

### 1. Purpose /objective of Policy

Safe deposit locker facility is offered by banks with the objective that the customers will be able to keep all his/her valuables and confidential documents safe from fire, burglary and away from snoopers eyes. Locker facility is provided in order to bring in new customers to our fold and to augment our Bank's Income. Provision of locker facility enhances our public image and improves our service capability and business prospects and increases the Non Interest Income of Bank branches.

### 2. Scope of the policy

This policy on Safe Deposit Locker outlines the guiding principles in respect of Locker facility offered by the Bank and terms and conditions governing to the Locker. The document recognizes the rights of hirers and aims at dissemination of information with regard to various aspects of acceptance of locker from the members of the public, conduct and operations of Locker, registering of nomination, surrendering of locker, Loss of key, locker rent recovery, Break open of locker etc., for the benefit of customers. It is expected that this document will create awareness among customers of their rights. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand. The relationship between the banker and the locker hirer(s) is that of a lessor and lessee.

### 3. Regulatory reference

The guidelines issued by Reserve Bank of India / Government from time to time shall automatically form part of the Policy.

### 4. Maintenance and Security of Locker Unit

The locker units should be so arranged as to allow adequate room for passage in the locker room. A table, a chair, a mirror and a portable movable ladder should be provided in the locker room for the convenience of the hirers. Banks shall have a single defined point of entry and exit to the locker room/vault. The branch should restrict any unauthorized entry and create digital record of access to locker room with time log. The entry and exit of the strong room and the common areas of operation should be under CCTV camera and preserve its recording for a period of not less than 180 days. In case any customer has complained to the bank that his/her locker is opened without his/her knowledge and authority, or any theft or security breach is noticed/observed, the CCTV recording shall be preserved till the police investigation is completed and the dispute is settled. The staff concerned shall be properly trained in this procedure. The internal



auditors shall verify and report the compliance to ensure that the procedures are strictly adhered to.

### 5. Eligible customers and Customer Due Diligence

Safe Deposit Locker facility can be offered to existing as well as prospective customers who are fully compliant with the Customer Due Diligence criteria. Locker can be hired to one or more persons and can be allowed to operate the locker with 'either or survivor' or 'former or survivor' or 'anyone of survivor or survivors' clauses. While renting lockers to Partnership firms, Companies, Societies, Government Departments, HUFs, all norms related to opening and operating of account should be complied with. Branch can extend locker facility to visually challenged customers after taking necessary precautions.

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. The due diligence shall be carried out for all the customers in whatever rights and capacities they may be hiring the locker. The recent passport size photographs of locker-hirer(s) and individual(s) authorised by locker hirer(s) to operate the locker should be preserved in the records pertaining to locker-hirer maintained at the branch.

### 6. Allotment of Lockers

Lockers will be allotted by the branches on first-come-first served basis to the customers who have fully complied with CDD. At the time of allotment of the locker to a customer, the bank shall enter into an agreement with the customer (**D-116**) to whom the locker facility is provided, on a duly stamped document. 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's branch where the locker is situated.

### 7. Opening of Locker account

On due verification of the standard application form for Safe Deposit Locker and stamped agreement on the operational instructions by the customers, authority to recover Locker rent and Nomination details, the Locker account may be opened. The CIF numbers of the hirer(s), mode of operation, access details, signatures of the hirers, e-mail addresses of the hirer(s), mobile numbers of the hirer(s) and photos of locker hirer(s) should be obtained invariably.



Apart from the distinct key (hirer's key) of each locker, wherever the individual locker unit has an additional padlock over the locker, the hirer may utilize, if he/she so desires.

### **8. Wait List and allotment**

Branches should maintain a waiting list for the purpose of allotment of lockers. All applications received for allotment of lockers should be acknowledged and each should be given a waiting list number and recorded in the system. An acknowledgement with wait list number to the said application should be provided to the customer. At least 80 per cent of the lockers should be allotted by the branches on first come first served basis. The remaining lockers could be allotted by the Branch Managers at their discretion to HNI/ valuable customers keeping in view the business considerations. It is pertinent that Branch wise position of vacant lockers is uploaded in our internet site for information to prospective customers. Hence Branches should be acutely cautious and ensure that the physical vacancy tallies with MIS Data/ reports.

