

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2585  
ANSWERED ON:04.12.2009  
OPENING OF BANK BRANCHES  
Singh Shri Pashupati Nath

**Will the Minister of FINANCE be pleased to state:**

- (a) the main recommendation of the Working Group appointed by Reserve Bank of India (RBI) to review the extant branch authorization policy and action taken/being taken by the Government/RBI thereon;
- (b) the details of applications for opening bank branches received from banks during the current financial year; and
- (c) the action taken/being taken thereon State-wise, bank-wise?

**Answer**

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

(a): Reserve Bank of India (RBI) had announced in its Annual Policy Statement for 2009-10, 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](http://www.rbi.org.in)). The recommendations of the Working Group are being examined by the RBI.

(b) & (c): Opening of new bank branches is governed by the provisions of Section 23 of the Banking Regulation Act, 1949. Under the extant Branch Authorisation Policy of the Reserve Bank of India (RBI), banks are required to submit their Branch Expansion Plans for opening of branches etc., on an annual basis in line with their medium term corporate strategy. These proposals are considered as and when they are received by RBI and approvals are accorded taking into account the extant Branch Authorisation Policy. Since this is an ongoing exercise, no proposals for opening of bank branches received during the last three years from nationalized banks is pending with RBI.

As reported by RBI, State-wise data on number of offices of public sector banks opened in the country during the last 3 years is given in the Annex.