

DECCAN GRAMEENA BANK
HEAD OFFICE: HYDERABAD

CUSTOMER INFORMATION SERVICE

ACQUISITION OF ACCOMMODATION ON LEASE / RENTAL BASIS BY
BRANCHES / BANK FOR OFFICIAL USE

1. Mode of selection:

Branch Manager / officer in charge at Head Office/Regional Office will in the normal course, initiate the proposal inviting offers for premises on lease.

a. Metro/Urban centers.

With regard to Metro / Urban centers, proposal inviting offers for premises on lease be called for by notifying in two local leading News papers one in Telugu and another in English. Such offers will be called for strictly from owners/ landlords only. Offers from brokers / agents should not be entertained. Offers should be called for, in two-bid system viz. Technical Bid and Price Bid for proposals of premises. Procedure to be followed in case of two bid system is that the technical bid should contain details such as location, built up area, carpet area, specification of the building, details of the offerers/ landlords, etc., and the price bid should contain only the rent quoted and other financial terms.

The proformae for advertisement in News Papers and proformae for technical bid and price bid are enclosed as Annexure-I to Annexure-V. (All these proformae are placed in our Bank's website.)

On receipt of the offers, technical bids are to be opened by the Premises Committee and a comparative statement is to be prepared by the officer initiating the proposal. The Premises Committee should evaluate the eligible offers received and shortlist them, depending upon the suitability with regard to specifications, location, business potential, etc., for inspection. On inspection of the short listed offers, the Premises Committee to record its recommendations by way of a report. The price bids of such offers should be opened in the presence of Premises Committee as well as landlords who should be informed well in advance. The negotiations would be held with the prospective land lords for reduction of rate of rent, modifications in lease terms, if any. The Premises Committee has to prepare a comprehensive report thereafter which should contain the details of all the offers with due recommendations for selection of the specific premises.

- i. The price bid of all the unsuccessful bidders should be returned in sealed condition.
- ii. In the event the lowest bidder backs out, the offers should be invited afresh.
- iii. The tenders/bids should be opened at the stipulated date and time as detailed in the advertisement.

- iv. No advertisement is required where the transaction is between PSU to PSU, Government to Government, Government to PSU.
- v. The advertisement for offer of premises should be in the Bank's website for a minimum period of 15 days.
- vi. In case of ATMs, the advertisement in the Bank's web site should be for a minimum period of 10 days.

b. Semi-Urban /Rural centers:

In respect of Semi-Urban / Rural centers all the bids are to be opened. All the offers to be inspected and the prospective land lords having suitable premises will be called for discussion / negotiation prior to finalization of the premises. The premises committee has to prepare a comprehensive report thereafter which should contain the details of all the offers with due recommendations for selection of the specific premises.

2. Brokerage:

Where the advertisement does not yield the desired results, the services of brokers can be enlisted and the brokerage charges may be paid, in exceptional cases, i.e. one months rent excluding taxes and other outgoings, only with the prior approval of the appropriate authority.

3. Location:

Utmost importance has to be given to the business factor and customer convenience. The premises to be hired shall be located in prominent business locality. The premises of the branch shall be located preferably on the ground floor and if it is not possible, it shall be on the first floor. The entire requirements preferably may be in one floor and it shall not be more than two floors. The administrative offices may not be located in a busy commercial area but shall be located in less congested locality at a center where the rentals are moderate.

4 Formation of premises committee:

The premises committee shall be constituted in the following manner. The committees are for selection of new premises renewals of existing premises surrender of premises and also for shifting of premises.

