

**POLICY FOR SAFE DEPOSIT LOCKER FACILITY****Preamble:**

This policy shall be known as " **Policy for Safe Deposit Locker Facility** " of The Kalapur Commercial Co-Operative Bank Ltd, Head Office, Ahmedabad and shall be effective for one year from the date of issue of the policy or till the next date of the review of the policy.

Bank provides Safe Deposit locker Facility (SDL) to its customers. The policy indicating rules / regulations/procedure governing the locker operations is as under:

**(A)Locker Operational Guideline**

- (1) To ensure transparency bank shall maintain a waiting list in CBS or any other computerized system compliant with cyber security frame work issued by RBI, for allotment of SDLs. Bank shall provide a wait list number to the customers.
- (2) Any adult person, firm, company, trust, association, HUF having SB or current a/c relationship will be eligible to avail SDL facility. The customer shall have to furnish KYC related documents as prescribed by bank and complying with the CDD criteria under master Direction – Know Your Customer of RBI.
- (3) The person / organization intending to avail SDL facility shall open Savings / Current account with the bank to enable bank to recover SDL rent. Bank shall have right to insist on placement of a fixed deposit of amount which would cover at least 3 year's rent and the charges for breaking open the locker in case of an eventuality. The customer shall give a mandate authorizing bank to debit to such SB / Current a/c, for the locker rent as and when due.
- (4) The person/s, organization intending to avail SDL facility shall have to enter into stamped agreement with the bank and shall have to abide by all conditions prescribed in the agreement. To know rights and responsibilities bank shall provide a copy of the locker agreement in duplicate signed by both the parties, to locker hirer. Original agreement shall be retained with bank.
- (5) Where the lockers have not been operated for more than three years for medium risk category or one year for a higher risk category, bank shall contact the locker hirer and advise him to either start operating the locker or surrender it. This exercise should be carried out even if the locker hirer is paying the rent regularly. Further, the bank shall 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., bank may allow the locker hirer to continue with the locker.

- (6) Locker holder will have option to pay locker rent of one year, two years or three years at a time. If locker rent is collected in advance, in the event of surrender of a locker by a customer, the proportionate (Daily basis) amount of advance rent collected shall be refunded to the customer.
- (7) Bank shall have right to freeze the operations / seal the locker in case of request of any of locker holder made in respect of the locker owned by himself/herself/them and any order received from Income Tax / GST / SEBI / Court / Enforcement Directorate/EOW / Law enforcement agency etc to do so.
- (8) Locker holder/s shall have right to make nomination in advance for operations in the locker after his / her/ their death. Nomination should also be an individual only. In case the nominee is minor, the same procedure as prescribed for the bank accounts shall be followed by the banks. Bank shall provide acknowledgement of nomination irrespective of whether the same is demanded by the customers or not. A passport size photo of the nominee attested by the customer may be obtained from the customers, at his/her option and preserved in the record.
- (9) Locker holder shall have right to change/variation/cancel the nomination and bank shall record the same in their books.
- (10) The operative timings should be restricted to Banking / Business hours. While allowing access to the locker, only locker holder/s is/are to be allowed and no other person to be allowed to accompany the locker holder while accessing the locker/locker operation and record to be maintained.
- (11) Access to Vault Room by locker-hirers or any other individual including the banks' staff shall be maintained to record the movement of individuals in the vault room area with their signatures at appropriate place in the records. Operation of the locker should be allowed only after verification of signatures of renters with bank record.
- (12) Bank shall explain to the hirers, Locker can be opened only by applying two keys, one with the hirer and another (master key) with the custodian of lockers in the bank. However, the locker once opened can be locked by the hirer's key alone and there is no need for applying the custodian's key for locking them. The bank's officer shall not remain present when the locker is opened by the locker-hirer. The bank shall ensure that there is adequate privacy to the locker-hirers in the operations when customers access the lockers at the same time.
- (13) Bank shall send an email, SMS or through any electronic mode alert to the customer at its registered email ID and mobile number of the customer before end of the day as a positive confirmation intimating the date and time of the locker operation and made available the redressal mechanism in case of unauthorized locker access.
- (14) The custodian of the locker room shall carry out a physical check of the locker room at the end of the day to ensure that lockers are properly closed and that no person is inadvertently trapped in the locker room after banking hours.

