

Planning Department – Locker Manual cum Policy

Introduction:

In today's times, the protection and safekeeping of valuable items have become extremely important and risky tasks. Taking necessary care and precautions for this purpose has become a necessity of the times. Therefore, along with the growing banking services provided by the bank, an additional service called "Safe Deposit Locker" has been introduced for customers. The bank has received an excellent response from customers for this service.

The rent received from lockers has become a good source of income for the bank. Consequently, this income has now crossed crores, giving this service even greater importance. Henceforth, it is necessary that branch managers ensure that lockers remain as minimally vacant as possible and that locker rent is collected regularly without arrears.

To ensure that staff members do not face any difficulty while handling locker-related operations, detailed instructions are mentioned below.

This locker policy incorporates earlier bank locker operation guidelines as well as the updated instructions mentioned in RBI Circular No. RBI/2021-2022/86/DOR.LEG.REC/40/09.07.005/2021-22 dated 18/08/2021.

All locker operations are expected to be conducted in accordance with this circular.

Important circulars issued by various departments at Head Office and RBI circulars necessary for locker operations are attached for reference. They should be used for detailed information and reference as required. However, no operation should be carried out beyond the provisions of this locker policy or RBI guidelines.

Locker operations mainly function under the approval of the following Head Office departments:

1. Legal Department
2. Administration Department
3. Planning Department
4. IT Department

Therefore, if any branch has any doubts, they must clarify them through discussion with the respective department officers.

Legal Relationship Between Locker Holder and Bank:

The legal relationship between the locker holder and the bank is that of Customer (Tenant) – Bank (Owner).

Lessor and Lessee / Licensor – Licensee –

Section 105 of the Transfer of Property Act, 1882 defines Lease, Lessor, Lessee, Premium, and Rent as follows:

Lease :A lease of immovable property is a transfer of a right to enjoy such property for a certain time, express or implied, or in perpetuity, in consideration of a price paid or promised, or of money, a share of crops, service, or any other thing of value, to be rendered periodically or on specified occasions to the transferor by the transferee, who accepts the transfer on such terms.

Lessor: The transferor is called the Lessor.

Lessee: The transferee is called the Lessee.

Premium: The price is called the Premium.

Rent: The money, share, service, or other thing to be rendered is called the rent.

Providing safe deposit lockers is an ancillary service provided by banks to customers. While providing the Safe Deposit Vault / Locker facility, the bank enters into an agreement with the customer known as a “Memorandum of Letting”, which attracts stamp duty. The relationship between the bank and the customer is that of Lessor and Lessee.

Banks lease their immovable property (lockers) to customers and grant them the right to use such property during specified hours, i.e., banking hours, for which rent is charged. The bank has the right to break open the locker in case of default in rent payment.

Banks do not assume any liability or responsibility for any damage to the contents kept inside the locker. Banks also do not insure the contents kept in lockers by customers.

Locker Structure:

2.1) Locker Premises:

Locker premises must be built as per the guidelines issued by the Reserve Bank of India. The walls should be of RCC structure and not just brickwork. The locker room must be constructed to prevent entry of water during monsoons and avoid suffocation.

There should be only one fixed entry and exit point to the locker room/vault.

The area where lockers are placed must be adequately secured to prevent any damage due to rain or floodwater. Adequate fire safety measures must be implemented considering potential fire hazards.

According to bank policy, periodic engineering/safety audits must be carried out through the concerned Head Office department to identify risks and implement necessary improvements.

2.2) Locker Security:

A CCTV camera must be installed at the entrance of the locker room so that everyone entering and exiting is clearly recorded. A siren system should also be installed for night security.

Locker areas must be well protected. If required, Access Control Systems should be installed after proposal to the Head Office Estate Department, to restrict unauthorized entry and digitally record all access times.

Ensure that all entry, exit, and operational areas of the strong room are covered by CCTV. Branches must retain recordings for at least 180 days.

In case of any complaint by a customer regarding unauthorized access or security breach, the relevant CCTV footage must be preserved until police investigation and dispute resolution are complete.

All security procedure documents must be properly maintained at the branch level. Necessary training will be arranged by Head Office for all staff members involved in locker operations.

Internal auditors will verify strict compliance with these procedures and submit reports for Head Office monitoring.

All newly installed mechanical or electronic lockers must comply with BIS (Bureau of Indian Standards) or equivalent standards of security and safety.

If electronic (mechanical) lockers are installed in the future, bank staff must be familiar with their security features. Necessary measures must be taken to protect such systems from hacking or security breaches.

Customers' personal data, including biometric information, must not be shared with any third party without consent.

In case a customer forgets their password, a new password should be issued following standard procedures instead of retrieving the old one.

2.3) Facilities Inside the Locker Room:

The locker room must have adequate lighting and ventilation. Emergency facilities such as a siren, telephone connectivity, and torch should be available.

A trolley with shelves for keeping jewellery, a ladder, a large mirror for trials, and privacy curtains must be provided for customers.

2.4) Locker Cabinet Purchase:

Locker cabinets are purchased centrally by Head Office. Each year, at the beginning of the financial year, the Estate Department collects capital budget requirements from branches. Branches should submit locker cabinet requirements accordingly.

Before purchasing, branches must check the availability and demand for lockers in nearby banks. The decision must consider branch requirements, available space, and locker size demand.

2.5) Locker Arrangement and Design:

While arranging lockers, a 1-foot-high cement platform should be built above the floor to prevent water from entering lockers.

If space allows, C-shaped arrangement can be used to allow multiple customers to access lockers simultaneously.

Lockers must be levelled properly using a spirit level to avoid operational issues later.

If two customers operate lockers at the same time, curtains should be installed for privacy and better aesthetics.

2.6) Vacant Locker Keys and Master Keys:

Extra master keys and keys of vacant lockers must always be kept under joint custody. Vacant locker keys must be properly tagged, recorded in a detailed register, and kept safely. A record showing locker number and key number should be maintained securely.

