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## Introduction:

Safe Deposit Lockers is one of the facilities offered to customers by AUSFB as an ancillary service, for safe keeping of valuables and documents. This facility offers protection against burglary and theft and is relatively safe in conditions of civil commotion and unrest. The locker cabinets installed in branches are of standards which meets the basic standards / benchmark for safety and security as prescribed by the Bureau of Indian Standards (BIS) or any other enhanced industry standards applicable in this regard and accordingly are burglary resistant and fire resistant.

For the safety of valuables, AU Small Finance Bank offers safe deposit locker facility at many its branches. The relationship of AUSFB and the locker holder is that of a bailor and bailee. Each customer is charged an annual fee for holding the locker with AUSFB. The rent is charged in advance for succeeding year and shall be refunded on pro-rata basis in case of surrender of locker before anniversary date.

At present, locker operations and management are supported by FLEXCUBE Locker modules.

## Customer Due Diligence (CDD) for Lockers:

At sole discretion of the Bank, locker facility is provided to customers holding Current or Savings Accounts and Term Deposit account with AU Small Finance Bank. Although, a customer can be added as joint holder in locker even if he / she has only asset relationship or live CUST ID with us wherein Customer Due Diligence (CDD) is done and proper KYC details along with recent passport size colour photograph of the customer is available with the bank.

Since lockers are allotted to existing CA/SA customers (primary locker hirer) of the Bank only, onboarding of CA/SA customers is done in accordance with the KYC/ AML policy of the Bank. Risk categorization of the customer is also done at the time of on boarding of the customer in accordance with the KYC/ AML Policy. Customer profiling and risk categorization shall remain the same as was updated in CBS / CRM Next while on boarding the customer for existing relationship.

Customers who are not having any other banking relationship with the bank may be given the facilities of safe deposit locker / safe custody article after complying with the CDD criteria and 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.

In the event, the relationship manager / sourcing official / Branch Manager has the reason to believe that the customer profiling / status might have changed at the time of opening the locker, he may conduct further verification and obtain such documentation in accordance with the KYC policy as required for periodic updating of KYC for the customer.

Locker shall not be rented to minors. Lockers shall be rented to Trusts only with prior permission from the Regional Head – Branch Banking.

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

## Locker Allotment:

Depending on the demand from the Public and the availability of lockers in the branch, branch shall consider letting out the locker to the entities in following categories: -

- a) Individuals-Singly or jointly including non-resident Indians
- b) Trusts, Hindu Undivided Family concerns
- c) Society, Clubs, Associations, and Institutions
- d) Proprietary concerns
- e) Partnership Firms / LLPs
- f) Limited companies

- g) Association of Persons (AOP)
- h) Government Entities / Departments, Courts etc. where the nature of their work/business involves safe keeping of articles/documents etc.

At the time of allotment of the locker to a customer, the bank shall enter into an agreement with the customer to whom the locker facility is provided, 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 will be retained with the bank's branch where the locker is situated.

Locker hirers can add/delete names in the existing locker account by amending the agreement. While doing so, it is to be ensured that at least one of the original hirers continues to be a hirer in the new contract also.

Locker hirers can Authorized any person to Access Locker on their behalf by issuing Power of Attorney in favour of that person. Such Nominated POA holder will require to provide their KYC for creation of CIF in system & same would be added as AUS in locker by raising SR. Locker Hirer needs to provide POA as per given Format Annexure.

### Points to check while allotment of locker:

- A locker at an AUSFB branch can be provided to an account holder with our Bank.
- Lockers can be allotted to customers in individual or joint capacity, (except minor).
- NRIs do not require any prior permission from the RBI to hire a Locker with AUSFB.
- The lockers will be allotted on first come first serve basis to the CA/SA holders.
- Locker is leased for a term of 99 years. User needs to select the Date of Allotment & Date of expiry shall auto-populate as T (date of allotment) + 99 years.

### Documents required to be obtained from customers for allotment of locker:

- Locker Application form and Locker Agreement (stamp duty payable by customer as per respective state / Union Territory laws).
- 2 colour passport size photographs of each hirer (one photograph shall be affixed by the hirer on the application form and other shall be affixed by the branch on Locker Access Register for verification at the time of allowing access).
- Term deposit of Rs. 20000 or more to be taken as security Deposit.
- Board resolution / authority letters for non-individual hirers.

