



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2010-11/ 390

DBOD.No.BL.BC. 78/22.01.001/2010-11

January 27, 2011
7 Magha, 1932 (Saka)

All Scheduled Commercial Banks (excluding RRBs)

Madam / Dear Sir,

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

In terms of [Circular DBOD.No.BL.BC. 65/ 22.01.001/ 2009-10 dated December 1, 2009](#), general permission was granted to domestic scheduled commercial banks (other than RRBs) to open branches in Tier -3 to Tier- 6 centres (with population upto 49,999 as per Census 2001) and in rural, semi urban and urban centres in the North Eastern States and Sikkim, subject to reporting.

2. We have been receiving queries from banks regarding applicability of distance criteria envisaged in [paragraph 6.3\(b\)](#) of the Master Circular on Branch Authorisation DBOD.No. BL.BC. 8/22.01.001/2010-11 dated July 1, 2010 for opening of branches under general permission. It is clarified that conditions mentioned at paragraph 6.3 (b) of the Master Circular referred to above is not applicable to opening of branches under general permission.

3. Further, it has been decided to grant general permission to domestic scheduled commercial banks (other than RRBs) to open Administrative Offices and Central Processing Centres (CPC) / service branches in Tier- 3 to Tier- 6 centres (with population upto 49,999 as per census 2001) and in rural, semi urban and urban centres in the North Eastern States and Sikkim, subject to reporting. Administrative Office (Controlling Offices) would be carrying out administrative work. Central Processing

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हिन्दी आसान है, इसका प्रयोग बाह्ये।



Centres (CPCs)/ Service branches would exclusively attend to back office functions. These Central Processing Centres (CPCs)/ Service branches **should not have direct interface with customers.**

4. Banks should ensure that the centres where the branches are opened under general permission are not the outgrowth (locality developed around bigger centre) of a bigger centre. Department of Statistics and Information Management (DSIM) has clarified that outgrowth of a bigger centre would have the same population group classification as that of the bigger centre.

5. Details of Administrative Offices and Central Processing Centres (CPC) / service branches opened by banks under general permission should be reported to RBI in terms of the existing reporting system envisaged in paragraph 19 of the Master circular on Branch Authorisation dated July 1, 2010.

Yours faithfully,

(A.K. Khound)
Chief General Manager