A monthly surprise check should be conducted to match the number of vacant lockers and keys with computer records.

Vacant locker keys must have the bank's name embossed on them.

Locker holders are allowed to operate lockers only with the bank-issued keys. If the locker allows the use of an additional lock, customers may install their own lock without restriction.

3) Types of Locker Customers:

- A) Individual and Joint
- B) HUF (Hindu Undivided Family)
- C) Minor (not allowed)
- D) Partnership Firm
- E) Company
- F) Trust, Society, Association, Club, Mandal

All joint locker holders must preferably be made members. KYC compliance for all holders is mandatory.

A) Individual / Joint Account:

When a request for a locker is received in the prescribed form, it should be scrutinized. Standing instructions for rent recovery must be obtained and entered into the system. Account operations, deposits, loans, and references must be reviewed.

KYC documents, address proof, ID proof, and other processes as per bank's KYC policy and PMLA norms must be completed.

All individual and joint holders should be made nominal or permanent members.

A1) Minor's Locker:

As per bank and RBI guidelines, lockers shall not be allotted solely in the name of minors. If a locker holder dies and nomination is in a minor's name, the locker may be operated by the guardian or court-appointed representative.

B) HUF (Hindu Undivided Family):

While opening a locker for an HUF, KYC for all adult members must be completed. The Karta (head male/Female member) acts on behalf of the family.

The HUF declaration form must be obtained with signatures of all adult members.

If the senior-most male is deceased or incapacitated, another male member may act as Karta. A woman can also be the Karta, as per High Court judgment.

C) Partnership Firm:

Lockers may be rented in the firm's name. Obtain documents as per KYC policy — Registration Certificate, Partnership Deed, PAN Card, and locker operation instructions.

D) Private / Limited Company / LLP:

Lockers may be allotted to companies. Obtain Incorporation Certificate, Commencement Certificate, Resolution, Articles, PAN, and KYC documents of all directors.

E) Society / Trust / Club / Mandal:

KYC compliance is mandatory.

Obtain documents as per applicable laws — Trust Act, Cooperative Societies Act, etc.

Before allotment, obtain the trust resolution signed by all trustees. Verify that the Trust Deed permits locker operations and identifies authorized users.

Locker operation should preferably require joint signatures of two or more trustees. Affix trust seal on all forms, and obtain photo and KYC of all trustees.

4) RBI Guidelines Regarding Lockers:

RBI has classified locker facilities as ancillary banking services and provided legal protection and guidelines (Ref: Master Circular on Customer Service, July 1, 2015).

4.1) Locker Issuance – Wait List:

A waiting list must be maintained as per locker type and date of application. Lockers must be allotted strictly in this order.

4.2) Linking Locker Account with Deposit Receipt:

At the time of locker allotment, the bank may link a deposit receipt to the locker account. The deposit amount should cover three years' rent and average break-open charges.

4.3) Providing Copy of Locker Agreement:

After the locker agreement is executed on franked/stamped paper, a copy of the "Agreement of Lease" signed by both parties must be provided to the locker holder for their rights and responsibilities.

The original agreement must be retained at the branch where the locker is located.

4.4) Taking Possession of Locker:

The bank has the right to take possession of a locker if:

1. Locker rent remains unpaid for three consecutive years, or
2. Locker remains inoperative for seven years despite regular rent payments and no response to repeated contact attempts.

4.5) Embossing Bank Name on Locker Keys:

For security reasons, the bank's name and logo must be embossed on all locker keys. A time-bound program must be implemented for embossing.

4.6) Nomination:

Locker holders may nominate a person to whom the contents will be released upon their death, as per Banking Regulation Act, 1949 (Section 56, Rule 45ZE of 1985) using Form SL-1 / SL-1A. Joint locker holders may make separate nominations.

5. Locker Procedure of Our Bank:-

5.1) Request Application and Scrutiny:

The locker request application from the customer should be completely filled in the prescribed form along with a photograph. The concerned staff should enter the said application in the waiting list and scrutinize it according to the serial number. Thereafter, the said application should be placed before the Branch Manager for approval with the recommendation of the Assistant Branch Manager. The application should clearly mention the share amount, deposit amount, and other conditions. In the reference section of the application, the name and phone number of the person through whom

the customer has approached should be mentioned. Locker facility / Safe Custody facility can be provided only to existing customers of the bank who have applied for the locker facility and who are fully compliant with the Customer Due Diligence (CDD) criteria under KYC Directions, 2016.

5.2) Waiting List:

A waiting list of customers requesting lockers should be prepared according to the date and type of locker, and lockers should be allotted to customers as per the order of availability. To ensure transparency in locker allotment, a branch-wise list of vacant lockers as well as a waiting list should be maintained in the Core Banking System (CBS) or in any other computerized system compatible with the Cyber Security Framework issued by the RBI, and locker allotment should be made accordingly. Acknowledgement receipts of all applications received for locker allotment should be given to the respective customers. If lockers are not available for allotment, the customers should be given a waiting list number, and lockers should be allotted accordingly.

5.3) Locker Issue:

After approval of the request application, the customer should be immediately contacted over the phone and informed that the locker requested by them is available.

The locker form fee should be collected from the customer at the prevailing rate. (Currently ₹250 + GST). All terms mentioned in the request application must be fulfilled, and the required documents should be obtained. For the printed application of the bank on ledger paper (Form No. 401) and for the agreement, currently a ₹500 Franking/Stamp paper is required. All the holders' signatures on the locker form must be made in the presence of the concerned staff member. All locker holders should be made members of the bank. After completing all the required documentation, all entries should be made in the computer and ledger, then hand over the locker key to the locker holder, give initial training on how to operate the locker, and take the locker holder's signature as proof of receiving the key

5.4 Nomination

To bring uniformity in the provisions regarding nomination under various banking laws, amendments were made to Section 56 and Section 45ZE of the Banking Regulation Act and Rule 2(1) of the Co-operative Banks (Nomination) Rules, 1985, which came into effect from 29/03/1985. The main purpose of nomination is to authorize another person to have rights over the locker after the death of the locker holder. Through nomination, the rights to retrieve articles and valuables kept in the locker are granted to one person designated by the locker holder. These rights remain valid until any changes are made or the nomination is completely canceled.