Premises Committee at Head Office

- | | |
|---------------------------------|---|
| 1. Chairman | - Chairman |
| 2. General Manager (Admin & IT) | - Member |
| 3. General Manager (Ops & CR) | - Member |
| 4. Chief Manager (Plg & Dev) | - Member |
| 5. Chief Manager at Head office | - Member (to be identified by the Chairman) |

Premises Committee at Regional Office

- | | |
|-------------------------|---|
| 1. Regional Manager | - Chairman of the Committee. |
| 2. Manager (GB) | - Member |
| 3. Deputy Manager at RO | - Member (to be identified by Chairman) |

4. Local Branch Manager - Member (to be identified by GM(Ops & Cr))

Premises committee at Regional Office will select the premises for Regional Offices and branches under their control.

For Scale-IV Branches as under

1. Regional Manager (Local RO) - Chairman
2. Chief Manager (Branch) - Member
3. Manager (GB)(RO) - Member
4. Branch Manager (Local Branch) - Member to be identified by GM (Ops & Cr)

Premises committee for Scale-IV branches will select the premises for branch

5. **Measurement of Area :**

In respect of existing premises, particularly in the Metro and urban centers where the Bank has not specified the areas specifically as carpet areas, the Bank will continue to pay the rent as specified in the original agreement / consent letter or give the benefit to landlord for measuring exact carpet area and proportionately increase the rent so that as a result of new method of measurement, it does not reduce the rentals.

However, in all new proposals, rent should be computed on carpet area basis, factoring the rental element of super built up area, if so warranted. The carpet area shall be measured and specified.

As regards to the Rural and Semi-urban areas, the rentals should, as far as possible, be negotiated for lump sum amount instead of on sq. feet basis.

6. **PARKING AREA:**

If the parking is a pucca RCC construction and covered on the three sides, a separate rent should be finalized for the parking area depending upon local practice and offer received.

7. **Rent for Strong Room :**

Separate rate should not be fixed for strong room but it should be factored in fixation of rent on carpet area for the branch premises, in respect of Metro and urban centres.

8. **Taxes :**

All taxes as applicable to the area are to be paid by the respective landlord.

9. **Service Tax:**

For proposals attracting service Tax, the same, wherever applicable, will be paid by the Bank as per the Bill.

10. **Service charges (including maintenance charges):**

Payment of service charges to the landlords should be for the specific facility provided by the landlord such as lift, generator, furniture and electrical gadgets.

The landlord may be given the benefit of splitting the rent into rent & amenities in the following cases.

- i. Electrical fixture like fans, tube lights, air conditioners etc.
- ii. Standby Generator
- iii. Lift facility.
- iv. Free car parking slots.

11. Advance to Landlords:

No advance should be granted to landlords for construction purpose in case of buildings for own use.

Whenever loan is granted for the proposed building / alterations, etc., will be as term loan subject to the following conditions:

- a. The quantum of loan shall not exceed 75% of the cost of construction / additions / alterations, etc.
- b. 75% of the proposed rent shall be adjusted towards liquidation of loan with interest or
- c. The maximum period of repayment of loan with interest shall be limited to seven years/ to the period of the lease.

12. Interest on advances:

Interest should be charged on advances granted to landlords as per loan policy of the Bank. However, the interest rates advised to the landlords at the time of sanction will remain unchanged throughout the period/ currency of loan and interest will be charged at monthly rests.

13. Rental Deposits:

When Bank finances landlords for construction / renovation of the premises no deposit of rent (interest free) should be made with the landlords. In other cases, wherever interest free advance rent / rent deposit is demanded by the landlords, this should be restricted to 3 months rent at rural and semi urban centers and 6 months rent at urban and metro centers.

14. Period of Lease:

The lease should be for a minimum period of 5 years with an option to renew for further 10 years in favour of the Bank i.e. total 15 years with predetermined rate of increase in rent for the first 5 years and negotiated rent for the remaining period. If it is not possible to extend the lease on reasonable terms and conditions, the premises should not be vacated unless suitable accommodation is available particularly in cases where protection is available under tenancy laws. The lease agreements should provide for a clause for further renewal of the period with suitable escalation in the rent, with mutual consent of the Bank and the landlord.

