	ANDHRA PRADESH MAHESH CO-OP.URBAN BANK LIMITED (Multi-State Scheduled Bank) Head Office: Hyderabad
DEPARTMENT: FINANCE & ACCOUNTS	CIRCULAR NO. 87
REF.NO.01/ 07	DATE : 09.10.2024

ALL BRANCHES:

LOCKER POLICY 2024-2025

The existing Locker Policy has been reviewed by the Officer appointed by Hon'ble High Court of Telangana on 14.08.2024.

There are no changes in the existing Policy

We are enclosing herewith the Locker Policy for the ready reference of the Branches.

Please bring the contents to the notice of all the staff members.



DY.GENERAL MANAGER



LOCKER POLICY

Introduction:

Safe deposit locker facility is one of the ancillary services extended by bank at our branches. The relationship between the bank and the customer of a locker is that of lessor and lessee. The locker unit will be leased out to customers who have been properly introduced to the bank.

Secrecy and Confidentiality:

The Bank has to ensure utmost secrecy of the Safe Deposit Lockers hired by the customer and should not divulge any information about hiring of lockers, mode of operation etc. to anyone, except when the disclosure is required to be made with the clear consent of the hirer(s) or in compliance of the orders of a competent authority having statutory powers.

Bank's lockers can be leased to any person, having contractual capacity i.e. capacity to enter into a contract. Thus locker can be hired by an Individual singly and/or two or more individuals subject to maximum of three jointly as well as firms, Limited Companies, Societies, Associations, Clubs etc.

PART I: Customer Due Diligence (CDD) for Lockers

1. Customer Due Diligence

1.1 Existing customers of the bank who have made an application for locker facility and who are fully compliant with the CDD (Know Your Customer Directions, 2016) may be given the facilities of safe deposit lockers subject to on-going compliance.

KYC documents viz., photo ID proof, latest address proof, recent photograph of the customer should be obtained. Updation of the KYC documentation should be carried out as per KYC policy i.e., once in 10 years in case of low risk accounts, once in 8 years in the case of medium risk accounts and once in 2 years in case of high risk customers. However, any change in address shall be verified through positive confirmation within two months, by obtaining KYC updates through e-mail/letter/telephonic conversation/forms/interviews/visits etc.

1.2 Customers who are not having any other banking relationship with the bank may also be given the facility of safe deposit locker after complying with the CDD criteria (Know Your Customer Directions, 2016) as stated above subject to on-going compliance. The due diligence shall be carried out for all the customers in whatever rights and capacities they may be hiring the locker.

1.3 The locker-hirer/s shall not keep anything illegal or any hazardous substance in the Safe Deposit locker. If the branch suspects the deposit of any illegal or hazardous substance by any customer in the safe deposit locker, the branch shall have the right to take appropriate action against such customer as it deems fit and proper in the circumstances.

1.4 Branch shall obtain recent passport size photographs of the locker-hirer(s) and individual(s) authorized by locker hirer(s) to operate the locker and preserve the records pertaining to locker-hirer being maintained in the branch.



PART II: Locker Allotment

2. Branches shall maintain a list of vacant lockers as well as a wait-list in Core Banking System (CBS) or any other computerized system compliant with Cyber Security Framework issued by RBI, for the purpose of allotment of lockers and ensure transparency in allotment of lockers.

Branch shall acknowledge the receipt of all applications for allotment of locker and provide a wait list number to the customers, if the lockers are not available for allotment.

Locker is to be allotted on first- come- first -served basis, subject to availability.

2.1 Locker Agreement

2.1.1 Branches shall obtain locker agreement in the prescribed format.

2.1.2 At the time of allotment of the locker to a customer, branch shall enter into an agreement with the locker hirer on a paper duly stamped. A copy of the locker agreement in duplicate signed by both the parties shall be furnished to the locker-hirer to know his/her rights and responsibilities. Original Agreement shall be retained with the bank branch where the locker is situated.

Whenever locker is hired by two or more individuals all the locker hirers have to execute SDL agreement and give specific instructions regarding access of locker by the hirers either singly or jointly.

Locker held in single name cannot be converted in joint account by adding names. Fresh locker agreement has to be executed in joint names.

2.2 Locker Rent

The Locker Rent shall be collected in advance on the date of allotment of new locker, the lease period is for one year and will start from the date of hiring the locker and will continue till the preceding day of the corresponding date in the subsequent year. Locker rent is to be recovered on annual basis.