For the various Forms (Forms SC1, SC2 and SC3 for Articles left in Safe Custody and Forms SL1, SL1A, SL2, SL3 and SL3A for Safety Lockers) prescribed under Banking Companies (Nomination) Rules, 1985, only Thumb-impression(s) shall be required to be attested by two witnesses. Signatures of the account holders need not be attested by witnesses.

### Stamping of Locker Agreement:

- The officer should ensure that the Application form and Stamped Agreement are duly filled in and complete in all respects.
- The locker agreement should be stamped before it is executed.
- Stamp duty applicable to the respective states to be considered.
- If in case, customer do not bring the stamp paper by his own, and same is provided by the bank, then the cost of stamp affixed to the locker agreement should be recovered from the hirer by debiting Customer Account & crediting Stamp Paper GL & Stamp Paper charges GL through CH050.
- A copy of the agreement along with acknowledgement shall be provided to the hirer(s) after locker allotment so that they are aware of their rights and responsibilities applicable while operating or surrendering the locker.

### Important points on filling of Locker Agreement:

- The photograph of ALL hirers must be obtained and pasted on the locker application. The photograph should be stamped with a round branch stamp in such a manner that half of the stamp is on the paper and rest on the photograph.
- It is advisable to limit the number of joint hirers of a locker to three, but based on justification, on a case-to-case basis with approval from Regional Head, more hirers can be allowed.
- The agreement is required to be signed by the hirer(s) in presence of the bank official and Bank LOA Holder in the branch. In case LOA Holder is not available in branch, agreement needs to be signed by LOA whenever he/she is available in the branch.
- Evidence of customer signing in the presence by bank staff to be documented on the agreement by bank official.
- The locker documents should be signed by ALL the locker hirers on each page and at the end of the agreement, in token of having read and understood the terms and conditions and its implications. Signature of the locker hirers should be verified by branch in case the locker applicant is an existing account holder of the Bank.
- The mode of operation, nomination, CASA account number for rent recovery, locker number, locker key number, etc. should be clearly mentioned in the locker documents.
- To make the locker hirer aware of his / her rights and responsibilities related to locker operations and applicable charges, branch should give a copy of agreement along with a copy of the terms and conditions to the locker hirer at the time of allotment of the locker. Branch is required to provide Acknowledgement / Customer copy available on Locker application form to customer.
- All insertions made in the document in respect of name of the hirer(s), the locker number, type, period, the mode of operation, etc. shall be signed by the hirer(s).

### Filing and storage of documents:

Locker agreement, application forms and all customer-provided letters should be filed together, arranged locker number wise, in the Locker Documents File. These files should be kept in the Fire Resistance Filing Cabinet (FRFC) / Defender Safe in the joint custody of two officers till the locker agreement is in force between the hirer(s) and the Bank.

### First Time Operations of Locker:

Activities that need to be performed by branches while issuing locker to customer are as: -

- Customer will visit the branch for locker issuance.
- Branch will fill locker application form, stamp agreement and will take customer signatures.
- Locker register will be filled & branch will take signature of customer.
- Branch will check for sufficient balance in customer's account for locker rent & Fixed deposit as per required amount.
- Branch will issue locker key to customer/s after documentation.
- Customer/s will be allowed for first time locker access and timings will be mentioned in locker register & CBS.
- Branch needs to use Locker Checklist at the time of locker allotment to customer. Branch needs to keep hard copy of it with respective locker application form.

### General guidelines for locker access:

- Access for only one locker should be permitted at a time. No other person (relative / friends etc.) shall accompany the locker hirer(s).
- If a locker hirer approaches the officer to access the locker while another locker hirer is already accessing the locker room, he should not be permitted till the other locker holder has completed the operations.
- Locker access by a locker hirer accompanied by a person who is not a locker hirer is not permitted under any circumstances.
- Access should be granted to a locker holder only after proper authentication through locker access register.