15. Enhancement of Rent on Expiry of Lease:

Normal enhancement in rent will be 25% for every 5 years and 15% for every 3 years which can be approved by the authority approving the monthly rent. Any enhancement beyond the said limits should be approved by an authority one step higher than sanctioning authority. Further, though the lease can be for 5 years, enhancement in rent can be after every 5 or 3 years on a case to case basis depending on the merits.

However, necessary clause should be incorporated in the lease deed that the landlord should take up colouring of the premises and routine maintenance at the time of every periodical enhancement of rent.

16. Renewal of Lease Agreement:

The process of lease renewals should be taken up atleast 6 months in advance before the expiry date.

17. Registration of Lease:

It is desirable to have the lease deed registered and the expenses on account of this be shared between the Bank and the landlord, preferably on 50:50 basis. In instances where the landlords are disinclined to have the lease deed registered, the Bank has an option to continue the stamped lease agreement or get the deed registered.

18. Surrender / Shifting of Premises:

As far as commercial premises are concerned, keeping in view the long term requirements, such vacation is not generally called for the Bank may actively seek to protect itself from eviction by taking advantage of extant laws in this regard. It would be prudent on the part of the Bank to ensure that lease agreements are extended well in time so that landlords do not have a grievance that despite termination / expiry of lease agreement, Bank continues to keep such premises for a long period. A commercial property has great site value, and if the Bank decides to vacate such commercial property, it could explore the possibilities of availing compensation from the landlord.

As regards the decision for shifting / surrender of premises, this being a sensitive issue, it should be decided by the Premises Committee at Head Office.

19. Additional Space:

In case an additional space is being taken from the same Landlord in the existing premises with the same municipal number, a committee consisting of Branch Manager and Controller will recommend to the appropriate authority for approval of additional rent and the rent of such acquisition should be reasonable but not exceeding the rate fixed for the old premises and the additional area proposed to be acquired should not be more than 25% to 30% of the existing area. For acquisition of higher area, regular Premises Committee is required to be formed as per laid down procedure.

However, if the additional accommodation bears a different municipal number the entire proposal has to be treated as a separate premises and the laid down procedure has to be followed.

20. Reporting of Transactions to CBI:

All the transactions of Rs.25.00 lakhs and over, involving grant of advances to and keeping of rental deposits with landlords of premises taken for the Banks on lease / rental basis, should be reported to the Central Bureau of Investigation as required vide para 3 of RBI Circular DBOD No. BL.BC.82/C/168 (01) /83 dated 17.10.83.

21. Grievances Committee:

In order to deal with the genuine grievances of the landlords expeditiously, it was proposed to constitute Grievance Committee as under:

- | | |
|---------------------------------|------------|
| 1. Chairman | - Chairman |
| 2. General Manager (Admin & IT) | - Member |
| 3. General Manager (Ops & CR) | - Member |
| 4. Chief Manager (Plg & Dev) | - Member |

The fact that such a forum / committee for redressing the grievances exists should be made known to the landlords in the letters issued at the time of taking the premises on lease. It should also be made clear to them that the decision of such a committee shall be final.

22. Deviations:

All the proposals which are in deviation from any of the above guidelines should be referred to the Premises Committee at Head Office, comprising of Chairman, General Manager (Admin &IT), General Manager (Ops & CR) and Chief Manager (Plg & Dev) and one more Chief Manager at Head Office(to be identified by Chairman) for consideration and

Annexure - I

DECCAN GRAMEENA BANK
Head Office, 2-1-520, Vijayasree Sai Celestia,
Shankarmuth Road, Nallakunta, Hyderabad-500044

PREMISES REQUIRED ON LEASE

Bank intends to take on long lease premises of about _____sq.ft of rentable area for

our _____ **branch :**

The offer should be submitted in two bid system i.e., Technical bid and Price bid jointly in single cover to _____

Last date for submission is on

For details visit Bank's web site www.dgbhyd.com

Sd/-
General Manager(OPS&CR)
Head Office, Hyderabad

NOTICE INVITING TENDER
PREMISES REQUIRED ON LEASE

The Bank intends to take on long lease premises of about _____sq.ft of rentable area for our _____

_____ The premises offered should be an existing or new RCC construction with all amenities such as water, 3-phase 30-40 KVA power supply, assured parking facility for staff and customers. Rentable area shall be worked out as the inner to inner dimensions of the external walls of the demised premises. The rent quoted should be exclusive of all taxes.