2.2.1 Branches may face potential situations where the locker-hirer neither operates the locker nor pays the rent.

- a. To ensure prompt payment of locker rent, branches shall obtain a Term Deposit, at the time of allotment, which would cover three years' rent and the charges for breaking open the locker in case of such eventuality.
- b. Branches, however, shall not insist on such Term Deposits from the existing locker holders or those who have satisfactory operative account. The packaging of allotment of locker facility with placement of term deposits beyond what is specifically permitted above will be considered as a restrictive practice.



- c. Since the deposit is purely for the purpose of locker rent only, branch should ensure that deposit is accepted under FDR(Y) and in no case multiplier deposit is to be opened. **Lien is to be marked on the Deposit receipt clearly mentioning that it is for the purpose of the locker rent, and no loan/OD is to be allowed against the term deposit.**
- d. Branch should open a savings account in the name of locker holder. The interest on the FDR(Y) is to be credited to the said savings account and transferred to locker rent thereafter. A mandate as per Annexure-I is to be obtained from the locker holder for this purpose.
- e. After obtaining the mandate, branch shall ensure that the standing instructions are fed in the computer system for transfer of locker rent with applicable GST from the savings account on yearly basis.
- f. Branch should ensure that the deposit is promptly renewed on due date and a mandate as per Annexure-II is obtained from the locker holder, Branch should also ensure that the FDs are not transferred to Matured/unclaimed deposits on due date.

2.2.2. If locker rent is collected in advance, in the event of surrender of a locker by a customer, the proportionate amount of advance rent collected shall be refunded to the customer.

2.2.3 If there is any event such as merger/closure/shifting of branch warranting physical relocation of the lockers, the bank shall give public notice in two newspapers (including one local daily in vernacular language) in this regard and the customers shall be intimated at least two months in advance along with options for them to change or close the facility. In case of unplanned shifting due to natural calamities or any other such emergency situation, banks shall make efforts to intimate their customers suitably at the earliest.

PART III: Infrastructure and Security Standards

3.1 Security of the Strong Room/Vault

3.1.1 Branches shall take necessary steps to ensure that the area in which the locker facility is housed is properly secured to prevent criminal break-ins. The risks of accessibility of an allotted locker from any side without involvement of the locker-hirer concerned should be assessed and kept on record.

Branches shall have a single defined point of entry and exit to the locker room/vault. The place where the lockers are housed must be secured enough to protect against hazard of rain/flood water entering and damaging the lockers in contingent situations. The fire hazard risks of the area should also be assessed and minimized. The Branch Manager shall conduct necessary engineering/safety verification regularly to identify the risks and carry out necessary rectification.

3.1.2 Branch should ensure that the area housing the lockers should remain adequately guarded at all times.



The bank shall install Access Control System, if required as per the risk assessment, to restrict any unauthorized entry and create digital record of access to locker room with time log.

Branches should ensure that entry and exit of the strong room and the common areas of banking operation are covered under CCTV camera and preserve its recording for a period of not less than 180 days. In case, if any customer complaints to the branch that his/her locker is opened without his/her knowledge and authority, or any theft or security breach is noticed/observed, the branch shall preserve the CCTV recording till the police investigation is completed and the dispute is settled.

3.1.3 The internal auditors shall verify the security features and report the compliance to ensure that the procedures are strictly adhered to.

3.2 Locker Standards

3.2.1 All the new mechanical lockers to be installed by the bank shall conform to basic standards/benchmarks for safety and security as prescribed by Bureau of Indian Standards (BIS) or any other enhanced industry standards applicable in this regard.

3.2.2 Bank offering electronically accessed lockers should be fully aware of the safety and security features of such lockers satisfying appropriate industry standards. In case the lockers are being operated through an electronic system, the bank shall take reasonable steps to ensure that the system is protected against hacking or any breach of security. The customers' personal data, including their biometric data, shall not be shared with third parties without their consent. Further, bank shall ensure that the electronically operated lockers are compliant with the Cyber Security Framework prescribed by the Reserve Bank. The system should be capable of maintaining unalterable log of locker activities. The bank shall comply with the relevant statutory/regulatory guidelines/requirements applicable for IT/data protection. Further, the bank shall also devise a standard operating procedure for issue of new password in lieu of lost passwords to customers in a safe and secure manner in case of electronically operated lockers.

3.2.3. Bank shall ensure that **identification Code of the branches are embossed on all the locker keys** with a view to facilitating identification of lockers/locker ownership by law enforcement agencies in case of need.