### **9. Nomination Facility**

Under Section 45ZC of the Banking Regulation Act, 1949 provision for registering Nomination is also made available for Locker Accounts. Release of contents of safety lockers to the nominee and protection against notice of claims of other persons is available. Branches should be guided by the provisions of Sections 45ZC of the Banking Regulation Act, 1949, the Banking Companies (Nomination) Rules, 1985, the relevant provisions of Indian Contract Act and Indian Succession Act as well. In case of Individual Locker Account, only one Nominee is permitted and under Joint Locker Account, one or more Nominees are permitted. However, there is no provision for nomination in respect of lockers hired by two or more individuals jointly where the contract of hire provides for operation by either or survivor or one or more of the hirers or one or more of the survivors. In these cases, no nomination can be allowed as none is provided for in the Act.

A Minor can be appointed as a nominee for delivering contents of a hired locker /receive articles kept in safe custody. In such a case, however, the bank has to ensure that when the contents of the locker are removed on behalf of the minor nominee, the articles are handed over to a person who, in law, is competent to receive the articles on behalf of the minor. Registering of nomination, cancellation and variation of nomination should be acknowledged by the Bank in writing to the concerned hirer or hirers in the tear-off of the relevant form. The duly completed form of nomination or cancellation or variation of nomination filed with the Bank should be registered in the books of the Bank. The details related to name of the nominee and serial number of nomination registered should be noted in the system:



A passport size photo of the nominee attested by the customer to be obtained from the Locker hirer(s), at his/her option and preserved in the records.

On completion of registration/cancellation and/or variation of the nomination, an acknowledgement in this regard shall be given to the locker hirer(s).

### 10. Caution Deposit

There may be probable situations where the locker-hirer neither operates the locker nor pays the rent. To ensure prompt payment of locker rent, 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. Banks, 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.

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

### 11. Operation of Locker

A Daily Attendance Register/Access Register should be maintained indicating therein the name/s of hirer/s that attended, locker number/make, time in and out of locker operation. Other particulars in the Register such as Locker No., the date and time of operation, time of departure, and name of the hirer operating the locker should be properly recorded under his/her authorised signature, and the initial of the Manager/Officer-in-Charge authorising operation of the Locker should be put therein. Maintenance of this Register should be in addition to the existing system of maintenance of Safe Deposit Locker Register, which should also be signed by the hirer(s) and signed by the Manager/Officer-in- Charge. However, a count of the number of visits is to be maintained in the system also. The aforementioned guidelines should be strictly followed by the field functionaries in order to realize commission in case of excess number of visits in a year. **(w.e.f 01.04.2020 12 no. of visits is free).**



The hirer should be allowed to operate the locker only when his/her signature tallies with the recorded signature and there is no arrear rent. The Manager/ Officer-in-Charge will go along with the hirer to the locker room for opening the locker. First the master key should be applied by the Manager/Officer-in-Charge and then the hirer's key should be applied.

After the locker is opened, the bank official should remove the master key and leave the vault to enable the hirer to operate in privacy. The hirer can close and lock the locker by applying his/her key alone. On no occasion, the master key should be left exposed in the Locker cabinet nor should be permitted to pass out of the strict physical possession of the Manager/Officer-in-Charge. For the benefit of customers, a prominent Board should be displayed in the locker room reading.

***“The hirers are requested in their own interest to ensure that no article/document/sealed packed/valuable(s) is left outside the locker”.***

Bank will 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 locker hirer may be informed to contact the branch in case of unauthorized locker access.

The dealing officer should verify the vault immediately after the hirer leaves to see that the hirer has not left any article in the vault or leaves the locker unlocked before leaving the vault. Before the end of the day, the custodian should check the lockers operated during the day are properly locked during operation by the hirer.

The grill doors provided for the Locker Room should be kept locked by the Manager /Officer-in-Charge in between operations, to avoid free access to unauthorized persons.

The Manager/Officer-in-Charge of the Locker Room/Vault should go round the strong room where the lockers are kept and inspect each and every locker that has been operated during the day to ensure that these have been locked properly. The Manager/Officer-in-Charge of the locker room should carry out a physical check of the locker room at the end of the day to ensure that no customer is inadvertently trapped in the locker room after banking hours. This should be treated as compulsory and part of operation.

## 12. Operation by Attorney

The hirer(s), if he/she so desires, may authorise a person to operate the locker by giving a power of attorney. This Power of Attorney should be stamped. On receipt of Power of Attorney, the branch should get the specimen signature of the authorized person signed in the presence of an officer, duly attested by the hirer. The period up to which the authority is valid should be noted in the specimen signature-cum-instruction card/Locker Register and daily attendance register. Entry should also be made in the Power of Attorney Register.