- Custodian should ensure entry of locker access details in the locker register along with the sign of the locker hirer before allowing physical access to the locker.
- Custodian should also sign the Locker Access Register in token of having verified the signature and permitted access to the hirer.
- Locker officer in charge should accompany the customer into locker room and apply master key along with customer key in customer's locker to allow operation. Locker key custodian (employee) should move out after opening the locker and cover the locker room with curtain and close the grill gate without key. (Note that curtain height must be at least 1 foot above the ground level). The officer in charge should not be present in locker room during the operation of locker by the locker hirer and should ensure privacy to locker hirer during operation.
- In case there is any dispute between the joint holders of the locker, and there is no mutual agreement evident between them for operating the locker, the operations can only be allowed after taking a Letter of Administration issued by a competent court having jurisdiction.
- Once the hirer completes operating the locker, the locker-in-charge should check and ensure that the locker is locked properly, and nothing is left outside the locker by the locker hirers.
- The bank custodian shall check whether the lockers are properly closed post locker operation. If the same is not done, the lockers must be immediately closed, and the locker-hirer shall be promptly intimated through recorded call on his / her registered mobile number, e-mail, if registered or through SMS. In case communication cannot be processed on e-mail ID and mobile number, then intimation should be sent through letter so that they may verify any resulting discrepancy in the contents of the locker. The bank custodian shall record the fact of not closing the locker properly in the register and its closure by the bank with the date and time.
- 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.
- Branch should be vigilant to any suspicious behaviour observed while accessing the Locker, e.g., daily access by locker holder, locker holder withdrawing/carrying large volumes of cash to be stored in the locker, locker holder requesting for change of lower denomination currency to higher denomination currency before locker operation, etc. In case the branch observes any unusual or suspicious behaviour on the part of the locker holder, the branch should alert the AML team.
- Locker access should be recorded in the manual register and must be duly signed by the hirer(s) who have accessed the locker, along with locker custodian / branch official who assisted customer in operating the locker.
- Locker access should be updated in CBS module and the signature and photograph should be verified.
- Branch must ensure that access time is properly entered and AM or PM in time stamp must properly selected.
- In case time is to be entered in 24 hours format in CBS, then, for e.g., a locker accessed from 2:30 PM to 2:35 PM should have In & Out entries with respective time stamp of 14:30:00 and 14:35:00.
- Any locker access beyond the business hours should have prior approval of Head of Branch Banking Operations, along with proper justification.
- Locker access on banking holiday is not allowed under any circumstances.
- In case of exigencies or emergencies where signature or photograph is not updated in the system, branch official will verify the same from the physical locker application form.
- System validates the key number physically available with the hirer and that updated against the locker allotted to him.
- Both, "Check in" and "Check out" time at every customer visit for locker access should be updated in the CBS system.
- Locker access is strictly allowed during business hours only. Any locker access before start of business hours 9:30 and after close of business hours at 18:00 is not allowed. Although branch may wait if hirer(s) have entered the locker room before 18:00 and shall allow them to use the locker as per their convenience.

- Banks will centrally 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.
- The ingress and egress register for access to Vault Room by locker-hirers or any other individual including the banks' staff shall be maintained to record the movement of individuals in the Vault Room area with their signatures at appropriate place in the records.
- Branch shall maintain a register to capture the details of all persons accessing the vault room in following sample format: -

Vault Access Register (ingress and egress register for access to Vault Room by locker-hirers or any other individual including the banks' staff to record movement in vault room)								
Vault cum Locker Access Details								
Sr. No.	Date of Vault Access	Purpose of Vault Access (Cash Buy / Sell / Verification / Locker Operation / Routine maintenance etc.)	Where access done for Locker Operation (Name & Locker No. of Hirer)	Full Signature of Locker Hirer / person other than custodian	Time-in (Vault Access)	Time-out (Vault Access)	Signature / Initial of Custodian 1	Signature / Initial of Custodian 2*
1.	28-12-2021	Cash Buy from vault	NA	NA	0900	0915	Sign 1	Sign 2
2.	28-12-2021	Cash Verification by BM	NA	BM Sign.	1200	1230	Sign 1	Sign 2
3.	28-12-2021	Locker Operation	Customer (locker # 50)	Customer Sign.	1500	1510	Sign 1	NA
<i>*NA where Vault Access is done for Locker Operation</i>								

This register is maintained in addition to Locker Access Register, which is also signed by locker key custodians and locker hirer(s).