Further, the custodian of the locker shall, regularly/periodically, check the keys maintained in the branch to ensure that they are in proper condition.

Branches shall permit the locker-hirer to operate the locker only with the key provided by the bank, although there is no restriction in allowing the customer to use an additional padlock of her/his own if there are such provisions in lockers.

PART IV: Locker Operations:

4.1 Regular Operations by Customers

The Locker hirer/s can operate the safe deposit locker only on the Bank's working days and during the business hours of the Bank.



4.1.1 The locker hirer and/or the persons duly authorized by him/her only shall be permitted to operate the locker after proper verification of their identity and recording of the authorization by the officials concerned of the bank.

Branches shall maintain a record of all individuals, including the locker-hirers, who have accessed the lockers and the date and time (both check-in and check-out time) on which they have opened and closed the locker and obtain their signature.

The in and out access register to strong room by locker-hirers or any other individual including the branch staff shall be maintained to record the movement of individuals in the strong room area with their signatures at appropriate place in the records.

4.1.2 The officer of the branch, authorizing the locker-hirer to access the locker, after unlocking the first key/password shall not remain present when the locker is opened by the locker-hirer. The branch shall ensure that there is adequate privacy to the locker-hirers in the operations when customers access the lockers at the same time.

4.1.3 Branches shall send an email and SMS alert to the registered email ID and mobile number of the customer before the end of the day as a positive confirmation intimating the date and time of the locker operation and the re-dressal mechanism available in case of unauthorized locker access.

4.2 Internal Controls by bank:

4.2.1 Branch shall ensure that a system of inter change of locks is carried out, whenever a locker is surrendered by the hirer. The keys of vacant lockers shall be kept in sealed envelopes.

The duplicate master keys shall be deposited with another branch of the bank. There shall be proper record of joint custody of master keys. Branch Manager/official shall conduct surprise periodic verification of surrendered/vacant lockers and their keys by an officer of the branch who is not connected with their custody and proper record shall be maintained as a proof of such verification.

4.2.2 Branch shall ensure that Locker Register and Locker Key Register are maintained in CBS and the same shall be updated in case of any change in the allotment with complete audit trails.

4.2.3 The custodians shall check whether the lockers are properly closed post locker operation. If the same is not done the locker must be immediately closed, and the locker-hirer shall be promptly intimated through e-mail, if registered or through SMS, if mobile number is registered or through letter so that they may verify any resulting discrepancy in the contents of the locker.

The branch custodians shall record the fact of not closing the locker properly in the register and its closure by the branch custodians with the date and time. Further, the custodian of the locker room shall carry out a physical check of the locker room at the end of the day to ensure that lockers are properly closed, and that no person is inadvertently trapped in the locker room after banking hours.



PART V: Nomination Facility and Settlement of Claims

5.1 Nomination Facility

5.1.1 The bank shall offer nomination facility in case of safe deposit lockers, in accordance with the provisions of section 45-ZC to 45-ZF of the Banking Regulation Act, 1949 and Banking Companies (Nomination) Rules, 1985/Co-operative Banks (Nomination) Rules, 1985.

In case the nominee is a minor, the procedure as prescribed for the bank accounts shall be followed by the branches. A passport size photo of the nominee attested by the customer may be obtained from the customers, at his/her option and preserved in the records.

5.1.2 For Safe deposit lockers, Forms SL1, SL1A, SL2, SL3 and SL3A as prescribed under Banking Companies (Nomination) Rules, 1985/Co-operative Banks (Nomination) Rules, 1985 is applicable. Only Thumb-impression(s) shall be attested by two witnesses, signatures of the account holders need not be attested by witnesses.

5.1.3 Branch shall register the nomination in the locker application form/CBS. Any changes in the nomination after being recorded should be supported by a letter from the locker hirers along with appropriate cancellation and/or variation forms.

5.1.4 After registration of nomination, Branches shall issue an acknowledgement receipt of having duly completed registration/cancellation and/or variation of the nomination and such acknowledgement shall be given to all the customers irrespective of whether the same is demanded by the customers or not.

- Nomination, cancellation or variation in nomination can be made either at the time of hiring of the locker or subsequently at any time during the occupancy of the locker.
- The prescribed form of nomination or cancellation/variation of nomination, as the case may be obtained from hirer/s duly completed in all respects, should be recorded in the locker register maintained with the Branch/CBS and an acknowledgement should be given to the locker hirer/s.

