

## **Locker Policy**

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### **1.Introduction:**

- i) Safe deposit lockers facility is one of the ancillary services extended by bank through branches.
- ii) The relationship between the banker and the customer of a locker is that of lessor and lessee.

### **2.Eligibility:**

- i) Bank's lockers will be hired to Individual singly and / or two or more individuals jointly as well as Firms, Limited Companies, Societies, Associations, Clubs, Trusts, etc.
- ii) The applicant shall have a Savings/Current a/c with the Branch concerned.

### **3. Allotment of locker:**

- i) Allotment of lockers shall be based on the duly filled in application by the prospective hirers on the printed format provided by the bank.
- ii) Lockers will be allotted by the branches on first-come-first-served basis.
- iii) Due diligence of KYC norms, will be duly applied before allotment of locker.
- iv) Branches will maintain a wait list for the purpose of allotment of lockers and will ensure transparency in allotment of lockers. All applications received for allotment of locker will be acknowledged and given a wait list number.

### **4. Fixed Deposit as Security for Lockers:**

- i. At the time of hiring the locker, the Bank shall obtain a minimum Security Deposit in the form of FDR from the Lessee for the amount which will cover 3 years rent and the charges for breaking open the locker, in case of an eventuality.

- ii. The Security Deposit/Fixed Deposit will be kept under Bank's 1<sup>st</sup> lien in respect of rental and other dues on locker services like breaking open/replacement of locker in case of loss of key etc.
- iii. An acknowledgement will be issued by the Bank for the deposit to be kept as Security Deposit.
- iv. In cases where the locker is broken open by the Bank for non-payment of locker rent, the Fixed deposit of the hirer/s, will be appropriated for recovery of expenses incurred by the Bank in (i) breaking open the locker, (ii) replacement of lock, and (iii) recovery of Bank's dues on account of (a) overdue locker rent, (b) interest on overdue locker rent and (c) reasonable safe custody charges for keeping the contents in Safe Custody of the Bank.
- v. The Security Deposit is fixed basing on the size of the Lockers as found here below changes at para 7.

**5. Nomination:**

- i) The nomination can be made in favour of only one individual.
- ii) Nomination, cancellation or variation in existing nomination can be made either at the time of hiring of the locker or subsequently at any time during occupancy of the locker.
- iii) The prescribed form of nomination or cancellation/variation of nomination, as the case may be obtained from hirer/s duly completed in all respects, which will be recorded in a register maintained with the Bank and an acknowledgement given to the hirer.
- iv) Where the hirer/s prefers not to nominate, the same will be recorded in the application form.
- v) If a locker is hired for minor, the nomination will be made by someone lawfully entitled to act on behalf of the minor.
- vi) Nomination facility on safe deposit lockers shall be extended by the Bank to release the contents to the nominee of the Hirer, in the event of death of hirer. If the locker is held

jointly and one of the hirers dies, the contents can only be removed jointly by the nominee and survivors.

vii) Unpaid locker rentals are to be recovered from the nominee.

**6. Recovery of rent from hirer(s):**

- i) With standing instruction the rent shall be paid from the deposit account of the hirer on the due date and sufficient balances shall be maintained in the account for this purpose.
- ii) Locker rent will be recovered on annual basis. The lease period of one year will start from the date of hiring the locker and will continue till the preceding day of the corresponding date in the subsequent year.
- iii) Safe Deposit Locker rent will be payable in advance and in the event of locker rent remaining unpaid, when due, the Bank will have the right to refuse access to the locker without prejudice to Bank's right to break open the locker.
- iv) When the rent is paid in advance for 3 years & above, 10% discount may be allowed, However, 20% discount in locker rent in case of CA/SB a/c with minimum balance of Rs.500 continuously if rent is paid in advance for a period of three years and above.
- v) New provision for charges for locker operations more than 12 times a year – Rs.50/- per occasion.
- vi) Locker rent will be decided by the Bank, depending on their size from time to time.

**7. Operations of Safe Deposit Vaults/Lockers:**

- i) Branches will exercise due care and necessary precaution for the protection of the lockers provided to the customer.
- ii) The Hirer/s can operate the Safe Deposit Locker only on the Bank's working days and during the business hours of the Bank.
- iii) Before operating the locker the hirer/s should sign the attendance register which shall be kept at the bank.