- (15) An additional facility for extra lock will be provided to locker holder at request on payment of cost of extra lock.
- (16) Bank shall have the right to recover fee to regulate number of locker operations, as may be decided by Directors' Committee from time to time. As bank is re-allotting locker after changing of lever of the locker, bank shall recover lever change charges if locker is surrender before completion of 3 years.
- (17) Bank shall emboss bank / branch Identification Code on the all locker keys.
- (18) If the bank suspects the deposit of any illegal or hazardous substance by any customer in the safe deposit locker or not adhering terms of locker agreement, Bank shall have right to take appropriate action against such customer as it deems fit and proper in circumstances.
- (19) Bank shall install locker after ensuring basic standards / benchmarks prescribed by Bureau of Indian standards or any other enhanced industry standards.
- (20) Bank shall take necessary steps to ensure that the area in which the locker facility is housed is properly secured to prevent criminal break-ins and to protect against hazard of rain/flood water entering and damaging the lockers in contingent situations. The fire hazard risks of the area should also be assessed and minimized. Bank shall conduct necessary engineering / Safety verification regularly to identify the risks and carry out necessary rectification.
- (21) Bank shall cover the entry and exit of the strong room and the common areas of operation under CCTV camera and preserve its recording for a period of not less than 180 days. In case of complained, theft or security breach is noticed, preserve the CCTV recording till the police investigation is completed and the dispute is settled.
- (22) The security procedures shall be well-documented and the staff concern shall be properly trained in the procedure. The internal auditors shall verify and report the compliance to ensure that the procedures are strictly adhere to.
- (23) 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.
- (24) Bank is liable to pay amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker, if the loss of contents of the locker occur due to fire, theft/burglary /robbery, dacoity, building collapse occur in the bank's premises due to its own shortcomings, negligence or attributable to fraud committed by its employee(s).
- (25) Bank shall have a branch insurance policy to minimize the loss due to incidents like robbery, fire, natural calamities and loss during shifting/merger of branch, etc., affecting contents of lockers. However, the bank does not keep a record of the contents of the locker or any of the articles placed in or removed from the locker by the customer and therefore the contents of the locker shall in no manner be considered insured by the bank, and the bank shall not have any liability to insure the contents of the locker against any risk whatsoever.

- (26) Bank shall have right to revise the locker rent and the locker holder shall have to pay revised rent including difference from due date.
- (27) The banks shall display the model locker agreement, the standard operating procedures (SOPs), updated information on all kinds of charges for safe deposit lockers on their websites for public viewing.
- (28) Bank shall renew/take revised locker agreement with existing locker hires by January 1, 2023.
- (29) The bank shall obtain recent passport size photographs of locker-hirer(s) and individual(s) authorized by locker hirer(s) to operate the locker and preserve in the record.
- (30) Any event such as merger / closure / shifting of branch warranting physical relocation of the lockers, the bank shall give public notice in two newspapers (including one local daily in vernacular language) in this regard and the customers shall be intimated at least two months in advance along with options for them to change or close the facility. In case of unplanned shifting due to natural calamities or any other such emergency situation, banks shall make efforts to intimate their customers suitably at the earliest.
- (31) Bank shall conduct surprise periodic verification of surrendered/vacant lockers and their keys by an officer of the bank who is not connected with their custody and proper record shall be maintained as a proof of such verification. The duplicate master keys shall be deposited with another branch/HO.
- (32) Bank shall ensure that the locker register and the locker key register are maintained in CBS of any other computerized system complied with the Cyber security framework issued by Reserve Bank. The locker register shall be updated in case of any change in the allotment with complete audit trails.
- (33) Bank shall have right to revise any provision of this policy as and when required or as per RBI guidelines.