Joint locker holders can make nomination independently. The nomination can be in favor of a minor, and for the period during which the nominee is a minor, the locker holder may appoint any competent person to receive the contents of the locker on behalf of the nominee.

A nomination once made can be canceled and a new nomination can be made or altered any number of times. After the contents of the locker are handed over to the nominee, the bank is discharged from all responsibilities.

Therefore, staff handling locker accounts must insist that locker holders fill the nomination form and complete the nomination process.

The nomination forms and their numbers are as follows:

1. Locker in the name of a single person – Form SL-1
2. Locker in joint names – Form SL-1A
3. For cancellation of nomination – Form SL-2

4. For changing nomination in a single name – Form SL-3

5. For changing nomination in joint names – Form SL-3A

A notice board in the branch locker department should display the following message:
“Have you made a nomination for your locker? If not, please do it immediately.”

The Branch Manager and the concerned officer must take efforts to ensure that the maximum number of locker holders complete their nomination process. This will help avoid difficulties after the death of a locker holder.

(Circular No. 54/779 dated 07/12/2011)

5.5 Locker Form and Document Filing

After the locker is sanctioned as per the locker request application and the locker number to be allotted to the customer is decided, the locker form must be completely filled and signed. On the top right corner of the form, details such as locker company, locker type, locker number, key number, customer number, account number, etc., must be written. On the top left corner, a round seal should be affixed, and it must be recorded that form fee of ₹250 + GST ₹45, totaling ₹295, has been collected.

All KYC and other required documents must be attached with the form.

Each locker form should be kept in a separate plastic folder along with KYC and other documents, as per locker number. One box file should contain approximately 50 forms.

As many lockers as there are, there should be the same number of plastic folders filed in box files.

For vacant lockers, a paper mentioning the locker number with the word VACANT written in bold letters should be kept in that folder.

5.6 Locker Rent Collection – Standing Instruction Procedure

Locker rent is collected as per standing instruction. To ensure regular rent collection, efforts must be made so that rent for all lockers is received as per standing instructions.

If rent is collected in cash or by transfer, the amount should be entered as per the following menu:

VOUCHER ENTRY >> TRANSFER OR CASH >> ACCT ID: LOCK >> ACTIVITY:

LOCKRENT >> ENTER >> LOCKER MAKE >> TYPE >> LOCK NO >> ENTER.

After this, confirm the locker rent amount and press OK.

After posting, ensure that the locker rent due date is 1st April.

If the rent due date is different, it must be changed to 1st April through the Data Center. Once the rent due date is set to 1st April, it should not be changed repeatedly.

This ensures that the due date remains fixed on 1st April, and in case of delayed rent payment, penalty can be applied conveniently as per rules.

Hence, it is essential to ensure that maximum rent for all lockers is collected through standing instructions between 1st to 10th April.

Since delay in locker rent directly affects the bank's income, the concerned staff must ensure 100% rent collection through standing instructions seriously.

If the locker is allotted in the middle of the year, rent should be charged proportionately from the date of allotment till 31st March.

If any locker holder wishes to pay rent in advance for 2–3 years, rent should always be accepted only up to 31st March.

5.7 Locker Operations

After handing over the locker key to the locker holder, permission to operate the locker should be

granted.

First, record the date, locker number, and time in the locker register and take the signature of the locker holder. The said signature must match the scanned record in the computer.

Record the In-Out entry in the system.

(As per Circular No. 347 dated 30/09/2015)

From 01-04-2016, locker holders are allowed ten free operations within three months. For every additional operation, a fee of ₹50 must be charged.

This report appears locker-wise in the system and shows sequential operations during three months.

If the locker is in joint names and one of the holders submits a written objection for operation, no locker holder should be allowed to operate the locker individually.

In such cases, all locker holders must come in person to the bank and jointly submit a written request for operating the locker.

5.8 Adding or Deleting Names in Locker Account

Names can be added in the locker account with the consent of existing locker holders. For that, the locker holder(s) must submit a written request application.

A savings account must be opened in the name of the person whose name is to be added.

They must be admitted as members, KYC compliance should be completed, and a new locker form must be executed on ₹500 stamp paper with signatures of all holders in proper order.

The old form should be kept in the record as it is.

An office note should be prepared for the case and submitted for Branch Manager's approval.

After approval, the name should be added to the account.

(Note: There is no need to close or reopen the locker account on the computer or ledger for this change.)

Names can be deleted from the locker account with the consent of locker holders.

For that, a written request application must be submitted.

An office note must be prepared and submitted to the Branch Manager for approval.

After approval, the name should be deleted from the account.

This change must be immediately recorded in the Locker General Index, and new specimen signatures should be obtained and scanned immediately.

5.9 Break Open of Locker (Other than for Recovery Arrears)

A separate procedure is specified for break open of locker for recovery of arrears.

If the locker key is lost by the locker holder — since a duplicate key is not available, the locker must be broken open.

5.9.1) In case of loss of key, locker holders must immediately inform the bank in writing. The said request application must bear the signatures of all holders. It should clearly mention that the key has been lost and a new key is required after breaking open the locker. It should also mention the date when the locker was last operated. Verification regarding locker operation should also be done as per the register and in-out record maintained by the bank.

If the key of the locker supplied by the bank is lost by the locker holder, the said customer should immediately inform the bank in writing and submit an undertaking stating that if the lost key is found in the future, it will be handed over to the bank. At this time, the customer should be clearly informed that all expenses incurred for breaking open the locker, changing the lock, and replacing the lost key will be recovered from them.