- iv) The locker can only be operated upon by applying two keys, one of which will remain with the Lessee and other with custodian of the safe deposit vault.
- v) The mechanism of the locker provides for its automatic double locking, when it is locked by the visitor. It cannot be re-opened unless both of the custodian's and locker holder's keys are applied to it.
- vi) The Lessee shall ensure before leaving the vault that nothing is left out of the Locker and the Locker is properly locked. The Bank shall not be responsible for any loss sustained by the Lessee/authorized person due to Lessee(s)/authorized person leaving any article outside the locker.
- vii) The Lessee shall not be permitted to open the locker with a key other than the one supplied by the bank.
- viii) Lessee(s) in drunken state are not allowed to have an access to the vault nor will they be permitted to operate their lockers.
- ix) Lessee is permitted to appoint a person (Authorized person) for operating the locker. However, Authorised person is not allowed to operate the locker after the death of the lessee. Authorisation in favour of minors and blind persons, and by trustees, in favour of 3<sup>rd</sup> parties is not permitted.
- x) Locker holders are permitted to add or delete from the list of persons who can operate the locker or have access to their locker.
- xi) On receipt of any order from a competent Court restraining access to individual capacity of any one of the joint Lessees of the locker, the Bank shall have a right to refuse access to each and all of them and also to their authorized persons.
- xii) The renter is required to operate the locker at least once in every 6 months and if the locker remains unoperated for more than a year from the last date of operation then the Bank will have a right to cancel the allotment of locker by

giving a notice for security reasons and treat the Renter/s as defaulter, notwithstanding that the rent has been paid upto date.

- xiii) 50 operations in a financial year are permitted free of charge and beyond that Service Charges of Rs. 50/- per operation shall be levied /charged.
- xiv) The Bank will give due cognizance to the orders received from a competent Authority having Statutory powers for freezing/unfreezing of locker.

### **8.LOCKER CHARGES:**

- i) The following are the locker charges prescribed by the Bank.

S.No.	Size	Dimensions	Rent per annum	Locker deposit
1	Small	5" x 7" x 19.5"	500	10000
2	Medium	5" x 14"x 19.5"	1000	50000
3	Big	11 ½" x 14"x 19 ½ "	2000	100000

- ii) In case of breaking open of the locker, Rs. 200 to be received as incidental charges over and above actual cost incurred for the same.
- iii) Penalty for delayed payment of locker rent: Penal interest @ 12% p.a. (simple) shall be charged for late payment of locker rent for the period of delay only
- iv) The locker rents are revised by the Bank from time to time and the existing hirers should pay the rents as per the revision.

### **9. Permissible Concessions:**

- i) Concession in rent by 10% & 20% in case of advance payment of rent for three years above.
- ii) Concession of Rs. 50/- in locker rent shall be allowed for lockers allotted to senior citizens, handicapped persons and visually impaired persons subject to timely payment of rent.

However, penalty as mentioned below shall apply in case of delayed payment of locker rent.

- iii) Only one concession can be permitted to any customer under any category of service.

**10.Un-operated lockers;**

- i) Where the lockers have remained unoperated for more than a year for medium risk category and one a higher risk category, branches will immediately contact the locker-hirer and advise him to either operate the locker or surrender it.
- ii) This exercise will be carried out even if the locker hirer is paying the rent regularly. Further, branches will ask the locker hirer to give in writing, the reasons why he / she did not operate the locker.
- iii) In case the locker-hirer has some genuine reasons as in the case of NRIs or persons who are out of town due to a transferable job etc., branches will allow the locker hirer to continue with the locker.
- iv) In case the locker-hirer does not respond nor operate the locker, branches will consider opening the lockers after giving due notice to him.

**11. Surrender of Locker:**

- i) Locker can be surrendered by the hirer/s without any damage at any time during the contract period through a written application and handing over of keys to the Bank Officials.
- ii) Lockers are to be surrendered only on the basis of written request from the customer (in person) duly signed by all locker holders.
- iii) The contents of the letter should clearly state that the lockers have been vacated and all the belongings have been removed.
- iv) Bank can also request for surrender of locker with due notice.
- v) If the locker is surrendered in the middle of the Financial Year rent collected, for the remaining months will not be refunded to the customer.

- vi) In cases where the hirer wishes to surrender the locker before expiry of existing lease period, surplus of rent over the 12 months' tenure, if any, will be refunded.
- vii) Surrender of the locker after expiry of the lease period, will be allowed on payment of arrears of locker rent, at the stipulated rate structure.

**12. LOSS OF KEY:**

- i) Loss of key is to be immediately informed to the Bank.
- ii) In case of loss of key of the locker, a service charge of Rs. 500/- to be recovered from the hirer, besides the expenditure as will be incurred for breaking open the locker and changing the locker by the supplier.

**13. Breaking Open of Locker:**

- i) Locker may be broken open either at the request of the hirer/s or by the bank for default in payment of prescribed charges or for any other reason.
  - ii) Break Open charges shall be recoverable from the hirer/s.
  - iii) Bank shall engage the suppliers of the locker unit to break open the lockers.
- iv) When the locker is broken open at the request of the hirer, the same shall take place in the presence of the hirer or his nominee, as the case may be.
- v) When the locker is broken open at the instance of the bank, the customer shall be provided notices in advance as per the internal procedures
- vi) And then it will be broken open by the representative of the manufacturers /suppliers in the presence of two respectable non-staff independent witnesses, in addition to the officers of the branch.
- vii) For break open lockers, the bank shall publish the names of the defaulter who have not paid rents on its becoming due in spite of notices sent.