5.1.5 Safe Deposit Lockers with or without nomination:

Note: Power for settlement of claim (with or without nomination) is vested with the competent authority at H.O.

1. With Nomination:

On settlement of claim, the nominee will be allowed to access the locker and remove the contents on proper identification (such as Election ID Card, PAN Card, Passport etc.) and establishing the identity of the nominee(s) and verification of proof of death of locker hirer. Before permitting the nominee to remove contents of the Safe Deposit Locker, the branch should prepare an inventory of the articles in the presence of nominee(s) and two independent witnesses. **Form for taking inventory is enclosed as Annexure – 3.**



2. Without Nomination:

On settlement of claim, the Legal heir(s) of the deceased locker hirer or a person mandated by the legal heir(s) will be allowed to access the locker and remove the contents on verification of proof of death of locker hirer. The legal heir(s) will have to produce documents to establish his/their identity. Before permitting the legal heir(s) to remove contents of the Safe Deposit Locker the branch should prepare an inventory of the articles in the presence of legal heir(s)/mandate holder and two independent witnesses **Form for taking inventory is enclosed as Annexure – 4.**

Further, in case the nominee/ survivor(s) / legal heir(s) wishes to continue with the locker, branch may enter into a fresh contract with nominee/survivor(s)/legal heir(s) and also adhere to KYC norms in respect of the nominee/legal heir(s).

5.1.6 Safe Deposit Lockers - Joint Account with or without nomination and without survivorship mandate (operated jointly)

1. With Nomination:

a) In the event of the death of one (or more but not all) of the joint locker hirers the nominee(s) will be jointly allowed to access the locker and remove the contents on identification and verification of proof of death of the locker hirer(s) along with the surviving hirer(s).

b) In the event of death of both/all joint locker hirers the nominee(s) will be allowed to access the locker and remove the contents on establishing his/her identity and verification of proof of death of the hirers.

Note: Branch should take approval from the competent authority, before permitting surviving hirer(s) and/or nominee(s) to remove contents of the Safe Deposit Locker, and prepare an inventory of the articles in their presence along with two independent witnesses. Form for taking inventory is enclosed as **Annexure – 3**

2. Without Nomination:

a) In the event of death of one (or more but not all) of the locker hirers, the surviving hirer(s) and legal heirs of the deceased hirer (or a person mandated by them) would be allowed to access the locker and remove the contents on verification of authority of legal heirs and proof of death of the hirer.

b) In the event of death of both/all the joint locker hirers, all the legal heirs (or any one of them as mandated by all legal heirs) would be allowed to access the locker and remove the contents on verification of authority of legal heirs and proof of death of the locker hirers.

Note: Branch should take approval from the competent authority as per rules, before permitting surviving hirers and mandated legal heir(s) to remove contents of a Safe Deposit Locker, and prepare an inventory of the articles in the presence of surviving hirers, mandated legal heir(s) and two independent witnesses. Form for taking inventory is enclosed as **Annexure – 4.**



5.1.7. Safe Deposit Lockers - Joint account with mandate "Either or Survivor"/"Former or survivor"/ "Anyone or Survivors"/ "Latter or Survivor" - with or without nomination:

1. With Nomination:

At present B R Act (Section 45 ZE) does not provide nomination facility in respect of lockers with "Either or Survivor"/"Former or Survivor"/"Anyone or Survivors"/"Latter or Survivor" mandate. Hence operational instructions are not given in this regard.

Settlement of claims in case of Joint hirer(s) with mandate "E or S" / "F or S / "A or S"/ "L or S" shall be subject to submission of claim forms as per Bank's extant guidelines.

In case of Joint locker holder, where authority has been given to the survivor or survivors to operate the locker in writing specifically at the time of lease of the locker, the question of legal representation does not arise unless all the hirers die.

2. Without Nomination:

a) In the event of death of one (or more but not all) of the joint hirers, the surviving hirer(s) will be allowed to access the locker and remove the contents on verification of proof of death of the joint hirer(s).

b) In the event of death of all the locker hirers, all the legal heirs of the deceased joint hirers (or any one of them as mandated by all legal heirs) would be allowed to access the locker and remove the contents on verification of the authority of legal heirs and proof of death of the locker hirers.

Note: Branch should take approval from the competent authority as per rules, before permitting the surviving hirers/legal heir(s) to remove contents of a Safe Deposit Locker. The branch should prepare an inventory of the articles in the presence of surviving hirers/legal heirs and two independent witnesses. Form for taking inventory is enclosed as **Annexure – 4**.

