

## Locker Policy

28.02.2023

### 1. Customer Due Diligence

- a. The existing customers of the bank who have made an application for locker facility and KYC compliant as per our KYC policy, may be given the facilities of safe deposit lockers subject to on-going compliance.
- b. Customers, who are not having any other banking relationship with the bank **but given** the facilities of safe deposit locker after complying with our KYC policy and subject to on-going compliance earlier, are to be requested to open KYC compliant account with our Bank. In a normal case locker facility is not provided to non-customer in our bank. Therefore prospective customer should be requested to open KYC compliant SB / CA / FD account with us.
- c. The due diligence will be carried out for all the customers in whatever rights and capacities they may be hiring the locker.
- d. Bank will obtain recent **passport size photographs of locker-hirer(s) and individual(s) authorised by locker hirer(s) to operate the locker** and preserve in the records pertaining to locker-hirer being maintained in the bank's branch.
- e. **Banks will incorporate** a clause in the locker agreement that the locker-hirer/s will not keep anything illegal or any hazardous substance in the Safe Deposit locker. If the bank suspects the deposit of any illegal or **hazardous substance** by any customer in the safe deposit locker, the bank will have the right to take appropriate action against such customer as it deems fit and proper in the circumstances.

### 2. Locker Allotment

- a. In order to facilitate customers making informed choices, bank will maintain a branch wise list of vacant lockers as well as a wait-list in Core Banking System (CBS) or any other computerized system compliant with Cyber Security Framework issued by RBI, for the purpose of allotment of lockers and ensure transparency in allotment of lockers. The banks will acknowledge the receipt of all applications for allotment of locker and provide a wait list number to the customers, if the lockers are not available for allotment.
- b. **Locker Agreement** - At the time of allotment of the locker to a customer, the bank will enter into an agreement with the customer to whom the locker facility is provided, on a paper duly stamped. A copy of the locker agreement in duplicate signed by both the parties will be furnished to the lockerhirer to know his/her rights and responsibilities. Original Agreement will be retained with the branch where the locker is situated.

Our Bank has adopted the model locker agreement framed by IBA which is to be used while allotting locker. Bank will renew locker agreements,

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with existing locker customers also by January 1, 2023 or extended period permitted by RBI, in model locker agreement framed by IBA with further changes approved by RBI/IBA.

### 3. Locker Rent

- a. Locker rent will be recovered in advance at least for one year.
- b. 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 will be refunded to the customer.
- c. Bank may face potential situations where the locker-hirer neither operates the locker nor pays the rent. To ensure prompt payment of locker rent, bank will **obtain a Term Deposit, at the time of allotment, which would cover three years' rent and the charges for breaking open the locker** in case of such eventuality. FDR so obtained be linked with locker or appropriately marked. Banks, however, will 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.
- d. If there is any event such as merger / closure / shifting of branch warranting physical relocation of the lockers, the bank will give public notice in two newspapers (including one local daily in vernacular language) in this regard and the customers will 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 will make efforts to intimate their customers suitably at the earliest.

### 4. Infrastructure and Security Standards

#### a. Security of the Strong Room/Vault

- i. Bank will take necessary steps to ensure that the area in which the locker facility is housed is properly secured to prevent criminal break-ins. The risks of accessibility of an allotted locker from any side without involvement of the locker-hirer concerned may be assessed and kept on record. Bank will have a single defined point of entry and exit to the locker room/vault. The place where the lockers are housed must be secured enough 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 will conduct necessary engineering / safety verification regularly to identify the risks and carry out necessary rectification.
- ii. The area housing the lockers should remain adequately guarded at all times. Bank may cover the entry and exit of the strong room and the common areas of operation under CCTV camera and

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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 bank will preserve the CCTV recording till the police investigation is completed and the dispute is settled.

- iii. Security Procedure – In addition to security measures mentioned elsewhere in this policy following norms are to be observed inadvertently.
  - All Locker Cabinets are to be kept as separate enclosure from ordinary movement area.
  - Only one Entry & exit point for Locker area.
  - If Cash safe is also kept in Locker Cabinets area it should be properly separated by curtain (wooden / cloth) partition.
  - Branch Manager should give proper guidance and training to staff working in Locker operation.
- iv. The **internal auditors** will verify and report the compliance to ensure that the procedures are strictly adhered to.

### **b. Locker Standards**

- i. All the new mechanical lockers to be installed by the banks will conform to basic standards / benchmarks for safety and security as prescribed by Bureau of Indian Standards (BIS) or any other enhanced industry standards applicable in this regard.
- ii. Bank will ensure that **identification Code of the bank / branch is embossed** on all the locker keys with a view to facilitating identification of lockers / locker ownership by law enforcement agencies in case of need. Further, the custodian of the locker will, regularly/periodically, check the keys maintained in the branch to ensure that they are in proper condition. Banks will permit the locker-hirer to operate the locker only with the key provided by the bank, although there is no restriction in allowing the customer to use an additional padlock of her /his own if there are such provisions in lockers.