5.9.2) Immediately thereafter, an entry should be made in SPL INST with the date of loss of the key

since this record appears at the time of locker operation. A note should also be made on the concerned locker.

5.9.3) The estimated cost for breaking open the locker should be deposited in the security deposit account by the locker holder.

5.9.4) The said application and the scrutiny of the break-open process should be completed with recommendations and sent to the Administration Department for approval.

5.9.5) After receiving the said approval, both the locker holder and the locker company should be contacted and a mutually convenient date should be fixed for breaking open the locker.

5.9.6) As far as possible, this process should be carried out in the presence of all locker holders. If any one of the locker holders is unable to come to the bank on that day, an application to that effect should be obtained. The application must clearly state, "I have no objection to breaking open the locker in my absence, and I give my full consent for the same."

The locker break-open procedure should be carried out only by the bank or by technicians authorized by it. However, before doing so, proper identification of the locker holder and the locker to be broken open must be verified. The locker holder's written request to proceed with the break-open process must be kept on record, and the bank should verify all details accordingly.

The locker break-open process should be carried out in the presence of the concerned locker holder and an authorized officer of the bank. The bank officer must ensure that the operation does not affect adjacent lockers in any way and that the contents of the locker do not come into contact with any person other than the locker holder during the process.

5.9.7) The locker holder's signature should be obtained on the approval document stating that all items in the locker have been received and that there is no complaint regarding the locker break-open process.

5.9.8) After the lock and key have been replaced by the locker company, the account holder should be informed, and necessary entries should be made in all relevant places and in the computer system. An acknowledgment signature with date should be obtained confirming receipt of the new key and completion of the break-open process.

5.10) Locker Surrender:

On the locker holder's request, the locker account can be closed. For this purpose, the form on the back side of the locker form should be completely filled. At the time of closing the account, signatures of all locker holders should be obtained on the form.

If any locker holder is absent, an application must be taken from them stating, "I give my full consent to close the locker in my absence, and I have no objection if the locker is operated and closed by the locker holder present in the bank."

Ensure that all holders' signatures are correct and then ask the locker holder to operate the locker.

After that, the concerned staff should confirm that the locker is completely emptied and take possession of the key. The form should be stamped 'ACCOUNT CLOSED' and signed by the concerned officer. In the General Index, write 'VACANT' in front of the said number and delete all details of the previous locker holder, including joint holders.

In the computer system, under the officer's login, the locker account should be closed (Surrendered) as follows:

MENU >> SAFE DEPOSIT LOCKER MODULE >> LOCKER SURRENDER >> ENTER

It is advisable from the bank's point of view to change the lock and prepare a new key for such surrendered lockers.

If locker rent has been collected in advance, and the customer surrenders the locker, the

proportionate rent amount for the remaining period should be refunded to the customer.

5.11) Locker Rent Arrears and Recovery:

As per the rules, locker rent should be collected annually in advance according to the financial year, i.e., in the month of April, rent for the next 12 months must be collected. If there is a delay in payment of rent, a penalty of ₹200 per year, as per the prevailing rate, should be charged. If rent is not received in advance, the first simple notice should be sent immediately. If rent is still not received, a reminder should be sent again and continuous follow-up for recovery should be done.

5.12) Locker Break Open Procedure for Recovery of Arrears:

(1) Locker rent should be paid regularly every year in advance. If the customer has not paid the locker rent for three consecutive years, the bank has the right to break open the locker following due process. However, before doing so, the bank must inform the defaulting locker holder and provide reasonable opportunity to remove the contents from the locker. If no positive response is received to the reminder mentioned in section (5.11), a notice for rent recovery along with the date of break open should be sent by Registered A.D. Post.

If there is still no response, a final notice before breaking open should be issued. If there is no response even after that, the entire case should be scrutinized and forwarded to the Administrative Department. With its approval, a public notice should be published in a local newspaper. If there is no response within the notice period, possession of the locker should be taken and the locker should be broken open.

While breaking open the locker, a Panchnama (official record) should be prepared as per the format provided by the Administrative Department. The break open should be done in the presence of two bank officers and two external witnesses (panchas). A list of all items and documents found in the locker should be prepared, mentioning date and time, and signed by all witnesses and bank officers. The process of breaking open should be video-recorded, and the items found should be sealed and kept in another safe in the branch under the signatures of two officers.

(2) Before breaking open the locker, due notice should be sent to the locker holder by letter, to the registered email ID, and via SMS alert on the registered mobile number.

If the letter is returned undelivered or the locker holder cannot be traced, a public notice should be published in two newspapers (one in English and the other in the local language). Reasonable time should be given to the locker holder or any person/heir claiming a legal right over the locker contents to respond. Thereafter, the locker should be broken open in the presence of a bank officer and two independent witnesses.

To serve as evidence in case of any dispute or legal proceedings in the future, a video of the break-open process, inventory preparation, valuation, and safe keeping should be recorded and preserved. Details of the break open should also be entered in the locker register and in the Core Banking System (CBS) or any other computerized system compatible with the RBI's Cyber Security Framework.

After breaking open the locker, until the customer claims it, the contents/items should be kept in a sealed envelope with a detailed list in the vault. A record of access to the vault should always be maintained. When returning the locker contents to the customer, the bank should obtain acknowledgment on the inventory list to avoid any future disputes.

(3) As per Reserve Bank of India guidelines, the inventory list should be prepared in the prescribed format. A video of the break-open process and inventory valuation should be recorded and preserved at the branch level. The said video should be retained as evidence for any future disputes, court cases, or fraud-related matters.

5.12.1) Locker Break Open Procedure in Case of Long-Term Inoperative Locker:

(1) If a locker remains inoperative for a period of seven years and the concerned locker holder cannot be located by the bank, then even if the locker rent is being paid regularly by the locker holder, the bank shall have the right to either transfer the contents/items of the locker to the nominee(s)/legal heirs of the concerned locker holder or, if no nomination has been made, to dispose of the contents/items of the locker in a transparent manner. However, the bank must follow the procedure prescribed for this purpose.

