6 centres that are not in unbanked rural centres						
3.	Total no. of branches opened during the year (3.1+3.2+3.3)*						
3.1	No. of branches in underbanked districts of underbanked States in Tiers 2 to 6 centres that are not in unbanked rural centres						
3.2	No. of branches in unbanked rural centres@						
3.3	No. of branches in centres other than in underbanked districts of underbanked States or in unbanked rural centres						
4.	Total no. of branches closed during the year (4.1+4.2+4.3)						
4.1	No. of branches in underbanked districts of underbanked States in Tiers 2 to 6 centres that are not in unbanked rural centres						
4.2	No. of branches in unbanked rural centres						
4.3	No. of branches in centres other than in underbanked districts of underbanked States or in unbanked rural centres						
5.	Total no. of branches merged during the year (5.1+5.2+5.3)						
5.1	No. of branches in underbanked districts of underbanked States in Tiers 2 to 6 centres that are not in unbanked rural centres						
5.2	No. of branches in unbanked rural centres						
5.3	Other than in underbanked districts of underbanked States or in unbanked rural centres						
6.	Total no. of branches as on March 31, ---- (6.1+6.2+6.3)^						
6.1	No. of branches in underbanked districts of underbanked States						



	in Tiers 2 to 6 centres that are not in unbanked rural centres						
6.2	No. of branches in unbanked rural centres						
6.3	No. of branches in centres other than in underbanked districts of underbanked States or in unbanked rural centres						
7.	No of branches not opened, –obligation/entitlement to be carried over to the next year (Total of 7.1+7.2+7.3+7.4)						
7.1	No of branches not opened, – obligation in unbanked rural centres to be carried over to the next year						
7.2	No of branches not opened, – obligation in underbanked districts of underbanked States in Tiers 2 to 6 centres that are not in unbanked rural centres to be carried over to the next year						
7.3	No. of branches not opened, – obligation in centres other than in underbanked districts of underbanked States or in unbanked rural centres to be carried over to the next year						
7.4	No. of branches not opened, – entitlement in Tier 1 centres to be carried over to the next 2 years						

@ Included frontloaded branches which may be added but a footnote be given regarding the number of such branches.

*A footnote may be given regarding the inclusion of obligation or entitlement branches as well as extension counters/ satellite counters upgraded to branches, if any.

^ This should also tally with [1+3-(4+5) }