## Locker Rent:

Locker rent will be collected in advance for an anniversary year, starting from the date of locker allotment. The locker rent is subject to revision. If the locker rent has not been remitted despite our repeated reminders, bank may process for break open of locker and seize the contents in accordance with the provisions contained in the agreement with the bank.

One needs to pay the rent in advance for using the locker. Rent in advance is collected only for one anniversary year.

In the event of surrender of a locker by a customer, before the anniversary date, the proportionate amount of advance rent collected will be refunded to the customer, along with applicable GST within 3 working days of surrendering the locker.

Refund of rent will be processed in same CASA from where it was collected. In case the refund account is blocked or closed, the refund amount will be paid through DD.

Locker charges not only vary across banks but also across branches, depending on their size, location, etc. Lockers are available in various sizes as below, and rents may differ as per locker type, as defined below: -

Locker Type & Dimensions						
AU Classification	Locker Type	Company	Height	Width	Depth	Cubic Capacity
A Small	Small Box	Godrej	125	175	492	10.76
		Gunnebo	125	179	502	11.23
B Small	Medium Box	Godrej	159	210	492	16.43
		Gunnebo	159	215	502	17.16
C File	Medium File	Godrej	125	352	492	21.65
		Gunnebo	125	360	502	22.59
	Medium Box	Godrej	189	263	492	24.46
		Gunnebo	189	270	502	25.62
F Large	Large Box	Godrej	278	352	492	48.15
		Gunnebo	278	360	502	50.24



	Large File	Godrej	189	530	492	49.28
		Gunnebo	189	544	502	51.61
K1 Extra Large	Extra Large Box	Gunnebo	386	544	502	105.41
		Gunnebo	405	544	502	110.60
		Godrej	404	530	492	105.35

Applicable annual rentals for above mentioned locker types shall be as: -

Annual Locker Rent				
Locker Type	Branch Category			
	A	B	C	D
A Small	2000	1800	1400	800
B Small	2800	2400	2000	1400
C File	4000	3400	2800	1800
F Large	6000	5000	4000	2400
K1 Extra Large	10000	8000	6000	4000

### Term Deposit as Security:

Banks may face potential situations where the locker-hirer neither operates the locker nor pays the rent. To ensure prompt payment of locker rent, banks, at their discretion, 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.

At the time of hiring the locker, the Term Deposit of Rs. 20000 or more will be kept under Bank's lien in respect of rentals and other dues on locker services viz. breaking open / replacement of lock in case of loss of keys etc. Term Deposit of Rs. 20,000 is to be obtained as Security Deposit irrespective of Branch Category (Core / Urban / CAT A, B, C, or D) or size of locker (Small, Medium, File, Large, Extra Large). Such lien marked deposits shall be auto renewed on maturity.

- If customer is already having a term deposit of higher amount, a partial lien equal to required amount can be marked.
- If single Term deposit amount is not sufficient to cover the required security lien, then multiple FDs can also be taken for marking the lien for security.
- Multiple FDs from different / joint hirers of a locker can also be taken as security deposit.

### Infrastructure and Security:

AU Bank is currently having only mechanical lockers and all such lockers 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.

- Operations of Safe Deposit Vaults/Lockers – Bank exercises due care and necessary precaution for the protection of the lockers provided to the customer and reviews the systems in force for operation of safe deposit vaults / locker at all the branches on an on-going basis and take necessary steps, if required, to further strengthen the locker security. The staff concerned shall be properly trained to perform locker operations. Reviewers shall ensure that the procedures are strictly adhered to.
- Embossing Identification Code – The bank shall ensure that “AU-Branch Code” is embossed on all the locker keys with a view to facilitate various authorities in identifying the ownership of the locker keys.
- CCTV footage of locker access – The bank shall ensure that entrance / exit path of the locker room is covered with CCTV camera and recording for the same is available for a minimum period of 180 Days.
- Physical verification of keys – The custodian of the locker shall regularly / monthly check the keys stored in the branch to ensure that all keys are available and are in proper sealed condition.