5.1.8. Procedure in case there is no Nomination/Survivorship clause:

1. On receipt of notice of death of a sole renter or of the last survivor of the joint renters, the locker should be sealed with the Bank's seal and a note to this effect should be made in the all respective records.

2. Branches after taking approval from the competent authority as per rules, and on production of satisfactory evidence, permit a legal representative of the deceased to inspect the contents of the locker to enable him/her to obtain the necessary succession certificate or any other legal representation.

3. On registration of the succession certificate, probate of a will or letters of administration, the successor, executor or the administrator respectively shall have power to deal with the contents of the locker.



4. The contents of the locker, **sometimes, are not of great value/ importance**, hence, obtaining legal representation involves cost as well as time. The branches may, therefore, in appropriate cases after taking approval from competent authority as per rules, allow the heirs of the deceased renter to have access to the locker and withdraw the contents against usual indemnity, subject to the following:

(a) The claimants/heirs of the deceased renter should furnish necessary particulars in the claim format, which is ordinarily obtained in deposit accounts.

(b) A prescribed letter should be taken from all the heirs requesting the branch to open the locker for the purpose of inventory.

(c) The branch should then fix up a date and time for making an inventory and accordingly an inventory may be taken in the presence of all the heirs/ their duly constituted attorney/ies, two respectable witnesses known to the branch (should not be employees or ex-employees of the Bank), the valuer, the Safe Deposit Vault Custodian and another officer. The inventory may be prepared in the prescribed inventory record form. After making an inventory, care should be taken to redeposit all the contents in the said locker and to seal the locker.

5. The branches should forward the inventory papers to the Competent Authority at Head office, to enable them to consider delivering the contents against usual indemnity signed by the claimant/s and one or two surety/ies considered good for the amount involved.

6. On receipt of the approval, the claimant/s should be allowed to remove the contents from the locker after signing an indemnity and a letter of surrender together with the key.

7. Where an inventory is to be taken in terms of a court order, it should be done in the presence of

- (i) the Court's representative,
- (ii) the claimant/s to the contents of the locker held by the deceased renter,
- (iii) the valuer and
- (iv) two officers of the branch.

The inventory should enumerate the contents of locker and it should be signed by those in whose presence the locker has been opened. The valuer's assessment of the value of each item of the inventory should be in triplicate, one copy to the Court, the second to the claimant and the third to be retained on branch record.

5.2. Settlement of claims in case of death of a customer:

5.2.1. Death of the hirer:

Notice of knowledge of the death of a hirer is to be recorded in the Locker Register with date and source of information under the initials of the Manager. In the case of death of one of the hirer, surviving hirer name are to be recorded in Locker register under due authentication by the Manager.

As a further precaution, a slip reading 'hirer deceased' will be pasted on the locker. Thereafter access to the locker should be allowed on production of legal representation and approval from competent authority at H.O.



Access may however be allowed, for making an inventory of the contents with a view to obtaining the necessary legal representation to known heirs of the deceased in the presence of their lawyers/solicitors or to persons authorised by a court for this purpose after taking approval from H.O.

In the case Joint locker holder, where authority has been given to the survivor or survivors to operate the locker in writing specifically at the time of lease of the locker, the question of legal representation does not arise unless all the hirers die.

Section 45ZE of the Banking Regulation Act, 1949 does not preclude a minor from being a nominee for obtaining delivery of the contents of a locker. However, the responsibility of the branches in such cases will be to ensure that when the contents of a locker were sought to be removed on behalf of the minor nominee, the articles were handed over to a person who, in law, was competent to receive the articles on behalf of the minor.

5.2.2 Procedure for return of contents of Lockers to Survivor/Nominee/Legal heirs:

In order to ensure that the contents of lockers are returned to the genuine nominee, as also to verify the proof of death, branch shall act as per the opinion given by the legal department.

5.2.3 Time limit for settlement of claims: Bank shall settle the claims in respect of deceased locker hirers and shall release contents of the locker to survivor(s) / nominee(s), as the case may be, within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) with reference to nomination, to the bank's satisfaction.

5.2.4 The Legal Department shall on quarterly basis report to the Customer service committee of the Board/Board/Officer appointed by RBI/High Court of Telangana the details of claims received pertaining to deceased locker-hirers/depositors of safe custody accounts and those pending beyond the stipulated period, with reasons thereof.