(2) In the case of a locker remaining inoperative for a long period, this situation should be specified and a corresponding clause/condition should be included in the locker agreement executed with the customer. It is necessary to include this clause in the locker agreement to absolve the bank from liability.

5.13) Sealing of Locker: From the bank / Income Tax Department. Sometimes, prohibitory orders are issued on locker transactions by the Court or Income Tax Officer. Such orders should be verified as under:

5.13.1) Ensure that the notice / demand letter / inquiry letter received by the bank is duly signed by an authorized and competent officer in writing.

5.13.2) The letter should mention under which section of which law the information of the locker holder is being sought. If such mention is not made, the bank officer should obtain these details from the concerned office.

5.13.3) When the concerned government officer appears at the bank for physical inspection, the letter relating to the proceedings should be obtained from that officer and his/her identity card should be verified. Only after verifying all these aspects should the bank officer provide the details regarding the locker as stated in the letter.

5.13.4) The details of the discussion held with the concerned government officer should be recorded in writing. All documents should be attached to the locker form and kept in the folder.

(1) As per the court's order or order issued by any other competent authority having power to pass such orders, the bank shall cooperate in implementing such orders regarding the seizure or attachment of contents of the customer's locker or items kept in the custody of the bank for safekeeping by the customer.

(2) The bank must verify the orders and related documents received by it. If the branch has any doubt in this regard, the branch should contact the Legal Department at Head Office and confirm / obtain the department's opinion regarding the documents. Only after the bank is satisfied with the authenticity of the submitted documents should further action be taken accordingly. The concerned locker holder should be informed by letter as well as through email/SMS on the registered email ID / mobile phone number. The list of contents of the locker seized by the government officer/authority should be prepared in the presence of such government officer, two independent witnesses, and the bank officer. The said list should bear the signatures of all of them. A copy of this list should be sent to the customer at the address available in the bank's records or, if the locker holder is personally present at that time, the list should be handed over to them and acknowledgment obtained.

(3) The video of the break-open process and inventory valuation should be recorded and preserved at the branch level. The said video should be preserved to be presented as evidence in case of any future dispute, court case, or fraud incident.

5.14) Precautions to be Taken Regarding Vacant Lockers:

A register should be maintained for vacant lockers. It should contain the locker number, key number, and locker type. This record should be safely kept in one safe under the signatures of two officers. It should be inspected quarterly, and the inspection report should be recorded in the register.

5.15) Precautions Regarding Handling of Locker Keys:

After the bank considers the customer's locker request application and decides to lease the locker, the concerned two officers should take out the key of the locker number to be allotted from among the total keys kept in the double lock safe, make an entry in the register accordingly, and deduct one key from the remaining record and sign. The acknowledgment of receipt of the locker key by the holder is already available in the locker form; hence, there is no need for a separate signature. In the bank, operating the locker requires a double locking system. The first key used is the master key held by the bank, and the second key used thereafter is the one held by the customer. Both keys should be turned simultaneously without pulling open the locker door, and the customer's key should be turned in the opposite direction to remove it. After completing the work, the locker holder should close the locker door and turn the key in the opposite direction to remove it. The responsibility of fully closing the locker lies entirely with the locker holder. The locker holder should be informed of this responsibility at the beginning itself.

At the end of the branch's working day, before closing the locker room (strong room), the concerned officer/employee should ensure that all the lockers opened during the day are properly closed, and such confirmation should be recorded in the locker register. If by mistake any locker remains open, the matter should be brought to the notice of the Branch Manager, and contact should be made with the concerned locker holder, calling them to the branch to verify all articles in the locker and properly close the locker thereafter, making an entry in the locker register accordingly.

Both the Locker Register and Locker Key Register must be maintained by the bank in the Core Banking System (CBS) or any other computerized system consistent with the Cyber Security Framework of the Reserve Bank. A mechanism must exist to ensure that the locker register is updated with a complete audit trail whenever any change occurs in locker allocation.

5.16) Procedure in Case of Deceased Locker Holder:

For this, refer to the Legal Department Circular No. Mu.K./Legal Recovery/Branch Circular No.27/382/2022 dated 09/12/2022. A copy of this circular is enclosed herewith for reference.

Action should be taken as per the Board-approved policy for settlement of claims. This policy should align with the regulatory guidelines and Model Operational Procedure (MOP) prepared by IBA for settlement of deceased constituent claims and MOP prepared by NABARD for State and Central Cooperative Banks.

To ensure that the articles kept in safe custody and locker contents are returned to the appropriate nominee and to verify proof of death, the bank may frame its own claim procedures and act in accordance with applicable laws and regulatory guidelines.

Time Limit for Settlement of Claims:

Within 15 days from the date of receipt of the claim, after obtaining proof of death of the depositor and establishing the identity of the claimant with reference to nomination, the claim should be decided.

The Customer Service Committee of the Board must periodically submit a report to the Board

regarding the number of claims received relating to deposits, deceased locker lessees/safe custody account holders, and the number of such claims pending beyond the prescribed period, along with reasons. The Committee shall review the settlement of claims and, if there is no case pending before any court or no difficulty in identifying the rightful nominee, shall direct that claims be settled at the earliest possible.

5.16.1) If Nomination Exists:

In cases where nomination has been made, obtain the claim form and death certificate from the nominee and hand over the locker contents to the nominee in the presence of two witnesses, prepare a list of items, and obtain the signatures of the nominee and witnesses on it. Deliver all property to the nominee and close the locker account.

As per Sections 45-ZC to 45-ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985 / Cooperative Banks (Nomination) Rules, 1985, the nomination facility is available for safe deposit locker services. If the nominee is a minor, the procedure prescribed for bank accounts should be followed for lockers as well. The nominee's updated passport-size photograph should be obtained and preserved in the records.