- Additional padlock on locker – There is no restriction in allowing the customer to use an additional padlock of her /his own if there are such provisions in lockers.
- The lockers are placed inside the vault room which is secured by the grill door. The custodians need to ensure that the door is locked under dual custody at all the times when not being used by the locker hirer's.
- The entry and exit to the vault room is from a single point and the same is covered under CCTV surveillance
- The locker area is guarded against any fire incidents with help of smoke sensors installed inside strong room.

### **Nomination Facility:**

The bank offers nomination facility in case of safe deposit lockers and safe custody of articles. In case the nominee is a minor, the same procedure as prescribed for the bank accounts is followed by the bank. 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.

### **Surrender of Locker:**

A locker may be surrendered by the locker hirer(s) or by their nominee or legal hirers. The request for surrender of locker will be processed according to the relationship of person / claimant requesting for locker surrender.

#### **Locker Surrender Process**

- For Surrender of Locker, all locker hirer(s) must visit the branch.
- A letter signed by all locker hirer(s) should be given at the time of surrendering the locker. The Duplicate copy of the surrendered locker form should be given to the customer as an acknowledgment.
- Hirer is required to access the Locker and take out all the Property/ things stored in the Locker and signed off in the Locker Access Register.
- Hirer must hand over locker Keys to branch official.

### **Access to the Survivor(s) / Nominee(s) / Legal Hirer(s):**

A locker may be accessed by any or one of the survivor, nominee, or legal hirers, in case of demise of one (or more) of the locker hirer(s).

#### **Access with Survivor / Nominee clause**

- If the sole locker hirer nominates a person, bank will give to such nominee access of the locker and liberty to remove the contents of the locker in the event of the death of the sole locker hirer.
- 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, bank will follow the mandate in the event of the death of one or more of the locker-hirers.
- The similar procedure will be followed for return of articles placed in the safe custody to the survivor/ nominee.
- In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s) nominates person(s), in the event of death of any of the locker hirers, the bank may give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s).
- The claimants will have to establish their identity and submit documentary proof in respect of death of the locker hirer.
- In such cases, the Bank will not insist on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the Survivor(s) / Nominee(s).
- There should not be any order from a competent court restraining the bank from giving access to the locker of the deceased.
- In case of Locker / Safe Custody with nomination / survivorship clause the bank will demand only following papers:



- Copy of Death certificate (duly certified from original)
- Stamped receipt for discharged safe custody receipt/Locker
- The access given to the survivor(s) / nominee(s), subject to the applicable conditions, would constitute a full discharge of the bank's liability and the bank will not insist on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the Survivor(s) / Nominee(s).

### **Access without Survivor / Nominee clause:**

In case where the deceased locker hirer/ depositor of the articles under safe custody had not made any nomination or clear survivorship clause, the access may be provided to the legal representative of the deceased based on Succession Certificate or Probate of a WILL or Letter of Administration.

In such cases the bank will give access to their legal heir(s) / legal representative based on following documents:

- Copy of Death certificate (duly certified from original)
- Duly filled in claim form together with surety letter
- Legal representation i.e., succession certificate or letter of administration or Probate of Will.
- Stamped receipt for discharged safe custody/Locker receipt.
- However, in case the contents of the locker are not of great value, the Bank may at its discretion allow the heirs of the deceased to see the contents of the locker after fulfilling certain conditions and thereafter access to the locker may be allowed if the BM / BOSM deem fit so.

### **Time limit for settlement of claims:**

All claims in respect of deceased locker hirers and release of contents of the locker to survivor(s) / nominee(s), need to be settled within a period of 15 days from the date of receipt of the claim subject to production of all documents as required. Please refer detailed "Policy for Settlement of Claims for Deceased Customers".

- The reconciliation should be recorded in the Consolidated Verification register & Locker Surprise verification sheet by the officer who has verified the position of vacant lockers.

Care should be taken that no person other than the parties involved in auditing the vacant locker should be present in the locker room when the locker (holding vacant locker keys) is opened for checking / auditing.

### **Procedure for Loss of Locker Key:**

If the Customer key is lost by the hirer, he/she should notify the loss of the key to the Bank in writing along with FIR/ Police Complaint Acknowledgement to the bank without any delay which is to be signed by all the locker hirers. Locker hirer/s must submit self-attested copy of FIR/ Police complaint acknowledgement on which branch staff has to do OSV. The bank shall not be responsible for any loss and a new key may be issued to the hirer.