## **5. Locker Operations**

### **a. Regular Operations by Customers**

- i. The locker hirer and/or the persons duly authorized by him/ her only will be permitted to operate the locker after proper verification of their identity and recording of the authorization by the officials concerned of the bank. The bank will maintain a record of all individuals, including the locker-hirers, who have accessed the lockers and the date and time (**both check-in and check-out time**) on which they have opened and closed the locker and obtain their signature. The ingress and egress register for access to Vault Room by locker-hirers or any other

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individual including the banks' staff will be maintained to record the movement of individuals in the Vault Room area with their signatures at appropriate place in the records.

- ii. The bank's officer authorizing the locker-hirer to access the locker, after unlocking the first key / password will not remain present when the locker is opened by the locker-hirer. Bank will ensure that there is adequate privacy to the locker-hirers in the operations when customers access the lockers at the same time.
- iii. 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 and the redressal mechanism available in case of unauthorized locker access.

### **b. Internal Controls by bank**

- i. **There will be a system of inter change of locks whenever the locker is surrendered by the hirer.** The keys of vacant lockers will be kept in sealed envelopes. The **duplicate master keys** will be deposited with **another branch** of the bank. There will be proper record of joint custody of master keys. Banks will 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 will be maintained as a proof of such verification.
- ii. Bank will ensure that the Locker Register and the Locker Key Register are maintained in CBS or any other computerized system compliant with the Cyber Security Framework issued by the Reserve Bank. The Locker Register will be updated in case of any change in the allotment with complete audit trails.
- iii. Bank custodian will check whether the lockers are properly closed post locker operation. If the same is not done, the lockers must be immediately closed, and the locker-hirer will be promptly intimated through e-mail, if registered or through SMS, if mobile number is registered or through letter so that they may verify any resulting discrepancy in the contents of the locker. Bank custodian will record the fact of not closing the locker properly in the register and its closure by the bank with the date and time. Further, the custodian of the locker room will 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.

## **6. Nomination Facility and Settlement of Claims**

### **a. Nomination Facility**

- i. Bank will offer nomination facility in case of safe deposit lockers and safe custody of articles, in accordance with the provisions of

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section 45-ZC to 45-ZF of the Banking Regulation Act, 1949 and Banking Companies (Nomination) Rules, 1985/Co-operative Banks (Nomination) Rules, 1985. In case the nominee is a minor, the same procedure as prescribed for the bank accounts will be followed by the banks. A passport size photo of the nominee attested by the customer may be obtained from the customers, at his/her option and preserved in the records.

- ii. For the various Forms (Forms SC1, SC2 and SC3 for Articles left in Safe Custody and Forms SL1, SL1A, SL2, SL3 and SL3A for Safety Lockers) prescribed under Banking Companies (Nomination) Rules, 1985/Co-operative Banks (Nomination) Rules, 1985, only Thumb-impression(s) will be required to be attested by two witnesses. Signatures of the account holders need not be attested by witnesses.
- iii. Bank will have appropriate systems and procedures in place to register the nomination, cancellation and / or variation of the nomination, in their books, made by the locker hirers.
- iv. Bank will devise a proper system of acknowledging the receipt of duly completed form of nomination, cancellation and / or variation of the nomination. Such acknowledgement will be given to all the customers irrespective of whether the same is demanded by the customers or not.

### **b. Settlement of Claims in case of death of a Customer**

- i. Settlement of claims will be in conformity with the regulatory instructions and the Model Operational Procedure (MOP) for settlement of claims of the deceased constituents formulated by the IBA in April 2014 as amended from time to time.
- ii. Release of contents of safety lockers / safe custody article to the nominee and protection against notice of claims of other persons will be in accordance with the provisions of Sections 45 ZC to 45 ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985 / Co-operative Banks (Nomination) Rules, 1985 and the relevant provisions of Indian Contract Act and Indian Succession Act.
- iii. 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, banks will devise their own claim formats, in terms of applicable laws and regulatory guidelines.
- iv. Time limit for settlement of claims: Bank will settle the claims in respect of deceased locker hirers and will 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.

- v. Bank will report 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 therefor. Customer Service Committee of the Board of the banks will 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.