The offer should be submitted in single cover containing the technical details and any other additional information etc., and price bid i.e. rent per sq ft of rentable area and other financial terms & conditions, if any.

The cover should be submitted to _____

On or before _____

Willing and prospective land lords/ladies should refer to bank notification and the formats available under the head "Tenders" in our Bank's web site **www.dgbhyd.com**. Bids should be submitted in the prescribed formats only. They should be signed by the owners or their power of attorney holders.

For clarifications, if any please Call:

Telephone:

Mobile:

Sd/-
General Manager(OPS&CR)
Head Office,

Hyderabad

General Guidelines for Bidders

Bidders must note that:

1. The '**Technical Bid**' and the '**Price Bid**' must be submitted in **single sealed envelope** to the address mentioned in the forms.
2. All the columns of the forms must be filled in and no column should be left blank.
3. The bids must be submitted before the last date and time mentioned in the Advertisement.
4. Conversion of Residential Plot/Building for commercial purpose will be obtained by the builder / tenderer himself at his own cost.
5. Only ready built /semi finished premises will be considered.
6. The sealed bids will be opened in case of only those bidders, who are short listed on the basis of the scrutiny of the technical bids and who will sign on the Bank's standard terms and conditions and submit along with the technical bid.
7. No enquiries regarding the selection will be replied. This is strictly prohibited.
8. The Bank reserves the right to reject any or all applications without giving any reasons.
9. The bids must be valid for at least THREE (3) Months from the last date of submission.
10. Lease will be accepted for minimum of FIVE (5) years with TWO (2) subsequent automatic renewals of lease deed in Bank's favor for the same period

TECHNICAL BID FOR

From:

Date:

To,
The General Manager(OP&CR),
DECCAN GRAMEENA BANK,
Head Office
Hyderabad-500044

Dear Sir,

Technical Bid (Tender Part-I): Offer for Premises for your Branch at _____ on Lease / Rental Basis.

With reference to your advertisement published in _____ newspaper, dated _____ for hiring of premises on lease / rental at _____, we submit herewith our offer for the same with following technical particulars / details for your considerations:

(Note: Mention 'Not Applicable' against inapplicable columns. No column should be left blank)

1.Name of owners/developers with Address & telephone nos.	
2. Location & address of property	
3. Whether location is in commercial Market or residential area	
4. Distance from other nearby Bank and name of the Bank	
5. Whether Municipal permission to construct premises obtained(Yes / No)	

Details of Proposed Building Offered:

1. Is it framed structure? (Yes/No)	
2. Flooring (mention about type of flooring)	
3. If multi-storied complex furnish details of total no. of floors in the building & whether facility of lift is available.	
4. Whether plan approved by local	

Municipal Authority	
5. Situation of building, i.e. floor on which located	
6. Water supply arrangement: (Please mention no. of bores with diameter and Corporation connection etc.) Whether Separate connection for Bank will be arranged.	
7. Sanitary arrangement (no. of W.C./Toilet blocks)	
8. Whether separate electrical meter is provided for the premises proposed to be leased. (Yes/No)	
9. Whether 30/40 KVA, 3 phase connection Electrical power supply is available. If not, are you willing to provide the same? (Yes/No.)	
10. Mention details of rentable area in sq.ft., which should include free of cost parking facility, if any, for scooters / cars that can be available exclusively to the Bank. If exclusive area is not possible, please specify details of general parking facilities available. If parking facilities are not available, please specifically mention of this. (The rentable area shall be worked out as the inner to inner dimension of the external walls of the premises to be leased.)	
11. Whether willing to carry out additions/alterations/repairs as per specifications/plan given by the Bank (yes/No)	
12. Whether any deposit/loan will be required(Give brief details)	
13. Are you willing to provide separate space for Generator? (Yes/No)	
14. Are you willing to provide Vitrified tiles flooring? (Yes/No.)	
15. Is space available for displaying Bank's name board/Signage? (Yes/No)	