All charge for opening / break open of locker, replacing the lost key, and for changing the lock shall be payable by the locker hirer. All repairs required to be done to the locker, lock or the key shall be done exclusively by the vendor appointed by bank.

### **Procedure for In-Operative Lockers:**

Where the lockers have remained inoperative for period of 7 years, Branch shall contact the locker-hirer and advise him / her to either operate the locker or surrender it. 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 bank shall follow the procedure as prescribed in locker Break-Open section.

For In-Operative lockers appropriate terms are inserted in the locker agreement executed with the customer specifying the position in case the locker is not in operation for long period. This may discharge the bank from liability in case the locker is not in operation and the locker is opened by the bank and contents are released as per law and as per the instructions issued by the Reserve Bank and the terms and conditions prescribed in the agreement.

## Procedure in case of Locker Rent Overdue:

Rent in Arrears Cases where we had taken TD linked to Locker

- 1) Locker rent will be deducted centrally after completion of 1 year from locker allotment date.
- 2) As a customer gesture, An SMS will be triggered on the registered mobile no. of customer, 1 month before the schedule date of charging/deduction of Locker rent.

## Procedure for break open of lockers as per RBI directive:

This part 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:

- A.** If the hirer loses the key and requests for breaking open the locker at her / his cost: -
- i. If the locker key, provided by bank is lost by the locker-hirer, the customer (locker hirer) shall notify the bank immediately. An undertaking may also be obtained from the customer that the key lost, if found in future, will be handed over to the bank. All charges for opening the locker, changing the lock, and replacing the lost key must be recovered from the hirer. The charges applicable for replacement of lost keys shall be communicated to the locker hirer.
  - ii. The opening of the locker must be carried out by the bank 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.
  - iii. The operation shall be done in the presence of the customer/s and an authorized official of the bank. It must 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.
- B.** 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 locker.
- i. In case of attachment and recovery of the contents in a locker of a customer or the articles left by a customer for safe custody of the bank 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 banks shall co-operate in execution and implementation of the orders.
  - ii. The bank shall verify and satisfy itself about the orders and the connected documents received for attachment and recovery of the contents in a locker or articles in the safe custody 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 or articles deposited for safe custody. An inventory of the contents of locker and articles seized and recovered by the Authority shall be prepared in the presence of such Government Authorities, two independent witnesses and an officer of the bank 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.
  - iii. Banks 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.
  - iv. Break-open charges to be borne by Bank.
- C.** 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.
- i. Banks 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 bank 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. A clause may be incorporated in the locker agreement to this effect.
- ii. Before breaking open the locker, the bank 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 bank and two independent witnesses Further, banks shall also record a video of the break open process together with inventory assessment and its safe keep and preserve the same to provide evidence in case of any dispute or Court case in future. 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 bank shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future.
  - iii. Banks shall ensure that the inventory prepared after breaking open of the locker and during settlement of claims, is in the appropriate forms as provided at the end of this circular or as near thereto as circumstances require. Further, banks shall not open sealed / closed packets left with them for safe custody or found in locker while releasing them to the nominee(s) and surviving locker hirers / depositor of safe custody article, unless required by law.

