



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2012-13/300

DBOD No. BAPD.BC. 59 /22.01.003/2012-13

November 20, 2012
Kartika 29, 1934 (Saka)

All Commercial Banks
(excluding RRBs)

Madam/Dear Sir,

Acquisition of Accommodation on Lease / Rental basis by Commercial Banks for their use (i.e. for Office and Residence of Staff)

Please refer to our Circular DBOD. No. BL.BC. 105/22.01.003/98 dated November 11, 1998 on the above subject, advising banks that the norms and procedures to be followed for acquisition of premises on lease / rental basis for their use should be determined by banks themselves. Accordingly it was decided that Boards of Directors of banks should lay down policy and formulate detailed operational guidelines covering all areas in respect of acquiring premises on lease / rental basis for their use including delegation of powers at various levels. Further, in terms of [para 21 \(ii\)](#) of our Master Circular DBOD No. BL. BC. 26/22.01.001/2012-13 dated July 2, 2012 on Branch Authorisation, banks were advised that while acquiring premises for opening of a branch they should ensure that the location of the branch complies with the local norms / laws of Municipal Corporation / Nagar Palika / Town Area Authority / Village Panchayat or any other competent authority.

2. It has been observed in certain cases that banks have not complied with the above instructions while acquiring premises for their branches causing avoidable inconvenience to customers and possible reputational risk to the banks.

3. It is, therefore, reiterated that banks should strictly adhere to the policy and operational guidelines formulated by their Board of Directors for hiring of premises

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on lease / rental basis in respect of metropolitan, urban, semi-urban and rural areas. While acquiring premises for opening of a branch, banks should also ensure that the location of the branch complies with the local norms / laws of Municipal Corporation / Nagar Palika / Town Area Authority / Village Panchayat or any other competent authority.

4. Please acknowledge receipt.

Yours faithfully,

(Sudha Damodar)
Chief General Manager