The following points should be noted, while allowing operations by an attorney:

- When there is more than one hirer, all of them must join together in giving the power of access to the locker to a third party. Instructions from one of the hirers deputing an attorney should not be acted upon. However, authority vested in an attorney can be revoked by any one of the hirers singly.
- Similarly, in case of locker rented out to a partnership firm, all the partners must join in appointing an attorney.
- The appointment of an attorney does not cancel the access authority of the previously appointed attorneys, if any. Therefore, in such cases, the branch should bring this fact to the notice of the hirer.
- An attorney cannot appoint any other attorney, unless there is an express provision in the power of attorney authorizing him to do so.
- A minor should not be accepted as an attorney.
- An officer or other employee of the Bank should not be permitted to be an attorney.
- Fiduciaries such as Executors, Administrators and Legal Guardians cannot appoint attorneys. Such fiduciaries are court appointees and as such they do not themselves have the power to appoint. Consequently, they cannot delegate authority of access.
- Similarly, officers of limited companies, municipalities, committees or such other public bodies and associations who are authorized to operate the lockers cannot appoint attorneys, since they are appointed by resolutions of Directors or governing bodies, as the case may be.
- Death, insanity or insolvency of hirer or any of the hirers revoke the authority given in favour of a third party to have access to locker.
- An attorney will not automatically get power to give instructions to the Bank to break open the locker, if there is no specific provision to that effect in the original power of attorney.
- The hirer can at any time revoke the authority given by him to an attorney. On receipt of notice of revocation of authority, the Bank should not allow the attorney to have access to locker. His/her signatures should be cancelled on the specimen signature card and proper note to the effect should be made in the daily attendance register.
- Any instruction given by telegram or over telephone cancelling the attorney's power to have access to lockers should be immediately followed by a written confirmation.



Until such time the confirmation is received, access to the locker should not be allowed. Immediately upon receipt of the telephonic/telegraphic instructions, a letter should be written to the hirer to confirm such instructions by return mail.

### 13. Locker Rent Recovery

The recovery of locker Rent will be taken care of by the system itself provided all the necessary information regarding hirer(s) are fed properly for debiting the rent from the respective Savings or Current accounts. The system will not debit the locker rent where there is insufficient balance in the account. Currently annual locker rent is being recovered for the period from July to June. The rent on locker depends based on the size, category of the branch with applicable rate of GST of 18% Steps should be initiated for collecting the rent, either by debit to the customers' account as per the standing instructions or in cash or by cheque. Rent recovery is automated in CBS. It is the responsibility of the officer in charge of the Safe Deposit Lockers Department to ensure that the rents are collected promptly on the due date and proper follow up action is taken. The officer should periodically verify records relating to collection of rent and ensure that adequate follow-up action is taken for timely recovery of rent. The particulars of the rent due notices sent should be recorded in the Safe Deposit Locker Register for each hirer. The hirers should be intimated about the date of expiry of the lease, the rent payable and the caution deposit to be opened/ renewed with the Bank.

Whenever the locker rents are revised, the difference in rent for the period up to the subsequent *June* shall be collected immediately after issuing a notice to all the locker hirers where the rent has been paid for the current year alone. The difference in rent has to be collected for the subsequent periods, if the locker rent has been paid for more than one year. To keep complete track of the recovery of rent on Locker from time to time as also for prompt follow-up in cases of default, branches should use the Locker Rent Receipt & Follow-up Register.

#### Measures to be taken:

- i. Identify details of Rent arrears from monthly Locker rent arrears report.
- ii. check out all avenues for recovery of rent.
- iii. Send Notices
- iv. Contact through known sources.
- v. Direct visit by Officials

In case of all existing locker hirers, individual notices should be sent as per the format intimating the next due date of payment of rent, amount of rent, placing/renewal of





caution deposit. The due date notices should be sent to all locker holders without any laxity on their part since any delayed payment of rent attracts penalty.