The Customer service committee of the Board/Board/Officer appointed by RBI/High Court of Telangana shall review the settlement of claims and make suggestions to ensure that the claims are settled as early as possible unless there is any litigation pending before the courts or any difficulty is being faced in identifying the true claimants with reference to nomination.

5.3 Access to the safe deposit lockers (with survivor/nominee clause)

i. If the sole locker hirer nominates an individual to receive the contents in the locker, in case of his death, after verification of the death certificate and satisfying the identity and genuineness of such individual approached, the branch after taking approval from the competent authority shall give access of the locker to such nominee with liberty to remove the contents of the locker, after an inventory was taken in the prescribed manner.

ii. In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s) nominates any other individual(s), in the event of death of any of the locker hirers, the branch after taking approval from the competent authority



shall give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s) after an inventory was taken in the prescribed manner.

iii. In case the locker was hired jointly with survivorship clause and the hirers instructed that the access of the locker should be given over to "either or survivor", "anyone or survivor" or "former or survivor" or according to any other survivorship clause, branch shall follow the mandate in the event of the death of one or more of the joint locker - hirers.

5.3.2 Before giving access to the nominee/survivor branches shall ensure the following:

(i) Exercise due care and caution in establishing the identity of the survivor(s) / nominee(s) and the fact of death of the locker hirer by obtaining appropriate documentary evidence;

(ii) Make diligent effort to find out whether there is any order or direction from Courts/Forums restraining it from giving access to the locker of the deceased; and

(iii) Make it clear to the survivor(s) / nominee(s) that access to articles in the locker / safe custody articles is given to them only as a trustee of the legal heirs of the deceased locker hirer i.e., such access given to them shall not affect the right or claim which any person may have against the survivor(s) / nominee(s) to whom the access is given.

Similar procedure shall be followed for return of articles placed in the safe custody of the bank.

5.3.3 The branch shall ensure that, the contents of locker, when sought to be removed on behalf of a minor nominee, are handed over to a person who is, in law, competent to receive the articles on behalf of such minor. Further, the branch shall prepare an inventory of the articles in the presence of two independent witnesses, one officer of the bank who is not associated with the locker facility or safe deposit of articles and the claimant(s), who may be a nominee or an individual receiving the articles, on behalf of a minor.

5.3.4 The branch shall obtain a separate statement from the nominee (claimant) or the person competent to receive articles on behalf of the minor, as the case may be, that all the contents in the locker or in the safe custody of the bank, as the case may be, are received and the locker is empty and they have no objection to allotment of the locker to any other customer as per norms.

5.3.5 While giving access to the survivor(s)/nominee(s) of the deceased locker hirer / depositor of the safe custody articles, bank may avoid insisting on the production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee(s), unless there is any discrepancy in nomination. In this regard, branches shall follow the guidelines as mentioned in para 5.3.2.

5.3.6 In case where the deceased locker hirer had not made any nomination or where the joint hirers had not given any mandate that the access may be given to one or more of the survivors by a clear survivorship clause, **the bank will adopt a customer-friendly claim procedure, drawn up, then and there, and ensue that point No. 5.3.2 is**



ensured before giving access to legal heir(s)/legal representative of the deceased locker hirer.

The Bank shall also be guided by the provisions of Sections 45 ZC to 45 ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985 and the relevant provisions of Indian Contract Act and Indian Succession Act.

PART VI: Closure and Discharge of locker items (Breaking open of Locker)

6. This refers to the breaking open of the locker in a manner other than through the normal access by the customer using her/his original key under any one of the following circumstances:

- (i) if the hirer loses the key and requests for breaking open the locker at her /his cost; or
- (ii) if the Government enforcement agencies have approached the bank with orders from the Court or appropriate competent authority to seize lockers and requested for access to the lockers; or
- (iii) if the bank is of the view that there is a need to take back the locker as the locker hirer is not co-operating or not complying with the terms and conditions of the agreement.

6.1 Discharge of locker contents at the request of customer

6.1.1 If the key of the locker, supplied by bank is lost by the locker-hirer, the customer (locker hirer) shall notify the branch immediately. An undertaking may also be obtained from the customer that the key lost, if found in future, will be handed over to the branch. All charges for opening the locker, changing the lock and replacing the lost key may be recovered from the hirer. The charges applicable for replacement of lost keys shall be communicated to the locker hirer.