#### **(B)Locker left open by the Hirer**

The custodian shall check whether the lockers are properly closed post locker operation. In case Locker hirer may leave open the locker / leaving the locker key into the locker. In that case locker hirer(s) will be entirely responsible for its act and its valuables. In no case bank shall be liable and responsible for the valuables in the locker. However, Bank officer should immediately contact the hirer and request him/her to come to the bank / branch immediately with the Locker Key, so that they may verify any resulting discrepancy in the contents of the locker. Following below mentioned procedure and precautions to be taken by the branch.

- (i) The bank custodian shall record the fact of not closing the locker properly in the register and its closure by the bank with the date and time.

- (ii) No indication should be given while communicating to him/her about his/her unlocked Locker. When he arrives in the branch, he/she must be informed and asked to check the contents of his/her Locker.
- (iii) If the Locker is unlocked Locker key is with hirer and he/she is not available, then the contents may be listed in the presence of the Manager, custodian and 2 customers (independent witness). Found articles should be kept in a vacant Locker or in the safe in sealed cover. When the hirer comes to the bank, he/she must be asked to check the contents in the sealed cover.
- (iv) If the Locker key has been left behind by the hirer in the Locker itself which he/she has not properly locked, then after following above procedure the contents may be kept in the same Locker and may be locked. The Locker key must then be left under the joint custody of the Branch Manager & other Officer (Not custodian/Officer in charge of Locker). When the hirer comes to the bank, he / she must be asked to check the contents in the Locker.
- (v) A declaration to that effect should be obtained.

#### **(C) Procedure to be followed when any Valuable articles found**

- In case a valuable article is found in the safe deposit locker premises, the article found should be recorded in a register to be maintained for the purpose with full details.
- The articles as well as the register should be kept in the joint custody of the Custodian and Branch Manager.
- Efforts should be made by making discreet inquiries without revealing the particulars of the article found to trace the owner after taking into account the place where it was located in the room, the time when it was found etc.
- A report should be sent to the Head Office, Branches Department about the articles found on the same day. The identity of the person claiming the article should be established beyond doubt and branch to confirm / verify that whether the claimant has operated their locker on the day of article/s found. He/She should be able to give a correct description of the article. The articles should be delivered after obtaining letter of undertaking. Branch to obtain signature of all locker holders including the locker holder who has operated the locker. In case any locker holder is staying abroad, in that case his signature may not be insisted upon on the undertaking. At the time of handing over of the article to the claimant, a receipt should be obtained from him/her in the register.
- Other staff members or an outsider should not know the details and description of the articles found by the Custodian to avoid disclosing of information of valuables.

#### **(D) Settlement of Deceased Claim**



settlement of death claim with respect of Safe Deposit Locker in event of death of one or more Locker holder(s).

Locker holder(s) / survivor(s) / nominee(s) / legal heir(s) shall have right to surrender / close / Break open / the locker at any point of time after giving written application to the Bank.

**(i) Settlement of claims in deceased account with nomination**

- (1) In case the sole locker holder nominates a person, bank shall give such nominee access of the locker and liberty to remove the contents of the locker in the event of the death of the sole locker holder.
- (2) In case the joint locker holder selects to operate jointly under joint signatures, and the locker holder(s) nominates person(s), in the event of death of any one of the locker holders, the bank shall give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s).
- (3) In case the joint locker with “Either or Survivor”/ “Former or Survivor” / “Anyone or Survivor” mode of operation bank in the event of death of the locker holder(s) shall give the survivor(s) or nominee(s) or legal heir(s) access to the safe deposit locker.
- (4) In case of death of locker holder(s) if the survivor(s) / nominee(s) is/are not present in the India then in such case the survivor(s) / nominee(s) shall give Special Power of Attorney in favor of the anyone i.e. survivor(s) / nominee(s) to operate the locker / close/ surrender/ break open and to execute requisite documents as required by the Bank.
- (5) In case of locker holder(s) and nominee(s), in the event of death of all the locker holder(s) and nominee(s) the said case may be treated as no nomination has been registered.