Penalty for non- payment of locker rent on due date shall be realized as under

- **I Quarter 10% of the rent**
- **II Quarter 20% of the rent**
- **III Quarter 25% of the rent**
- **IV Quarter onwards 40% of the rent**
- **More than one year and upto 3 years 50% of overdue rent**

**After three years break open action would be initiated.**

The bank reserves the right of refusing access to the locker in the event of the rent not being paid when due, whether the same is demanded or not. Bank is investing in Locker Units and paying rent for the space to improve business of the Branch. It is needless to say that keeping Lockers vacant is keeping an asset idle and on the other hand bank is incurring expenditure on rent for the space occupied. So Potential customers/HNI customers should be reached out through SMS, e-mail, personal contacts, etc., to allot the empty lockers to improve our non-Interest Income and to get other businesses as well. Bank cannot afford to lose on Non-Interest Income (NII) generation on Locker Units. As rent on lockers is one of the important avenues of Non-Interest Income for the Bank, effort should be taken and bring down the arrears position to barest minimum.

### **14. Break Open of Locker**

Occasions for breaking a locker open may arise in the following circumstances:

- i. Hirer loses the locker key.
- ii. Rent on locker becomes overdue.

The process for breaking open to be initiated, if the locker rent has not been paid by the hirer(s) for three years in a row.

In the event of breaking open a locker due to non-recovery of rent, loss of keys etc., the caution deposit should be pre-closed/closed after giving due notice to the hirer and the proceeds of the deposit should be utilized for meeting such expenses. The balance, if any, shall be paid to the hirer. Without prejudice to any remedy which the Bank may have against the hirer(s), all rights to the use of the locker shall, at the option of the Bank, be forfeited upon non-payment of the rent whether the same shall be demanded





or not, and/or upon breach of any of the conditions hereof by the hirer(s) and the Bank shall be at liberty to break open the locker without being liable for any loss or damage caused to the contents thereby.

If the Branch decides to break open the locker after all the efforts to recover rent has failed, the branch shall seek the permission of the Zonal Manager for breaking open the locker. Such permission should be sought within 5 months from the due date by furnishing the full details of the action taken and the Zonal Manager shall convey his instructions within a week of receipt of the request from the branch.

In case the locker remains inoperable for more than **Seven** years, the branch shall have the right to cancel the allotment of the locker and break open the locker, even if the rent is paid regularly. Branches should also ask the locker hirer to give in writing the reasons why he/she did not operate the locker. 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 may allow the locker hirer to continue with the locker. In case the locker hirer does not respond nor operate the locker, branches should consider break opening the locker, after giving due notice to him/her.

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.

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. In case of electronically operated lockers (including Smart Vaults), the use of 'Vault Administrator' password for opening of locker shall be assigned to a senior official and complete audit trail of access shall be preserved. Further, banks shall also record a video of the break open process, wherever possible 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. 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. 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.



Branches shall ensure that the inventory prepared after breaking open of the locker and during settlement of claims, is in the appropriate forms as provided in circular or as near thereto as circumstances require. Further, branches 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.

The branches shall ensure that 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. In case, the locker is not in operation and the locker is opened by the bank, the 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.

After breaking open of the locker, all the items found should be recorded in inventory with full description. If any sealed packet is found, it should not be opened and should be mentioned in the inventory as 'sealed packet'. Ornaments/ Jewellery, if found in the locker, should be inventoried item-wise with some description/design thereof etc. and signed by the authorized officer(s) and the witnesses. The Bank official is entitled to a copy of the 'Panchanama' and inventory of documents and valuables seized. This should be kept/recorded as a part of the records of the Bank. The inventory of the contents of the locker prepared by the officer of the Bank at the time of breaking open the locker shall be conclusive and binding on the hirer(s). In such cases, the Bank may at its discretion either forward the contents to the hirer to the last address recorded at the Bank, by insured post parcel or by any other means at the risk and responsibility of the hirer(s) or may remove the contents to another safe place as the Bank may think fit or/and the Bank is also at liberty to auction all or any part of the contents and appropriate the proceeds thereof towards the arrears of rent and also the cost of breaking the locker and repairs thereto after obtaining permission from the Zonal office. A registered notice with acknowledgement due shall be sent, it may be stated that certain items were found in the locker (without giving actual details or specific description), amount due to Bank, the proposed auction for recovery of rent, the date, time and place of the proposed auction.

If the locker is found empty it should be so stated in the inventory. In case any objectionable/hazardous materials like arms and ammunition etc., are found while breaking open lockers the same is prohibited under law. The matter should be reported immediately to the nearest Police Station in writing by the branch and a copy of FIR obtained. A list enumerating the type and number of weapon(s) and ammunition or any



other objectionable items should be made in the presence of police authorities and a written acknowledgement should be obtained from them which should form part of the FIR obtained.