6.1.2 The opening of the locker has to be carried out by the branch or its authorized technician only after proper identification of the hirer, proper recording of the fact of loss and written authorization by the customer for breaking open the locker.

6.1.3 The operation shall be done in the presence of the customer/s and an authorized official of the branch. It has to be ensured that the adjoining lockers are not impacted by any such operations and the contents of the lockers are not exposed to any individual other than the locker-hirer during the break-up or restoration process.

6.2 Attachment and recovery of contents in a Locker and the Articles in the safe custody of the bank by any Law Enforcement Authority

6.2.1 In case of attachment and recovery of the contents in a locker of a customer by any Authority acting either under the orders of a Court or any other competent authority vested with the power to pass such orders, the branch shall co-operate in execution and implementation of the orders.

6.2.2 The branch shall verify and satisfy itself about the orders and the connected documents received for attachment and recovery of the contents in a locker of the bank.



The customer (locker-hirer) shall be informed by letter as well as by email/SMS to the registered email id/mobile phone number that the Government Authorities have approached for attachment and recovery or seizure of the locker.

An inventory of the contents of locker seized and recovered by the Authority shall be prepared in the presence of such Government Authorities, two independent witnesses and an officer of the branch and shall be signed by all. A copy of the inventory may be forwarded to the customer to the address available in the bank's records or handed over to the customer against acknowledgement.

6.2.3 Branch shall also record a video of the break-open process and the inventory assessment, wherever legally permissible, and preserve the video to produce as evidence in case of any dispute or Court or fraud case in future.

6.3 Discharge of locker contents by banks due to non-payment of locker rent

6.3.1 Bank shall have the discretion to break open any locker following due procedure if the rent has not been paid by the customer for **three years in a row**. The branch shall ensure to notify the existing locker-hirer prior to any changes in the allotment and give him/her reasonable opportunity to withdraw the articles deposited by him/her.

6.3.2 Before breaking open the locker, the branch shall give due notice to the locker-hirer through a letter and through email and SMS alert to the registered email id and mobile phone number.

If the letter is returned undelivered or the locker-hirer is not traceable, the bank shall issue public notice in two newspaper dailies (one in English and another in local language) giving reasonable time to the locker-hirer or to any other person/s who has interest in the contents of locker to respond.

The locker shall be broken open in the presence of an officer of the branch and two independent witnesses. Further, branch shall also record a video of the break open process together with inventory assessment and its safe keep and preserve the same so as to provide evidence in case of any dispute or Court case in future.

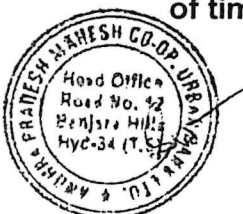
Branch shall also ensure that the details of breaking open of locker is documented in CBS or any other computerized systems compliant with the Cyber Security Framework issued by RBI, apart from locker register.

After breaking open of locker, the contents shall be kept in sealed envelope with detailed inventory inside fireproof safe in a tamper-proof way until customer claims it. A record of access to the fireproof safe shall invariably be maintained. While returning the contents of the locker, the branch shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future.

6.3.3 Branch shall ensure that the inventory prepared after breaking open of the locker and during settlement of claims, is in the appropriate forms as provided by the bank.

Further, branch shall not open sealed/closed packets found in locker while releasing them to the nominee(s) and surviving locker hirers unless required by law.

6.4 Discharge of locker contents if the locker remains inoperative for a long period of time



6.4.1 If the locker remains **inoperative for a period of seven years** and the locker-hirer cannot be located, even if rent is being paid regularly, the bank shall be at liberty to transfer the contents of the locker to their nominees/legal heir or dispose of the articles in a transparent manner, as the case may be. Before breaking open the locker, the branch shall follow the procedure as prescribed in paragraph 6.3.2 and 6.3.3 above.

PART VII: Compensation Policy/Liability for Banks:

7. Liability of banks:

Bank cannot disown liability for loss of locker contents due to theft or due to fraud by its employees. However, **the bank's liability shall be restricted to the extent of an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.**

The custodians/officer who is handling the operations of locker units shall take all precautions to ensure that the person operating the locker is genuine and the signatures and photo I.D is matching with the KYC documents/photo pasted in the locker register as well as the signature on Bank's record.

Before allowing the hirer to operate the locker, branch should ensure that locker hirer(s)/authorised person signs the Locker register putting the date and time. The signature shall be obtained in access register and in and out register and the same shall be properly maintained.