**(ii) Settlement of claims in deceased account without nomination**

- (1) In case of sole locker holder if no nomination details have been given to the bank, then all the legal heir(s) jointly shall be given access of the locker and liberty to remove the contents of the locker in the event of the death of the sole locker holder after providing proof as prescribed by the Bank.
- (2) In case the joint locker holder selects to operate jointly under joint signatures, and the locker holder(s) if no nomination details have been given to the bank, in the event of death of any one of the locker holder, the bank shall give access of the locker and the liberty to remove the contents jointly to the survivor(s) and all the legal heir(s) of the deceased locker holder after providing proof as prescribed by the bank. In event of death of both the locker holder(s) the bank shall give access of the locker and the liberty to remove the contents jointly to all the legal heir(s) of the deceased locker holder(s) after providing proof as prescribed by the bank.
- (3) In case the joint locker with “Either or Survivor”/ “Former or Survivor” / “Anyone or Survivor” mode of operation if no nomination details has been given to the bank, in the

event of the death of one or more of the locker holder. , the bank shall give access of the locker and the liberty to remove the contents to the survivor(s) and in event of death of all the locker holders, the bank shall give access of locker and liberty to remove the contents jointly to all the legal heir(s) of the deceased locker holder(s) after providing proof as prescribed by the bank.

- (4) In case of death of locker holder(s) or the survivor(s) where no nomination is there and the survivor(s) / legal heir(s) is/are not present in the India then in such case the survivor(s) / legal heir(s) shall give Special Power of Attorney in favor of the anyone i.e. survivor(s) / legal heir(s) to operate the locker and to execute requisite documents as required by the Bank

**(iii) Precautions before handing over the contents**

- a. Bank shall exercise due care and caution in establishing the identity of the survivor(s)/ nominee(s) / Legal heir(s) and the fact of death of the locker holder by obtaining appropriate documentary evidence
- b. Bank shall make diligent effort to find out if there is any order from a competent court restraining the bank from giving access to the locker of the deceased
- c. Bank shall make it clear to the survivor(s) / nominee(s) that access to locker / safe custody articles is given to them only as a trustee of the legal heirs of the deceased locker holder; such access given to them shall not affect the right or claim which any person / legal heirs may have against the survivor(s) / nominee(s) to whom the access is given
- d. Bank shall settle the deceased claim 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 locker hirer(s) and suitable identification of the claimant(s) with reference to nomination, to the bank's satisfaction. At appropriate intervals (quarterly) report will be placed before Director's committee for review and suggestions
- e. Bank shall prepare panchnama/ inventory report of the contents/ articles/ valuable which are available or kept in safe deposit locker in the presence of locker holder(s)/ survivor(s) / nominee(s)/ legal heir(s), two officers of the bank and two witness and thereafter handover the contents/ articles/ valuable along with the copy of the panchnama/ inventory report to the locker holder(s)/ survivor(s) / nominee(s) / legal heir(s).

**(iv) Documents to be obtained from the Survivor(s), Nominee(s) and Legal Heir(s)**

- i. Application in prescribed form
- ii. Death Certificate of the deceased locker holder(s)
- iii. Identity proof of the survivor(s) / nominee(s) / legal heir(s) like Pan Card, Aadhar Card, etc.