### 15. Surrender of Locker

When a locker is surrendered by the hirer, he should sign the daily attendance register and take the access slip as usual. In case of lockers hired in the names of limited companies, societies, etc., the persons authorized by the resolution on record to operate the locker should sign the release portion of the card and proper authority letter to surrender the locker must be obtained from them. Where the hirer is not able to come personally, he can send the key through his representative along with a letter under his signature stating specifically that the locker is entirely empty and he intend to surrender the same. The signature of the hirer on the letter should be verified. The bonafides of the representative must be checked. The locker should be opened in the presence of the representative. The representative should write in the release portion of the specimen signature card that the locker was opened in his presence, and found entirely empty. He should sign it on behalf of the hirer.

The hirer can send a letter by post communicating his intention to surrender the locker. The respective locker key should also be surrendered along with the letter. In such a case, the locker must be opened in the presence of the Branch Manager/Asst. Branch Manager and the Officer-in-charge of the locker section. Since the hirer has not signed the release form in the specimen signature card, he should be advised stating clearly that the Bank has been released from the liability under the lease of the locker by the hirer. If the locker is found empty, a suitable remark of the receipt of the key by post, opening of the locker in the presence of the officers of the Bank and the locker being found empty should be made under the signatures of the Branch Manager and the Officer-in-Charge of the locker section on the specimen signature card.

If some contents are found, an inventory of such contents should be made in the presence of these officers and their signatures obtained on the list and the contents should be placed under their joint custody. Every endeavor should be made to recover overdue rent, if any and the hirer should be advised of the contents, if they are of any value.

Keys of all surrendered lockers must be placed at once in a separate envelope (the key numbers noted on the cover for easy identification) and sealed by the Officer-in-Charge



of the locker section in the presence of the Branch Manager and kept along with other keys in the cupboard inside the strong room.

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.

When a locker is vacated by a party, the branch should get the lock of the locker changed by the manufacturer by interchanging the lock with another vacant locker. The new key number should be noted in the locker key register. The changed keys must be sealed and handed over to the subsequent hirers only in sealed condition. Only after changing the lock of the locker, the locker has to be rented out to another party.

Surprise verification of surrendered / vacant locker and their keys should be carried out by an officer unconnected with the custody. Record of such surprise checks should be recorded and kept in the Key Register.

### 16. Loss of Locker Key

When a hirer reports loss of his locker key, the branch should immediately note the same prominently in the specimen signature card/specimen signature register in bold letters and the daily attendance register. The branch should then make arrangements for breaking open the locker by the manufacturer. Charges for opening, changing the lock and restoring the locker to its original condition shall be payable by the hirer(s). These works will be done to the locker exclusively by the company authorized by the Bank.

The loss of key should then be noted in bold letter in the application form and SDL Register. The loss of key should be reported to Zonal Office. At times, it may so happen that the misplaced key may be found out by a third party and handed over to the Bank. In such cases, if the locker has not already been broken open, the same may be accepted by the Manager of the branch and not the Officer-in-Charge of the lockers, since the latter will be having possession of the master key. An attempt should be made to contact the hirer and call him to the Bank. The Branch Manager accepting the key from the finder should keep it in an envelope and seal it in the presence of the finder. The envelope should be signed by him the Officer-in-Charge of locker section and the finder. The address of the finder should be noted. The sealed envelope should be kept at the branch under the joint custody of the Officer-in-Charge of the locker section and the Branch Manager. The hirer should be informed and whenever he calls on the Bank, the



key should be handed over to him by the Officer-in-Charge of locker section in the Safe Deposit Locker. The following declarations are to be obtained from the hirer (if individual) and from as many renters as are authorized to operate in case of joint hiring.

"I/We had lost my/our key of the Safe Deposit Vault Locker No..... Key No.....and I/We have today received the key in sealed envelope from the Dealing Officer/Officer-in-Charge to whom it was delivered by the finder that the envelope bears the signatures of the Dealing Officer/Officer-in-Charge, the Manager/Officer and the finder. I/We also declare that I/We have opened the locker in the presence of the custodian and the Manager/Officer and that I/We have checked the contents of the locker and found them intact and in order. I/We also indemnify the Bank and its staff for any subsequent damage that may be caused to or claim that may be made upon the Bank with regard to the locker".

