

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:441
ANSWERED ON:20.11.2009
BASIC BRANCH OPENING POLICY
Satpathy Shri Tathagata

Will the Minister of FINANCE be pleased to state:

- (a) whether Reserve Bank of India (RBI) has recently announced new branch opening policy;
- (b) if so, the details thereof;
- (c) whether foreign banks have approved the policy;
- (d) if not, the reasons therefor, and
- (e) the corrective measures taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (e): No, Sir. However, Reserve Bank of India (RBI) had announced in the Annual Policy Statement for 2009-10 regarding the constitution of a Working Group to review the extant branch authorization policy with a view to providing greater flexibility, enhanced penetration and competitive efficiency consistent with financial stability. The Group has since submitted its report to RBI which is available on the RBI Website (www.rbi.org.in). As regards foreign banks, the Group has recommended that the branch authorization policy in respect of foreign banks may remain unchanged until review of the road map for foreign banks. The recommendations of the Working Group are being examined by the RBI.