- iv. Pedhinama prepared by Talati (if is owner of Agricultural Land) and Affidavit to Pedhinama from the legal Heir(s) of the deceased locker holder(s)
- v. Succession Certificate or Probate Certificate in case where there is dispute between the legal heir(s) or the bank has received any objection from the legal heir(s)
- vi. Obtain order from the competent authority or court where the matter is pending before any authority or court or in case where there is any kind of dispute between the party(s) or family member(s)
- vii. Obtain Deed of waiver of rights (Deed of Hakk Release) from the other legal heir(s) in case where the locker is required to be access / operated / closure / break open / surrender/ content or valuable are required to be given to one of the legal heirs
- viii. Obtain Special Power of Attorney in favor of one or more of the survivor(s) / nominee(s) / legal heir(s) regarding access / operated / closure / break open / surrender/ content or valuable/ execution of documents where the survivor(s) / nominee(s) / legal heir(s) cannot remain present before the Bank
- ix. Incorporate clause or obtain separate Statement from the survivor(s) / nominee(s) / legal heir(s) regarding access / operated / closure / break open / surrender/ content or valuable/ execution of documents where the survivor(s) / nominee(s) / legal heir(s) competent to receive articles on behalf of the minor
- x. Obtain order from the competent court in case of minor where natural guardian(s) of the minor are deceased or where the minor is separately staying or not staying with the natural guardian(s) for any reason
- xi. Obtain order from the competent court in case of minor where natural guardian(s) have separated and the custody has been given to anyone of the natural guardian or to third party(s)

### **(E) Break open of Safe Deposit Locker**

In following cases the break open of locker may arise.

- (i) Loss of key by customers
  - (ii) Order of Court / Government authorities / Any law enforcement agency.
  - (iii) Non-payment of Rent or any other reason.
- Bank shall ensure that the adjoining lockers are not impacted during break open of the lockers and the contents of the lockers are not exposed to any individual other than the locker-hirer during the break-up or restoration process.
  - Bank shall ensure that the details of breaking open of locker is documented in Locker tool.

#### **(i) Loss of key by customers**



- a. Locker holder(s) / survivor(s) / nominee(s) / legal heir(s) shall give a written application in form prescribed by bank along with the signature(s) of all the party(s) specifically mentioning the reason for break open of the locker
- b. In case of death of locker holder(s) the survivor(s) / nominee(s) is not present in the India then in such case the survivor(s) / nominee(s) shall give Special Power of Attorney in favor of the anyone i.e. survivor(s) / nominee(s)/ legal heir(s) to close/ surrender/ break open the locker and to execute requisite documents as required by the Bank
- c. An undertaking may also be obtained from the locker hires that the key lost, if found in future, will be handed over to the bank.

**(ii) Order of Court / Government authorities / Any law enforcement agency.**

In case where the Bank has received order for the attachment or recovery or seizure of the contents or articles or valuable in the locker from the Government Authority(s) or Court(s) or the Bank shall have right to attachment or recovery or seizure of the contents or articles or valuable in the locker after intimating the locker holder(s) / survivor(s) / nominee(s) / legal heir(s) about the said order physically as well as electronic mode or as prescribed by the Bank

The bank shall keep the proof of dispatch of intimation physically as well as electronic mode or as prescribed by the Bank to the locker holder(s) / survivor(s) / nominee(s) / legal heir(s) about the said order of attachment and recovery or seizure received by the bank

The bank shall have discretion to close / break open / attach / seize / lien / recover the contents or articles or valuable of the locker where there is order from the government authority(s) or competent court(s) after intimating physically as well as to locker holder(s) / survivor(s) / nominee(s) / legal heir(s) through electronic mode or as prescribed by the Bank

The bank shall take and preserve the video of the break open process and the panchnama/ inventory assessment and same shall be produce as evidence in future in case(s) of any dispute(s) or Court(s) or fraud where legally permissible. A copy of the inventory/panchnama shall be sent to the customers to the address available in the banks record.

**(iv) Non-payment of Rent or any other reason.**

In case of (a) locker rent overdue for three years in a row, (b) Locker remain inoperative (irrespective of whether Rent is paid or not) for a period of 7 years or more and the locker hires cannot be located by the Bank, even if rent is being paid regularly and (c) Non adherence of terms of locker agreement.

- a. The branch shall intimate or given an opportunity to the locker holder(s) / survivor(s) / nominee(s) / legal heir(s) (if any) to remain present at the time of break open of locker(s) or pay the rent due and payable at the time of break open of locker, a notice in writing by

registered post/speed post (and also by (i) email where email id of the Customer is available; and (ii) any other electronic mode to the Customer.

