



भारतीय रिज़र्व बैंक

-----RESERVE BANK OF INDIA-----

www.rbi.org.in

RBI/2012-13/158

RPCD.CO.RRB.BL.BC.No. 19/03.05.90/2012-13

August 1, 2012

All Regional Rural Banks

Dear Sir,

Relaxation in Branch Licensing Policy - Tier 2 Centres

Please refer to our [circular RPCD.CO.RRB.BC.No.28/03.05.90-A/2011-12 dated November 18, 2010](#), permitting Regional Rural Banks (RRBs) to open branches in Tier 3 to Tier 6 centres (with population up to 49,999 as per Census 2001), without having the need to take permission from Reserve Bank of India in each case, subject to reporting, provided they fulfil certain conditions.

2. In order to enhance the penetration of banking services in Tier 2 centres it has been decided to allow RRBs to open branches in Tier 2 centres on par with the policy for Tier 3 to 6 centres.

3. Accordingly, RRBs will be allowed to open branches in Tier 2 centres (with population of 50,000 to 99,999 as per Census 2001) without the need to take permission from the Reserve Bank in each case, subject to reporting, provided they fulfil the following conditions, as per the latest inspection report:

- (i) CRAR of at least 9%;
- (ii) Net NPA less than 5%;
- (iii) No default in CRR / SLR for the last year;
- (iv) Net profit in the last financial year;
- (v) CBS compliant.

4. RRBs not fulfilling the conditions stated at paragraph 3 will have to continue to approach RBI / NABARD, as hitherto. Opening of branches by RRBs in Tier 1 centres (centres with population of 100,000 and above as per Census 2001) will also continue to require prior permission of Reserve Bank of India.

5. A report on the details of the branches opened in Tier 2 to 6 centres should be submitted, within a fortnight of the end of the quarter, in the format contained in our

ग्रामीण आयोजना और ऋण विभाग, केंद्रीय कार्यालय, 10वीं मंजिल, केंद्रीय कार्यालय बिल्डिंग, शहीद भगत सिंह मार्ग, पो.बा.सं.10014, मुंबई 400 001

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हिंदी आसान है, इसका प्रयोग बढ़ाइए

[circular RPCD.CO.RRB.BC.No.56 / 03.05.90A / 2011-12 dated March 29, 2011](#), to the concerned Regional Office of RBI. RRBs may approach the Regional Office of RBI for, post-facto, automatic issue of the licence/s. The licence should be displayed in the premises of the branch so opened for information of its customers / public to instil confidence in them that the branch is authorized to conduct banking business.

6. All other instructions remain unchanged.

7. Please acknowledge receipt to our respective Regional Office.

Yours faithfully,

(C.D.Srinivasan)
Chief General Manager