- viii) In case of break open of lockers, Rs.250/- will be recovered as incidental charges over and above actual cost incurred for the same.
- ix) In cases where the locker is broken open by the Bank for non-payment of locker rent, the Caution Money deposited by the hirer/s, will be appropriated for recovery of expenses incurred by the Bank in (i) breaking open the locker, (ii) replacement of lock, and (iii) recovery of Bank's dues on account of (a) overdue locker rent, (b) interest on overdue locker rent and (c) reasonable safe custody charges for keeping the contents in Safe Custody of the Bank.

**14. Death of the hirer:**

- i) Notice of knowledge of the death of a hirer or a surviving hirer in the case of 'E or S' hirers will be recorded in the Locker Register with date and source of information under the initials of an officer.
- ii) As a further precaution, a slip reading 'hirer deceased' will be pasted on the locker.
- iii) Thereafter access to the locker should be allowed on production of legal representation. Access may however be allowed, for making an inventory of the contents with a view to obtaining the necessary legal representation to known all heirs of the deceased in the presence of their lawyers / solicitors or to persons authorised by a court for this purpose.
- iv) 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, in the case of joint account, the question of legal representation does not arise unless the survivor also dies.
- v) 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 are 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.

- vi) Contents of lockers are returned to the genuine nominee, as also to verify the proof of death and production of death certificate by competent authority.

**15. Access to the lockers by survivor / nominee :**

- i. If the sole locker hirer nominates a person, banks 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.
- ii. In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s) nominates person, in the event of death of any of the locker hirers, the bank should give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s).
- 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, banks will follow the mandate in the event of the death of one or more of the locker-hirers. However, banks will take the following precautions before handing over the contents:
  - (a) Branches will 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;

- (b) Branches will make diligent effort to find out if there is no order from a competent court restraining the bank from giving access to the locker of the deceased; and
- (c) Branches will make it clear to the survivor(s) / nominee that access to locker is given to them only as a trustee of the legal heirs of the deceased locker hirer i.e., such access given to him shall not affect the right or claim which any person may have against the survivor(s) / nominee to whom the access is given.
- iv) Bank will note that since the access given to the survivor(s) / nominee (s), subject to the foregoing conditions, would constitute a full discharge of the bank's liability, insistence on production of legal representation is superfluous and unwarranted and only serves to cause entirely avoidable inconvenience to the survivor(s)/nominee (s) and would, therefore, invite serious supervisory disapproval. In such case, therefore, while giving access to the survivor(s) /nominee(s) of the deceased locker hirer, the bank will desist from insisting 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).

**16. Access to the lockers without survivor / nominee:**

- i) There is an imperative need to avoid inconvenience and undue hardship to legal heir(s) of the locker hirer(s). 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, for giving access to legal heir(s) / legal representative of the deceased locker hirer.
- ii) 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.

- iii) Further, in case the nominee/ survivor(s) / legal heir(s) wishes to continue with the locker, banks 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).

**17.Other aspects:**

- i) The Bank will ensure utmost secrecy of the Safe Deposit Lockers hired by the customer and will 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.
- ii) The Bank will exercise due care and necessary precautions for the protection of lockers and the locker hirer while operating the locker.
- iii) In all cases except where locker is continued to be used by surviving hirers, locker key will be taken back from nominee / claimants, by terminating the original contract.
- iv) In case the claimant does not have the locker keys, locker needs to be broken open.
- v) This should be done post obtaining documentation and approval.
- vi) The hirer/lessee shall confirm that access is given to the survivor/s,nominee/sonly as a trustee of legal heirs of the deceased locker hirer on the condition that such access if given to survivor/snominee/s shall not affect the right or claim which any person may have against the survivor/s,nominee/s to whom access is given.
- vii) The Bank reserves to itself the right of closing the safe deposit vault under extraordinary circumstances such as

those resulting from civil commotion, riots and other occurrences for such time as may appear necessary and without any previous notice or intimation.

- viii) Lessee(s) are requested to notify any change of address, under acknowledgement of receipt by the Bank. All communications sent by the post shall be considered to be fully served on the Lessee, if sent to the last registered address of the Lessee.
- ix) The affairs of the Locker Renters, even their names should be held in strict secrecy.
- x) If the locker is hired in the name of the staff member, either singly or jointly with his / her spouse, a nominal concession will be allowed at the discretion of the Bank. However, a staff member would be eligible to hire only one locker at concessional rent at the bank.
- xi) Branches will ensure that identification Code of the bank / branch is embossed on all the locker keys with a view to facilitate Authorities in identifying the ownership of the locker keys.

**18. Disclaimer:**

- i) The Bank will, in no way, be responsible / liable for the contents kept in the locker by the hirer. In case of theft, burglary or similar unforeseen events, action will be initiated as per law.

**19. Right to alter or add Rules:**

- i) The Bank reserves the right to alter or add to these rules and such alteration and additions shall be binding on the hirer. Such alteration will be made known to the hirers through Bank website.