### 17. Seizure of Locker

Law enforcement authorities such as Court, Commissioner of Income Tax, etc., has been empowered by law to authorize entry into and search any building or place where he has reason to believe that secret documents, unaccounted cash, jewellery, etc., are kept. Since one of the places where such incriminating items may usually be kept is the safe deposit locker hired from a Bank. Search warrants are often issued by the commissioner in respect of bank lockers and vaults. Branches should strictly follow the instructions received from Law Enforcement Agencies and should not allow the hirer to open the locker immediately after receiving any letter/mail/advices/ communication from authorized Government Authorities/Law Enforcement agencies, Branch should stop locker operations and intimate the agency concerned. The search warrant authorizes one or more officers of the Income Tax section to carry out the search and seize, if considered necessary, books of accounts, cash, etc. discovered as a result of the search. This type of search warrants will be issued under the signature of the commissioner with date and office seal and besides containing other information. It will also include

- The name of the officer(s) authorized to carry out the search.
- The name of the bank hiring out the locker and its address.
- The name and address of the person whose locker is to be searched.

When such a warrant is presented to the Bank official concerned, then he is admonished by law to afford all facilities to the authorized officer(s) for carrying out the search. The



search can be carried out at any time and not necessarily during the hours the Bank is open to the public. However, care must be taken to verify the identity of the officials before permitting them to carry out search and seize operations. The officers of the Income Tax section are provided with identity cards issued by the commissioner and the Bank official can demand production of these cards. No copy of the search warrant will be given to the Bank official, as there is no provision in the rules to do so. The Branch Manager/Officer should however go through the warrant and satisfy himself that it relates to his Bank/branch and it mentions clearly the name(s) of the person(s) whose lockers are to be searched. He may also sign the warrant, in token of having read it, before returning it to the authorized officer. The Bank official has no obligation to contact the hirer and inform him about the search. The officials conducting the search and seizure operation may, at their discretion inform the hirer. The authorized officer(s) and the search party accompanying him/them have instructions to offer himself/themselves for search both before and after the search operation. This is to obviate the possibility of any allegation that evidence was brought in and planted by him/them or that anything valuable was clandestinely taken away. When the key of the locker is readily made available by the hirer to the authorized officer(s), the search will be carried out immediately. If the key is not forthcoming, the authorized officer(s) has/have the power to break open the locker and search it. Nevertheless, he will ordinarily give reasonable opportunity to the hirer to produce the key.

When the authorized officer(s) decides to postpone the opening of the locker, he/they will proceed to seal it and serve a prohibitory order on the Bank official under Sec. 132(3) of the Income Tax Act directing that the locker should not be opened or allowed to be opened without the knowledge and written permission of the authorized officer and on such conditions as he/they may prescribe. This is to enable the Bank official to refuse the hirer access to the locker, if he insists on opening it by exercising his rights under the hire contract subsisting between him and the Bank. Even after giving a reasonable time to the hirer to produce the key, if it is not made available, the authorized officer(s) will proceed to break open the locker. The opening of the locker will be done in the presence of at least two witnesses. The search that will be done after opening will also be witnessed by the same persons. The hirer(s) of the locker will be invited to witness the search but his presence is not essential. It should be noted here that if a person is called upon by authorized officer(s) to witness a search, that person is legally bound to do so. Therefore, if required by the authorized officer(s), the Bank official should unhesitatingly permit his employee as a witness for the search.

After the search, the authorized officer(s) will prepare a 'Panchanama' (a record of the search and seizure operation) setting out briefly all that has been done including where necessary, the circumstances under which it became necessary to break open the locker. This will be duly signed by the authorized officer(s) and the witnesses. If any items are seized, an inventory of such items will also be prepared and signed by the authorized officer(s) and the witnesses. The Bank official is entitled to a copy of the



'Panchanama' and inventory of documents and valuables seized. He would obtain these and hold them as part of the records of the Bank. When a locker is break opened, it may sometimes become necessary for the authorized officer(s) to hire from the Bank another locker to keep the contents in safe custody on behalf of the section. In such an event, the Bank official should provide the authorized officer(s) necessary facilities on priority basis.