16. Any other information (Give brief details)	
17. List of enclosures (attached) such as copy of plan approved by the competent authority, latest Municipal house tax receipt, last sale deed etc.	a) b) c) d) e)

We have not made any alteration in the Tender and Lease proforma.

Yours faithfully,

(_____)

(Land lord/Land lady/Power of attorney holder)

Note:

No enquiries regarding the selection will be replied. This is strictly prohibited.

The Bank reserves the right to reject any or all pre-qualification applications without giving any reasons.

Annexure - V

Price Bid Application Form (Part -II)

In Respect of Premises to be offered on lease to DECCAN GRAMEENA BANK

FINANCIAL BID FOR ----- branch :

From:

To
The General Manager (OPS & CR),
DECCAN GRAMEENA BANK,
Head Office
Hyderabad-500044

Date:

Dear Sir,

Price Bid (Tender Part-II): Offer for Premises for your Branch at _____ on Lease / Rental Basis

In continuation to the Technical bid, I/We offer my/our premises situated at _____ for your proposed commercial Branch on the following terms & conditions:

1. I/We will construct the building or carry out additions/alterations to it as required by you, strictly according to your plan and specifications, and carry out the work of decorations etc. in accordance with the details to be furnished by you and as advised by you from time to time. The building will have a rentable area of about _____sq.ft. as per details provided in 'Technical Bid', submitted by us. The rentable area means the inner to inner dimensions of the external walls of the premises to be leased for use. The possession of the premises will be given to you only after the Bank is fully satisfied that the entire work has been carried out to the Bank's requirement and specifications and if after taking possession, it is found that any item or work remains unattended or not according to your specifications, I/We undertake to complete the same within a reasonable time from the date of possession of premises and in case of default, the Bank will be at liberty to complete the unfinished jobs and realize the expenses incurred, from the monthly rent payable to me/us by the Bank.

2. No changes in the plan will be made during the construction work and if any changes are required the same will be carried out only after obtaining Bank's prior approval in writing therefore. All general notes shown in the plan will strictly complied with by me/us.

3. The premises complete in all respect will be made available as early as possible, but in any case not later than _____months from the date of acceptance of the offer by the Bank. The Bank may at its discretion extend this period. However, it will be open to the Bank to decline to accept the offer, if the delay is in the opinion of the Bank is too much.

4. I/We will provide the necessary arrangement for the continuous and regular supply of water.

5. Painting of the building, polishing/oil painting of the wood and ironwork will be carried out by me/us once in three years. Whenever necessary, I/We will carry out tenable repairs to the premises. If I/We fail to do this, the Bank will have right to recover this from me or from the rent payable to me.

6. The Municipal Corporation or local authorities' permission to construct and lease the premises in question to the Bank, for use as office premises, will be obtained by me/us and produced for your inspection. Any other permission if required will be obtained by me/us. In case, I/We will decide to sell the premises, at first it will be offered to Bank at a reasonable price and in case the Bank is not agreeable to purchase the same, I/We shall dispose off the same subject to Bank's tenancy rights.

7. The lease agreement will contain an undertaking that I/We will not during the currency of the lease agreement transfer, mortgage, sell or otherwise create any interest in the premises leased to you/with any party affecting your right of occupation and any of the terms of the lease without your consent.

