

RBI/2008-09/198

UBD.CO.LS. Cir. No. 19 /07.01.000/2008-09

September 26, 2008

All Primary Cooperative Banks

Dear Sir,

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

Please refer to our circular UBD.No.DS. PCB (Cir) 30/13.05.00/98-99 dated May 8, 1999 on the above subject.

2. As you are aware, the authorisations issued for opening of bank branches/offices are location-specific inasmuch as, in terms of the extant instructions, Reserve Bank of India issues authorisation/permission for opening a bank branch/office at a particular centre based on the exact postal address of the place where the branch/office is to be opened. In the circumstances, it is incumbent upon banks to ensure that their branches are operating from premises which have a subsisting and valid lease agreement, free of any dispute between the bank and the landlords of the premises in question. We, therefore, advise that Head Offices of banks may immediately undertake a review in this regard.

3. Banks are also advised to report immediately, and, **in any case not later than October 15, 2008**, the list of their branches / offices, that are operating in premises in respect of which a dispute is pending with the landlord, to the Regional Director(RD) of Reserve Bank of India concerned (i.e., RD of the Regional Office of RBI under whose jurisdiction the branch/office in respect of which a dispute is pending is functioning), as per the format enclosed (**Annex**) to enable RBI to take a view on the appropriateness, or otherwise, of continuing the authorization for the branch/office which is functioning in a 'disputed' premises. Further, banks are also required to furnish quarterly progress reports (as at the end of March, June, September and December) in the same format to the RD of the Regional Office of RBI concerned, within a period of one month from the close of the respective quarter to which the report relates. The first such quarterly report will be for the quarter ending December 31, 2008 which will have to be furnished to the Regional Directors concerned by January 31, 2009. It may be noted in this regard that in respect of branches/offices situated in Maharashtra/Goa, the information will be furnished by banks to the Chief General Manager, Urban Banks Department, Reserve Bank of India, Mumbai Regional Office, Garment House, 2nd Floor, Worli, Mumbai-400 018.

4. Please acknowledge receipt of this circular to Regional Office concerned.

Yours faithfully

(Smt. Uma Shankar)
Chief General Manager

Annex

Name of the Bank:

Particulars of branches/Offices where there is a dispute relating to acquisition of premises on lease/rental basis

Sl. No.	Name of Branch/Office	Exact Address of Branch/Office	District/State	Particulars of landlord/landlady (Name, address, contact telephone number)	Nature of dispute In brief	Whether the matter is pending before a Court of Law; If so, brief particulars thereof	Remarks