The bank shall exercise due diligence and care in maintaining and operating their locker or safety deposit systems.

The duty of care includes ensuring proper functioning of the locker system, guarding against unauthorized access to the lockers and providing appropriate safeguards against theft and robbery. Further, for reporting the instances of robberies, dacoities, thefts and burglaries bank shall adhere to the Master Directions on Frauds.

7.1 Liability of banks arising from natural calamities like earthquake, flood, thunderstorm, lightning etc. or due to sole negligence of the customer

The bank shall not be liable for any damage and/or loss of contents of locker arising from natural calamities or Acts of God like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer.

Bank shall, however, exercise appropriate care to their locker systems to protect their premises from such catastrophes.

7.2 Liability of banks arising from events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of the bank

Branches shall take all steps for the safety and security of the premises in which the safe deposit vaults are housed. The branch manager should ensure that Security guards are available 24/7, Security Alarm is functioning, CCTV is available at the entrance/bank premises and in working condition to ensure that incidents like fire, theft/burglary/



robbery, dacoity, building collapse do not occur in the bank branch premises due to its own shortcomings, negligence and by any act of omission/commission.

As bank cannot claim that they bear no liability towards their customers for loss of contents of the locker, in instances where loss of contents of locker are due to incidents mentioned above or attributable to fraud committed by its employee(s), **the banks' liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.**

PART VIII: Risk Management, Transparency and Customer Guidance

8.1 Branch Insurance Policy

Bank shall have an insurance policy to minimize the loss due to incidents like robbery, fire, natural calamities, loss during shifting/merger of branch, etc., affecting contents of lockers.

8.2 Insurance of locker contents by the customer

Branches shall inform the locker hirer and also clarify in their locker agreement that as banks do not keep a record of the contents of the locker or of any articles removed there from or placed therein by the customer, they would not be under any liability to insure the contents of the locker against any risk whatsoever.

Branch officials shall under no circumstances offer, directly or indirectly, any insurance product to its locker hirers for insurance of locker contents.

8.3 Customer guidance and publicity

8.3.1 The locker agreement with all the Terms & Conditions should be displayed on banks websites for public viewing. The branch shall ensure that the customers are made aware of the bank's terms and conditions to avail the facilities.

8.3.2 Bank shall display all kinds of charges for safe deposit lockers on website.

8.3.3 Bank shall put in place the procedures to be followed by branches for giving access of the locker to the nominee(s)/survivor(s)/legal heir(s) of the deceased locker hirer. Further, a printed copy of the same shall also be given to the nominee(s)/survivor(s)/legal heir(s).



ANNEXURE – I

The Branch Manager
A P Mahesh Co-op.Urban Bank Ltd.,
_____ Branch.

Dear Sir,/Madam

I/We _____ account holder/s of your bank maintaining Savings/Current account bearing No. _____ hereby authorize A.P.Mahesh Co-op.Urban Bank Ltd., to debit my above account with ₹ _____ p.a. towards Annual rent for the Locker No. _____ hired in the name of myself/in the name of _____.

The above mandate is irrevocable till I continue to hire the above locker and the bank is also at liberty to debit any charges the bank may incur in maintenance or breaking open of the said locker, if such necessity arises.

SIGNATURE OF HIRER/(S)

ANNEXURE – II

The Branch Manager
A P Mahesh Co-op.Urban Bank Ltd.,
_____ Branch.

Dear Sir,/Madam

I/We 1. _____ 2. _____ 3. _____ 4. _____ confirm that we have deposited an amount of ₹ _____ (Rupees _____ only) under FDR bearing No. _____.

The said deposit is made by me with an intention to secure the payment of Annual locker rent and I authorise A.P. Mahesh Co-op.Urban Bank Ltd., _____ Branch to transfer the annual interest on the above FDR to my Savings account No. _____.

Further I/We authorise the Bank to renew the FDR on due dates for the same period as per original contract till such period the locker is hired by me.

I/We also undertake not to close/foreclose the above deposit or raise and any loan/OD against the security of the above deposit and to Bank has a General lien against to Deposit till the time the locker is hired by me.

The above mandate is irrevocable till I continue to hire the locker with the bank and the bank is at liberty to close the deposit at any time and recover the amount due to bank due to default in payment of rent or if the bank incurs any expenditure in connection with maintenance-or in the event of the bank deciding to breaking open the locker due to any reason, the notice of which may be issued to the address given by me in the locker agreement.

SIGNATURE OF HIRER/(S)