### 18. Attestation of inventory form

The inventory form should be attested by two witnesses, one of whom may be a Bank official, Notary Public, Gazetted Officer or a customer of the Bank. In case of illiterate depositors and/or nominees, one of the witnesses should be a Notary Public or a Gazetted Officer or a Magistrate or a M.L.A. or M.P or a customer of the Bank.

### 19. Death of Locker Hirer

If the locker was taken by two persons with instructions that it could be operated by **'either or survivor' or 'anyone or survivor or former or survivor'** among them and if one of the hirers is deceased, the survivor should be asked to produce evidence of death of the other party (death certificate issued by the appropriate authority) so that the survivor may continue to operate the locker. In the event of death of one or more of the joint hirers and the locker was hired jointly with the instructions to operate it under joint signatures and the locker hirer(s) nominates any other individual(s), the branch 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 manner prescribed. If the hirer is a single person and he dies without making nomination, the branch Manager should not allow operations by his heirs, until a proper claim is filed by all the legal heirs/claimants and the claim is recognised by the appropriate authority.

If the orders of the court are received for making an inventory of the contents, the inventory should be made in terms of the court order and in the absence of specific orders in this behalf, the same should be done in the presence of (i) the court's representative, (ii) the claimant and his lawyer, if any, (iii) the valuer and (iv) two officers of the Bank. The inventory should be made in triplicate enumerating the contents of the locker. It should be signed by all the persons in whose presence the locker has been opened. First copy should be submitted to the court, the second to the claimant and the third should be retained as Bank's record. The article(s) in locker can be delivered only on production of a will duly probated or a letter of administration obtained from a competent court. Trustees, Administrators and Executors mentioned in the above documents should alone be allowed to deal with the contents of the lockers.



**Note: It must be clearly understood that a succession certificate should not be insisted upon from the legal heirs for having access to the lockers. The succession certificate is granted only in respect of debts, shares and securities. The relationship between the Bank and the hirer of locker is that of the Lessor and Lessee (and not a debtor and creditor). The branches must, therefore, insist upon either a will duly probated or a letter of administration in favour of the person claiming access to the locker.**

## **20. Identity of the nominee**

In order to ensure that the articles left in safe custody and contents of lockers are returned to the genuine nominee, as also to verify the proof of death along with claim formats in terms of applicable laws and regulatory guidelines Banks 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.

## **21. Settlement of Claim**

Banks 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. Reports may be submitted to the Customer Service Committee of the Board, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased locker-hirers / depositors of safe custody article accounts and those pending beyond the stipulated period, with reasons there for. Customer Service Committee of the Board of the banks 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 claimant with reference to nomination.

All forms and registers relating to nomination and claims thereon should be kept in safe custody and it will be the responsibility of the Branch Manager/Officer-in-Charge of locker operations.

## **22. Liability of the Bank**

***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. However, the Branch shall 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.***

The Branch will take all normal precaution for the safety and security of the premises in which the safe deposit vaults are housed. The branch will 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. The Bank's 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.

### 23. Insurance

Any loss due to incidents like robbery, fire, natural calamities, loss during shifting/merger of branch, etc., affecting contents of lockers, the claim will be settled as per the branch insurance policy. As branches do not keep or maintain 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. Banks shall under no circumstances offer, directly or indirectly, any insurance product to its locker hirers for insurance of locker contents.

### 24. Shifting of Locker Unit from one premises to another

At the time of shifting of the locker unit from one premises to another, one month's notice should be sent to all the locker hirers to vacate the lockers temporarily under '**Registered Post Ack. Due**'. If the hirers fail to turn up within the prescribed time the locker units will be shifted with its contents at the sole risk and responsibility of the hirers. At the time of shifting, there should be sufficient evidence to show the locker hirers that they have failed to turn up in spite of the registered notice sent and the acknowledgement of their having received the notice or envelopes returned by the post office with remark 'Not known', 'Not found', etc., should be preserved, the latter being kept unopened. In the case of joint hirers, notice should be sent to all of them individually under '**Registered Post Ack. Due**'.



### 25. Customer guidance and publicity

The model locker agreement with all the Terms & Conditions and the Standard Operating Procedures (SOPs) on locker facility is provided in the website for public viewing in order to avail those facilities. The service charges for safe deposit lockers and safe custody articles are displayed in the website. The instructions together with the policies / procedures for access of the locker/safe custody article to the nominee(s) / survivor(s) / legal heir(s) of the deceased locker hirer/safe custody article is available in our Bank's website.