For various prescribed forms under banking (Forms SC1, SC2, and SC3 for safe custody articles, and Forms SL1, SL1A, SL2, SL3, and SL3A for safe deposit lockers) under the Companies (Nomination) Rules, 1985 / Cooperative Bank (Nomination) Rules, 1985, in cases where locker holders have affixed thumb impressions instead of signatures, such thumb impressions must be attested by two witnesses. For account holders who have signed the forms, attestation by witnesses is not required.

Forms required for cancellation and/or change of nomination are available and should be duly filled by the concerned account holder, signed where required, and properly recorded in the computer system. An acknowledgment of receipt of such an application should be given to the customer upon submission. Care should be taken to ensure that acknowledgment is provided to all customers irrespective of whether they have requested it.

Upon the death of a locker holder, while giving possession of locker/safe custody articles to the nominee, the bank must make it clear that access to the articles in the locker/safe custody is being given only as a trustee of the legal heirs of the deceased locker lessee. That is, such access does not affect or prejudice any person's rights or claims, and the responsibility for resolving such claims shall lie solely with the nominee.

5.16.2) If No Nomination Exists:

In the absence of nomination, obtain the Deceased Male/Female Form, death certificate, and AFFIDAVIT CUM INDEMNITY BOND (on stamp paper each , as per stamp duty required from time to time) notarized from all legal heirs of the deceased, and forward the case to the Legal Recovery Department at Head Office for approval. The heirs should be clearly informed that, in the absence of nomination, a Succession Certificate from a competent court may be required. Further action should be taken as per the approval, and when transferring the property from such locker, if there is more than one nominee, all nominees should be given joint possession of the contents of the locker.

5.17) Branch/Locker Relocation:

At the time of branch/locker relocation, all locker holders should be informed about the relocation in the prescribed format. Since there is a possibility of damage to the locker contents during relocation, locker holders should be requested to vacate their lockers. A copy of the letter informing the locker holder should be retained at the branch office. If the mobile number is registered, the

relocation matter should also be informed via SMS. The work of moving lockers should be entrusted to specific companies engaged in locker shifting.

6. LOCKER ONLINE – COMPUTERIZATION

6.A) LOCKER CREATION IN MODULE:

From the Data Center, records of all old lockers as per their company and type have been made available in the computer system and matched with the actual locker company and locker type. Thereafter, if any branch requires new lockers, the following procedure should be carried out at the branch level:

The company manufacturing the lockers sends, along with the cabinet, the details of each locker number and locker type. Accordingly, the locker company code and the total number of locker types in that cabinet should be created.

This work is carried out through the Data Center. The menu is as follows:

MASTER >> SAFE DEPOSIT / LOCKER MODULE >> LOCKER TYPE MASTER >> CREATE >> ENTER

Then, on the next screen, the following information should be filled in:

- **LOCKER MAKE:** Enter the company code of the locker from the system.
- **LOCKER TYPE:** Enter the locker type.
- **LOCKER DATE:** Enter the date when, the locker was received at the branch.
- **NO OF LOCKERS:** Enter the total number of lockers of the above type.
- **LOCKER SIZE:** Enter the size displayed against the locker type in the same way and click OK.

6.B) LOCKER KEY CREATION:

After creating the locker type as mentioned above, the locker numbers and key numbers of those lockers should be created.

For this, use the menu:

MASTER >> SAFE DEPOSIT / LOCKER MODULE >> LOCKER KEY REGISTER >> CREATE >> ENTER

This work should be created by one officer of the branch and authorized by another officer.

6.C) LOCKER RENT CREATION AT DATA CENTER:

The Planning Department periodically revises the locker rent.

The rent revision effective from 01/10/2025 has been updated in the system by the Data Center.

If further rent increases are to be made based on branch location and demand, prior approval must be obtained from the Planning Department, and then such increase must be updated in the system through the Data Center.

6.D) LOCKER ACCOUNT OPENING:

While opening a locker account in the system, use the following menu:

MENU >> MASTER >> SAFE DEPOSIT / LOCKER MODULE >> LOCKER ISSUE MASTER >> CREATE >> ENTER

- Then enter the following details:

LOCKER MAKE: Enter the locker company code.

LOCKER TYPE: Enter the type of locker being issued.

LOCKER NO: Enter the locker number.

- If the locker is being reissued, a message will appear:
> “Msg Re-issuing-key No is same as previous”

- If the number is correct, click OK. Then, SR. NO. and KEY NO. will automatically appear. Next, the date will appear.

In REF A/C ID, enter the branch code + SB/CA/CC code and account number.

Then, ACCT TYPE CUSTOMER NO will appear.

Do not enter anything in DEPOSIT A/C ID.

- Next, in S.I. (Y/N):

enter Y for Standing Instruction — so that every year rent will be automatically recovered as per S.I. (no separate S.I. needs to be filled).

- In MODE OF OPERATION, press F2 and select the option.

- In JOINT NAMES, re-type the name of the first holder that appears above, then type the names of the remaining holders in order.

- In Spl. Instr: enter the part amount, security deposit amount, and all holders’ mobile numbers.

- In Code Word: if the locker holder has given any symbolic code, enter it; otherwise, put a dot.

- In Operated By: enter any special instruction only if applicable; otherwise, leave it blank.

- In Nominee, press enter and fill in the nominee’s name and relationship, then click OK. Nomination should be insisted upon, to avoid future complications and reduce the bank’s responsibility.

On the next screen, enter the CUSTOMER NO. and the address will appear automatically. Scroll down using the arrow key and click OK.

Important:

Locker rent from the month of allotment up to March should be calculated on a monthly basis and collected through the LOCK module itself.

Immediately, the Data Center should update the RENT DUE DATE to 1st April, ensuring rent is due every April.

All should take care to verify that the Rent Due Date is set as 1st April.

