



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/ 2012-13/299

DBOD.NO. BAPD.BC. 60 /22.01.001/2012-13

November 20, 2012
Kartika 29, 1934 (Saka)

All Domestic Scheduled Commercial Banks
(excluding RRBs)

Madam/Dear Sir,

**Branch Authorisation Policy- Opening of Administrative/
Controlling Offices in Tier 1 Centres**

Please refer to paragraphs 104-105 of the Second Quarter Review of Monetary Policy 2012-13 (extract enclosed), announced on October 30, 2012, wherein it has been proposed to permit domestic scheduled commercial banks (other than RRBs) to open offices performing purely administrative and controlling functions (Regional Offices and Zonal Offices) in Tier 1 centres, subject to reporting.

2. Consequent on granting general permission to banks for opening of branches in Tier 3 to Tier 6 centres and in the rural, semi-urban and urban centres in North-Eastern States and Sikkim vide [circular DBOD.No.BL.BC.65/22.01.001/2009-10 dated December 1, 2009](#), general permission was also granted to domestic scheduled commercial banks for opening of Administrative Offices and Central Processing Centres(CPCs) / Service Branches at such centres, vide [circular DBOD.No.BL.BC. 78/22.01.001/ 2010-11 dated January 27, 2011](#). This general permission was extended for opening of branches, Administrative Offices and Central Processing Centres(CPCs) / Service Branches in Tier 2 centres (with population 50,000 to 99,999 as per Census 2001), vide [circular DBOD.No.BL.BC. 60/22.01.001/2011-12 dated November 29, 2011](#).

3. With a view to further increasing operational flexibility of banks, it has been decided to permit domestic scheduled commercial banks (other than RRBs) to open offices exclusively performing administrative and controlling functions (Regional

Offices/Zonal Offices) in Tier 1 Centres without the need to obtain prior permission in each case, subject to reporting.

4. However, this general permission would be subject to regulatory/supervisory comfort in respect of the bank concerned and RBI would have the option to withhold the general permissions now being granted, on a case-to-case basis, taking into account all relevant factors.

5. Opening of branches including Central Processing Centres (CPCs)/ Service Branches by domestic scheduled commercial banks (other than RRBs) in Tier 1 centres (centres with population of 100,000 and above as per census 2001) will continue to require prior permission of Reserve Bank of India.

6. Details of Administrative Offices opened by banks under general permission should be reported to RBI in terms of the existing reporting system envisaged in [paragraph 23](#) of the Master Circular DBOD.No.BL.BC.26 /22.01.001/2012-13 dated July 02, 2012 on Branch Authorisation.

7. All other Instructions will remain unchanged

Yours faithfully

(Sudha Damodar)
Chief General Manager

Second Quarter Review of Monetary Policy 2012-13

Opening Administrative/Controlling Offices in Tier 1 Centres

104. Currently, domestic scheduled commercial banks (excluding RRBs) are permitted to open branches, including Regional Offices and Zonal Offices in Tier 2 to Tier 6 centres (with population up to 99,999 as per Census 2001) and in rural, semi-urban and urban centres in the North-Eastern States and Sikkim without the requirement of taking permission from the Reserve Bank in each case, subject to reporting. With a view to further increasing operational flexibility of banks, it is proposed:

- to permit domestic scheduled commercial banks (other than RRBs) to open offices performing purely administrative and controlling functions (Regional Offices and Zonal Offices) in Tier 1 centres, subject to reporting.

105. Detailed guidelines in this regard are being issued separately.