- b. The Recovery Department from the Head Office will issue the circular or letter to the branches seeking data regarding the locker for break open
- c. The branches would provide data to the Recovery Department mentioning the number of lockers to be break open along with the details of the locker holder(s) / survivor(s) / nominee(s) / legal heir(s)
- d. The Recovery Department thereafter would verify the data provided by the Branches
- e. The Recovery Department would prepare the detail data sheet of the locker(s) required to be put before the Board for break open for the mentioned locker(s)
- f. The said data sheet of the locker(s) shall be approved by the Board for the break open of the mentioned locker(s) and thereafter should be published in two newspaper (English and Vernacular Language) giving 3 months' time for inviting objections from the concerned party(s)
- g. The Recovery Department after the expiry of the said period would enter into the contract with the agency for break open of the locker
- h. The Authorized Officer along with the Branch Manager & Officer, Party(s) and other two witness should remain present at the time of break open of locker(s)
- i. The bank at the time of break open of the locker(s) should carry out panchnama/ inventory of the procedure as well as the contents or articles or valuable inside of the locker (if any)
- j. The bank shall preserve the video of the break open process and the panchnama/ inventory assessment as per the prescribed rules of the bank and same shall be produce as evidence in future in case(s) of any dispute(s) or Court(s) or fraud where legally permissible
- k. The bank shall obtain bond of indemnity or surety along with the other documents from the survivor(s) / nominee(s) / legal heir(s) as prescribed by the Bank
- l. The bank shall use the documents as per the draft provided by the legal department
- m. The Bank shall ensure that the details of break open of lockers is documented in the bank's Core banking System (CBS) or any computerized system compliant with the Cyber Security Framework issued by Reserve Bank of India
- n. The bank shall get valuation of the contents done by the bank's approved valuer and the contents of the locker shall be kept in sealed envelope along with detailed inventory inside a fire proof safe in a tamper proof way. A record of access to the fireproof safe shall invariably be maintained. Bank shall not open sealed/closed packets unless required by law.

- o. The bank shall dispose off the articles of the locker either by sale in public auction and the sale proceeds shall be applied first towards the customer's dues to the bank (including outstanding Rent, breaking open charges and any other dues) and balance to be refunded to the customer or held for the disposal at the order of the customer.

Before sale of the contents of the Locker by conducting public auction, a notice of not less than 3 (three) months in writing by registered post/ speed post or any other physical mode (and also by (i) email where email id of the Customer is available; and (ii) any other electronic mode) shall be issued by the Bank to the Customer about the intention of the Bank to auction the contents of the locker for recovery of the dues to the Bank. The said notice ("Auction Notice") shall contain the date, time and place of auction and a copy of the inventory of the contents of the Locker made in terms hereof.

The Bank shall preserve the unclaimed articles/contents/valuable for the period of 7 years and thereafter would be at liberty to sale the said articles in Auction after following the due procedure as mentioned above. The Bank would at liberty to adjust the amount/credit proceeds received in Auction against its own dues as mentioned in 3.3.9 and the excess amount/credit proceed shall be kept in unclaimed receipts for 3 years. The Bank shall deposit the said unclaimed amount/credit proceed in Depositor Education and Awareness Fund (DEA Fund) with Reserve Bank of India after the expiry of 10 years.

- p. The bank shall at the written request by the locker holder(s) / nominee(s) / survivor(s) / legal heir(s) to provide valuables / articles / contents of the locker may be given after proper verification, acknowledgement and documentation.

**Review:**

The policy shall be put up for review to the Board of Directors once in a year by the Admin Department.

Signature:

Head of Department: Rakesh Patel

Designation: Assistant General Manager

Date: 24-11-2022

Place: Ahmedabad

Signature :

Head of Department : Dhara Dalal

Designation : Legal Manager