6.E) LOCKER HOLDER SIGNATURE SCANNING:

- After opening the locker account as above, scan the signatures of the locker holders as per the scanning form.

Menu for the same:

MASTER >> SIGNATURE MASTER >> SIGNATURE SCAN LOCKER >> ENTER

6.F) INCOMING AND OUTGOING ENTRY (LOCKER OPERATION):

- Before operating the locker, take the holder’s signature in the register.

Then record the locker operation in the system as per the menu below:

MASTER >> SAFE DEPOSIT LOCKER MODULE >> LOCKER OPERATIONS >> CREATE

Then feed the Locker Key No.

After entering the locker key number, the cursor will automatically move to Operated By 1 — enter the name of the customer operating the locker.

Then the cursor moves to In Time, where the system time will automatically appear. Do not change it, If the time is incorrect, check the system clock and contact the Computer Department.

- If needed, enter any remarks in the Remark field.

- Press space Bar Auth.Operators/Joint Names to see joint names.

- Press Space Bar on Sign, and again on Signature, to view the customer's signature for verification.

Then press Close, and the cursor will return to the previous screen. Click OK.

- When the customer leaves the locker room, go to:

MASTER >> SAFE DEPOSIT LOCKER MODULE >> LOCKER OPERATIONS >> MODIFY

Feed the Locker Key No., press Enter on Operation Count, and if any remark is needed, enter it.

The cursor will move to Out Time, where system time will appear automatically — do not change it.

Then press OK.

- To view the locker operation report, use:

REPORTS >> OTHER REPORTS >> LOCKER REPORTS >> LOCKER OPERATIONS LISTING >> MODIFY >> ENTER

6.G) The following reports related to locker operations are available in the system:

1. Report of total locker company & type – issued lockers – remaining lockers.
2. Report of keys of issued and remaining lockers.
3. Report of locker holders' outstanding dues.
4. Locker Issue Register Report.

6.G.1) Report of total locker company, type, issued lockers, and remaining lockers:

- Shows classification of all lockers in the branch by company, type, issued lockers, and unissued (remaining) lockers.

Menu:

MENU >> REPORT >> OTHER REPORT >> LOCKER REPORT >> LOCKER AVAILABILITY REPORT >> ENTER

6.G.2) Report of keys of issued and remaining lockers:

Shows the report of keys of vacant (unissued) lockers in the branch.

The actual keys of vacant lockers must tally with this report.

Menu:

MENU >> REPORT >> OTHER REPORT >> LOCKER REPORT >> KEY REGISTER MASTER LIST >> ENTER

6.G.3) Locker Holders' Outstanding Report:

Shows the detailed outstanding dues of locker holders in the branch.

Menu:

REPORT >> OTHER REPORT >> LOCKER REPORT >> LOCKER RENT OD LISTING >> ENTER

6.G.4) Complete Report of Locker Holders:

Shows complete details of all locker holders in the branch.

After locker operation, confirm that the Last Operation Date is updated in this report.

If any issue arises, contact the Computer Department.

Menu:

REPORT >> OTHER REPORT >> LOCKER DETAIL REPORT >> ENTER

7. GENERAL INDEX OF ALL LOCKER ACCOUNTS IN EXCEL SHEET

• After locker accounts are opened in the system, prepare a General Index in Excel for consolidated information.

While preparing the General Index, consider the following instructions:

- Start with the surname and then enter the name.
- For joint accounts, give the same serial number to all holders.
(e.g. if locker no.111 has three holders, all three should have serial no.111)
- Enter the 15-digit account number.

If any account starts with zero (not visible in Excel), add a dot before the number.

- While entering rent, for joint accounts, write rent amount only against the first name.
- Locker number, locker type, and key number must match the system record, as these numbers will be needed frequently for copy-paste during locker operations.
- Enter customer number, member number, and all mobile numbers correctly.
- Verify KYC details properly before entering.

8. COMPENSATION POLICY / LIABILITY

(a) Bank's Liability:

It is the primary duty of the bank to maintain and operate the locker or safe deposit system properly. Therefore, a policy indicating the bank's liability for loss or damage of locker contents due to bank's negligence should be approved by the Board of Directors.

This includes ensuring proper locker system functionality, protection from unauthorized access, adequate security against theft/robbery, etc.

The bank must also follow fraud prevention guidelines for incidents like theft, robbery, or burglary.

(b) Liability in case of Natural Calamities or Customer Negligence:

The bank will not be responsible for loss of locker contents caused by natural calamities such as earthquakes, floods, lightning, cloudbursts, storms, or due to customer's negligence or fault.

However, necessary precautions should be taken to protect the locker premises from such calamities.

(c) Liability in case of Fire, Theft, Burglary, Robbery, Building Collapse, or Staff Fraud:

It is the bank's responsibility to ensure the safety of premises housing lockers/safe deposit vaults. The bank must ensure that incidents like fire, theft, burglary, robbery, or collapse of the building do not occur due to any omission or negligence.

If locker contents are lost due to the above incidents or due to fraud by bank staff, the bank's liability shall be limited to 100 times the prevailing annual locker rent.

9. RISK MANAGEMENT, TRANSPARENCY & CUSTOMER GUIDANCE

(1) Branch Insurance Policy:

To mitigate loss from events like robbery, fire, natural calamities, or during branch relocation/merger, each branch may obtain insurance with Board approval.

(2) Insurance for Locker Contents by Customer:

The locker agreement clearly states that the bank does not keep any record of items stored or removed by customers.

It is not the bank's responsibility to insure locker contents.

Therefore, under no circumstances should the bank directly or indirectly offer any insurance product for locker contents.

(3) Customer Guidance and Publicity:

(a) The bank's official website should display the Model Locker Agreement and Standard Operating Procedure (SOP) with all terms and conditions.

(b) The bank's website must display updated information on all fees and charges related to lockers/safe custody.

(c) The website should also publish the policies/procedures for allowing access to locker contents for nominees, legal heirs, and survivors of deceased locker holders.

