

RBI/2004-05/438  
DBOD.No.BL.BC.82/22.01.001/2004-05

April 27, 2005  
Vaishakha 7, 1927 (S)

All Scheduled Commercial Banks (Excluding RRBs)

Dear Sir,

**Section 23 of Banking Regulation Act, 1949 –  
Shifting of branches/offices – Procedural Rationalisation**

Please refer to paragraph 3 of our Master Circular No.DBOD.BL.BC.5/22.01.001 dated 8th July 2004 on branch licensing. It will be observed there from that banks have been given freedom to shift their branches within the municipal ward/locality in metropolitan/urban and semi-urban centres without seeking the prior approval of the Reserve Bank of India.

2. Banks are also permitted to shift their rural branches within the block/service area without obtaining prior approval of the Reserve Bank of India, subject to their complying with the following conditions:

- Both the existing and proposed centres should be within the same block and service area of the branch;
- It should be ensured that the relocated branch would be able to cater adequately to the banking needs of the villages allocated under Service Area Approach.

3. Presently, banks are procedurally required to get the licence amended by the concerned Regional Office of RBI before effecting the shifting.

4. It is advised that henceforth banks may proceed with the shifting of branches as indicated in paragraphs 1 and 2 and ensure that the licence is submitted to the concerned Regional Office of the Reserve Bank of India, for getting the new address incorporated in the licence at the earliest but not later than three months from the date of the shifting of the branch.

Yours faithfully,

(P. Vijaya Bhaskar)  
Chief General Manager