8. I/We shall provide 30-40 KVA three phase electricity connections exclusively for the use of the Bank. Necessary charges and deposits shall be paid by me/us. In the event of any demand from the local Electricity board authority for additional deposit of amount on account of enhanced/additional consumption of power by Bank, the same will be borne by me/us.

9. I/we shall arrange for construction of stationery room, record room, locker room/strong room, toilets etc as per Bank's requirement/Bank's plan after obtaining approval from the concerned government authorities and shall handover the premises with all constructions within a reasonable period of not more than one month. I/we shall do finishing of the walls with ALTEK and three coats of plastic emulsion paint of Bank's choice.

10. Two toilets shall be constructed as under

- i) Common toilets (will have 1-EWC, 1-Wash Basin, 1 Urinals of best quality)
- ii) Common ladies toilets (will have 1-Squatting pan and 1 wash basin)

11. Separate space for keeping Generator will be provided by me.

12. The rent shall be payable only after handing over of the new premises to Bank with completed construction as per Bank's specification in all respects and ensuring of 40 KVA power supply for the premises.

13. The flooring of the Branch premises will be done with vitrified tile flooring of 10mm thick of bank's choice before handing over the premises.

14. Regular periodical maintenance such as painting, plastic emulsion/ Apex/ACE to the walls (once in three years), periodical cleaning of sanitary and water supply installations will be done by me/us .I/we shall ensure proper functioning of the drainage pipes and replacing of the burnt/broken/ outdated electrical wires and fittings such as switches, cutouts etc. at the time of handing over of the premises will be done at my/our cost.

15. The registration charges, stamp duty for registration of lease shall be borne in the ratio of 50:50 between the bank and me/us.

16. I/we shall not come in the way of the bank for bringing about any modification within the internal structures of the premises so long as such modifications do not cause any damage to the structure of the premises, and I/we shall provide suitable space for display of the bank's name boards/ Glow-Sign Boards etc.

17. Separate electric meters, rolling shutter and collapsible gate to the main entrance, safety bars to all the windows and compound walls with gate, all around the building will be provided by me/us at my/our cost. The bank is free to establish ATM in premises without any additional rent being charged by me/us .

18. Electricity and water consumption charges will be borne by the Bank on actual consumption basis. Running water facility (Municipal and ground water) is to be provided by me/us.

19. The bank is at liberty to terminate the lease and vacate the premises at any time during the period of lease by giving three months notice and I understood that the right to terminate the lease before the expiry of lease period will vest with the Bank only.

20. All taxes excluding service tax shall be borne by me/us only.

21. Rent/Lease Charges:

A) The rent of the premises will be Rs._____per sq.ft.(Rentable area) per month.

B) The house tax and all Municipal/Government taxes present and future, will be paid by us (landlord).The present rate of Municipal/Government taxes is ____% of rent per annum.

C) Other service charges for garage/parking/lift/maintenance/cleaning (if any) will be paid by us (landlord).

D) _____sq.ft.(rentable) area will be earmarked for the Bank for parking at _____for which no rent/cost will be charged.

22. Period of Lease etc.: The initial period of lease will be for five years with subsequent renewal at the option of the Bank for two further terms of five years each on the same terms & conditions with reasonable increase of 25% in monthly rent after every five years.

23. Loan/Advance requirements: I/We require a loan/advance of Rs._____ (Rupees_____only) for construction of the building to be made available to me/us as under:

A. Rs._____on my/our creating the equitable mortgage by deposit of title deeds.

B. Rest of the amount in suitable installments with the progress of the construction work.

C. I/We agree to pay interest, installments of the loan and create/furnish necessary security to the Bank therefore, including equitable mortgage of my/our property. The loan will be recoverable with interest as per R.B.I. directives and Bank's norms within_____months. The Bank will recover the installments and interest from the monthly rent.

24. Validity: This firm offer is open to you for acceptance till _____

Yours faithfully

(_____)
(Land lord/Land lady/ Power of attorney holder)

(Note: Please note that all the pages are to be signed)