A printed copy should also be given to the nominee/survivor/legal heir.

10. GENERAL PRECAUTIONS IN LOCKER DEPARTMENT

1. While renting a locker, inform the customer about rent charges and the need to maintain sufficient balance for automatic rent recovery. Clearly inform that if rent remains unpaid for over a year, the bank may take possession of the locker.

2. Advise customers to keep the locker key safely as there is no duplicate key. If lost, the locker has to be broken open. Also, ensure that the locker is properly locked before leaving the locker room.

3. Ensure that customers do not sublet their lockers to others under any circumstances.

4. No one should be allowed to stand nearby while valuables are placed or removed. If assistance is required, the customer must bring someone at their own risk.

5. Verify the locker holder's signature and specimen signature before allowing operation. Do not allow access without proper verification.

6. The staff should not assist customers in opening or handling locker contents, to avoid risk.

7. After the locker holder leaves, staff must check the area to ensure no items are forgotten. If found, immediately inform the Branch Manager.

8. Do not allow customers to remain in the locker area for an excessive amount of time.

9. For security, CCTV cameras must be installed at the locker room entrance to clearly record entry and exit of every person.

10. The locker holder cannot store any illegal or hazardous items. If the bank suspects that any customer has stored such items, it reserves the right to take appropriate action.

11. To avoid rent recovery issues (e.g., locker holder not operating or not paying rent), the Reserve Bank has allowed banks to take a security deposit (fixed deposit) at the time of locker allotment — equivalent to three years' rent and break-open charges.

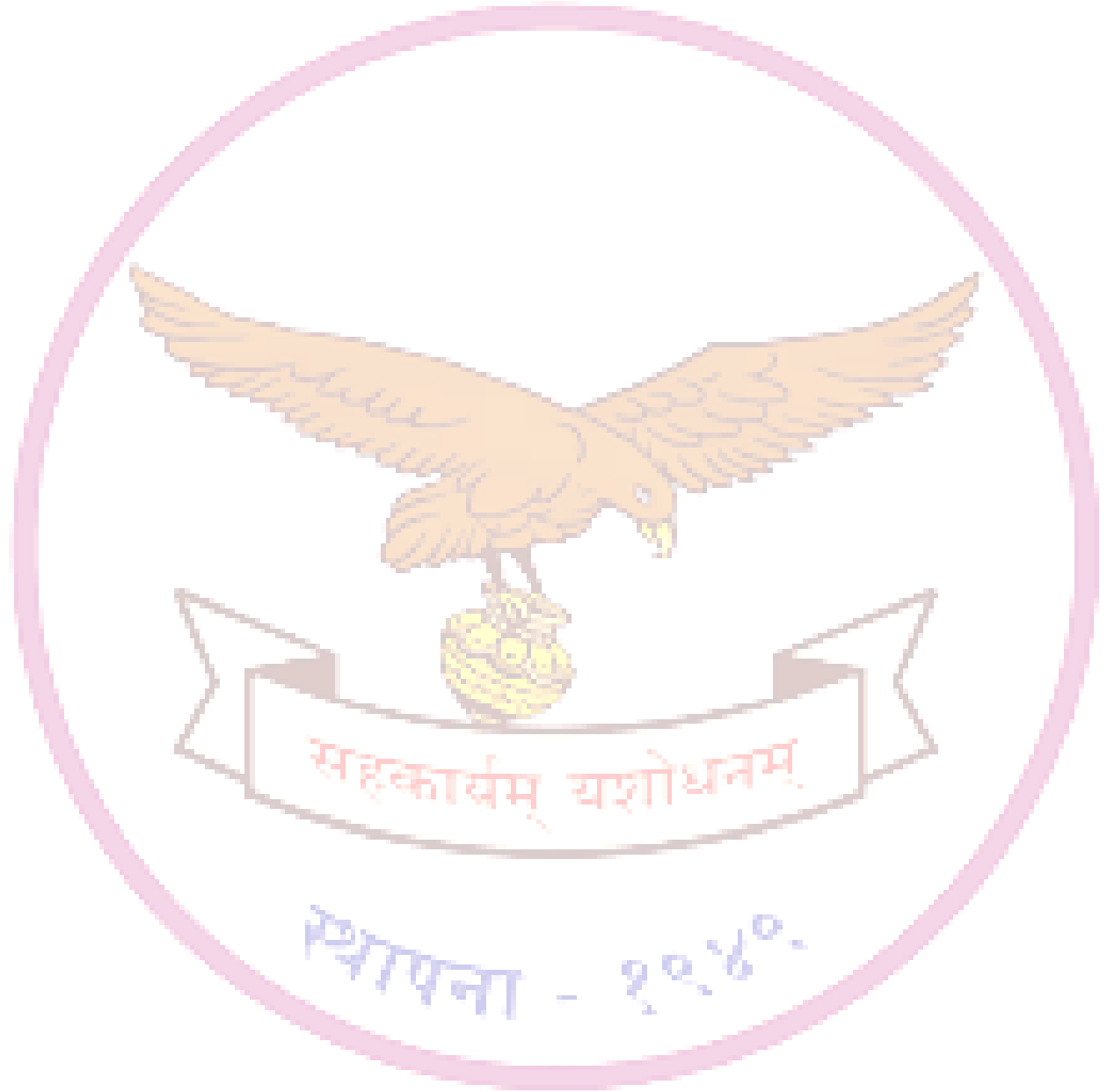
However, existing or satisfactorily operating customers should not be compelled to make such deposits, nor should deposits exceeding the permitted amount be taken.

12. During branch merger, closure, or relocation, the bank must issue a public notice in two newspapers (including one local language daily).

Such action should be taken with Head Office Planning Department's guidance and approval. Customers must be informed at least two months in advance about options to transfer or close lockers.

Branches must communicate this via SMS/email/letter.

In case of natural disaster or emergency relocation, customers must be informed as early as possible.



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