### **General Guidelines of Break Open Lockers in case rent is not paid**

- A notice shall be sent to the hirer stating that the locker rent advance would be adjusted towards rent arrears if the rent is not paid within 15 days.
- If there is no response, the rent advance shall be adjusted on the next day of the date specified in the above letter. After that, a letter shall be sent to the hirer informing the fact of adjustment of rent advance and demanding payment of balance of arrears of rent if any, within 15 days.
- If the hirer does not turn up, then another letter shall be sent to the hirer to vacate the locker/pay the arrears of rent within seven days failing which the locker would be broken open on or after that date and that the charges/expenses would have to be borne by the hirer.
- The Locker would be broken open on or after the date mentioned above, in the presence of a Notary Public and the articles would be recorded item wise/ number wise in a ledger duly notarizing the same.
- Then a letter shall be sent to the hirer informing that the contents of the locker. The letter will also mention date and time at which an auction shall be conducted to recover the arrears of rent, charges and expenses incurred for breaking open the Locker. The auction date would be fixed after 15 days from the date of notice.
- Only such items, the value of which is sufficient to recover the arrears, charges, and expenses, including the auction expenses and paper publication shall be chosen for auction.
- One week after the issue of notice paper publication shall be given in a local daily informing the date and time of auction together with the details of item/s that are going to be auctioned.
- The auction shall be conducted on the date and time specified and the amount fetched in the auction shall be adjusted towards arrears of rent, charges and expenses incurred and balance, if any, shall be kept in the Accounts Payable account.
- Then a letter shall be sent to the Hirer informing the details of the auction and advising him/her to receive the balance amount and the remaining contents of the locker.
- If the contents/remaining contents of the locker are not claimed, the same shall be kept in the safe deposit room duly locked/sealed under the joint custody of the Branch Manager and the Cashier.
- If the contents are not claimed for more than three years, they will be handed over to the Police Authorities after prior intimation to the Central Office by the branches.
- All Notices / Letters shall be sent under Registered Post Acknowledgment Due to the Hirer and in respect of joint accounts, to all the joint hirers.

- All Acknowledgement Cards received shall be kept in the Files concerned.
- If the letters are returned for any reason, they shall be kept without opening in the relevant files.
- If the letter is returned for the reason of death of the hirer, the notice shall be issued to all the legal heirs of the hirer.
- If the letter is returned for the reason - change of address, efforts shall be taken to locate the new address and a note thereof shall be recorded in a Register before breaking open the locker or auctioning the contents of the locker.

### **Auction process:**

- An Auction Register shall be opened, and the name and address of the participants shall be recorded, and their signature shall be obtained.
- An upset price shall be fixed for the item/s to be auctioned.
- The bid made by each bidder shall be recorded in the Register.
- The item/s is/ are to be handed over to the highest bidder after receiving the bid amount in cash.
- An acknowledgment from the successful bidder shall be obtained to the effect that the item/s has/have been received as is where condition is indicating the bid amount.

### **Guidelines for branches when an order from a government agency has been received:**

In case any Income tax officer exercising duty under Section 133(6) of the Income Tax Act, 1961 demands information during any proceeding for assessment of any person for tax liability, locker of that person can be opened by Bank. Such officer has the right to search safe deposit lockers and vaults hired by suspected tax evaders against search warrants issued by the commissioner's seal and date authorizing Income Tax officials to carry out search and seizures.

Further, any official of Enforcement Directorate (ED) on the order of investigation agency can also request the Bank to open the locker of person against whom order is passed for search and seizure. For cases where any other government agency / police official demands locker details from Bank with appropriate written order, the branch manager will immediately inform the Legal department of the Bank for advice on future course of action.

Branch will inform the locker hirer(s) of any action taken on the locker due to the above, through registered post, mentioning the reason and relevant order number, if any.

### **Compensation Policy / Liability for Banks:**

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

- In case of natural calamity like flood, earthquake, thunderstorm, fire, etc. branches will inform the customers and persuade them to visit the branch in case, where the lockers/Contents of the lockers may have been affected. In such a case, the branch should contact the Central Locker Product team for format of the letter.
- 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 flood, earthquake, thunderstorm, etc. or any act that is attributable to the sole fault or negligence of the customer. Banks shall, however, exercise appropriate care to their locker systems to protect their premises from such catastrophes.

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.

- It is the responsibility of banks to take all steps for the safety and security of the premises in which the safe deposit vaults are housed. It has the responsibility to ensure that incidents like fire, theft / burglary / robbery, dacoity, building collapse do not occur in the bank's premises due to its own shortcomings, negligence and by

any act of omission / commission. As banks 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.

- In case a customer is offered locker at a discounted price, liability of the bank shall be equal to one hundred times of discounted rent paid by customer.
- Bank will be liable to compensate such losses only in case when all the due rents are fully paid before occurrence of such event.
- For claiming compensation against any such losses, branch shall liaise with Branch Operations team.

#### Responsibility of bank in case of merger / closure / shifting of locker branch:

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, banks shall make efforts to intimate their customers suitably at the earliest.