

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3564  
ANSWERED ON:14.12.2012  
BRANCH AUTHORITY POLICY  
Ram Shri Purnmasi;Singh Dr. Raghuvansh Prasad

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

- (a) the provisions of opening of bank branches under the bank branch network programme in the rural areas under the branch authority policy of the RBI;
- (b) whether the Government proposes to open branches of various banks including the State Bank of India in various States including Bihar during the current financial year; and
- (c) if so, the details thereof, bank and location-wise?

**Answer**

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) to (c) General permission has been granted by RBI to domestic Scheduled Commercial Banks (other than RRBs) to open branches in Tier 2 to Tier 6 centres (with population upto 99,999) which include rural centres; in rural, semi urban and urban centres of the North-Eastern States and Sikkim; and to open mobile branches in Tier 3 to Tier 6 Centres (with population upto 49,999) without permission from RBI in each case, subject to reporting. The New Private Sector Banks are also required to have 25% of their total number of branches in rural and semi-urban centres with population below one lakh on an on-going basis. The Banks are also required to allocate at least 25% of the branches proposed to be opened during a year in unbanked rural Tier 5 and 6 centres.

Decision to open bank branches are taken by the banks concerned, inter alia, keeping in view business potential, viability, profitability and availability of infrastructure.