**c. Access to the articles in the safe deposit lockers / return of safe custody articles**

- i. If the sole locker hirer nominates an individual to receive the contents in the locker, in case of his death, after verification of the death certificate and satisfying the identity and genuineness of such individual approached, the banks will give access of the locker to such nominee with liberty to remove the contents of the locker, after an inventory was taken in the prescribed manner. In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s) nominates any other individual(s), in the event of death of any of the locker hirers, the bank will 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 prescribed manner. In case the locker was hired jointly with survivorship clause and the hirers instructed that the access of the locker should be given to "either or survivor", "anyone or survivor" or "former or survivor" or according to any other survivorship clause permissible under the provisions of the Banking Regulation Act, 1949, the banks will follow the mandate in the event of death of one or more of the joint locker-hirers.
- ii. Bank will, however, ensure the following before giving access to the contents to nominee / survivor:
  - Exercise due care and caution in establishing the identity of the survivor(s) / nominee(s) and the fact of death of the locker hirer by obtaining appropriate documentary evidence;
  - Make diligent effort to find out whether there is any order or direction from Courts/Forums restraining it from giving access to the locker of the deceased; and
  - Make it clear to the survivor(s) / nominee(s) that access to articles in the locker / safe custody articles is given to them only as a trustee of the legal heirs of the deceased locker hirer i.e., such access given to them will not affect

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the right or claim which any person may have against the survivor(s) / nominee(s) to whom the access is given. Similar procedure will be followed for return of articles placed in the safe custody of the bank.

- iii. Bank will ensure that, the contents of locker, when sought to be removed on behalf of a minor nominee, are handed over to a person who is, in law, competent to receive the articles on behalf of such minor. Further, the bank will prepare an inventory of the articles in the presence of two independent witnesses, one officer of the bank who is not associated with the locker facility or safe deposit of articles and the claimant (s), who may be a nominee or an individual receiving the articles, on behalf of a minor.
- iv. Bank will obtain a separate statement from the nominee (claimant) or the person competent to receive articles on behalf of the minor, as the case may be, that all the contents in the locker or in the safe custody of the bank, as the case may be, are received and the locker is empty and they have no objection to allotment of the locker to any other customer as per norms.
- v. While giving access to the survivor(s) / nominee(s) of the deceased locker hirer / depositor of the safe custody articles, banks may avoid insisting on the production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee(s), unless there is any discrepancy in nomination.
- vi. In case where the deceased locker hirer had not made any nomination or where the joint hirers had not given any mandate that the access may be given to one or more of the survivors by a clear survivorship clause, will allow to access to legal heir(s) / legal representative of the deceased locker hirer. Similar procedure will be followed for the articles under safe custody of the bank.

### **7. Closure and Discharge of locker items**

This part refers to the **breaking open** of the locker in a manner other than through the normal access by the customer using her/his original key or password under any one of the following circumstances:

- if the hirer loses the key and requests for breaking open the locker at her /his cost; **or**
- if the Government enforcement agencies have approached the bank with orders from the Court or appropriate competent authority to seize lockers and requested for access to the lockers; **or**
- if the bank is of the view that there is a need to take back the locker as the locker hirer is not co-operating or not complying with the terms and conditions of the agreement.

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- Standard Operating Procedure (SOP) for breaking open the lockers for all possible situations keeping in view the relevant legal and contractual provisions, will be same as applicable for break open due to non-payment of rent.

### **a. Discharge of locker contents at the request of customer**

- i. If the key of the locker, supplied by bank is lost by the locker-hirer, the customer (locker hirer) will notify the bank immediately. An undertaking may also be obtained from the customer that the key lost, if found in future, will be handed over to the bank. All charges for opening the locker, changing the lock and replacing the lost key may be recovered from the hirer. The charges applicable for replacement of lost keys / issue of new password will be communicated to the locker hirer.
- ii. The opening of the locker has to be carried out by the bank or its authorized technician only after proper identification of the hirer, proper recording of the fact of loss and written authorization by the customer for breaking open the locker.
- iii. The operation will be done in the presence of the customer/s and an authorized official of the bank. It has to be ensured that the adjoining lockers are not impacted by any such operations and the contents of the lockers are not exposed to any individual other than the locker-hirer during the break-up or restoration process.

### **b. Attachment and recovery of contents in a Locker and the Articles in the safe custody of the bank by any Law Enforcement Authority**

- i. In case of attachment and recovery of the contents in a locker of a customer or the articles left by a customer for safe custody of the bank by any Authority acting either under the orders of a Court or any other competent authority vested with the power to pass such orders, the banks will co-operate in execution and implementation of the orders.
- ii. Bank will verify and satisfy itself about the orders and the connected documents received for attachment and recovery of the contents in a locker or articles in the safe custody of the bank. The customer (locker-hirer) will be informed by letter as well as by email/SMS to the registered email id/mobile phone number that the Government Authorities have approached for attachment and recovery or seizure of the locker or articles deposited for safe custody. An inventory of the contents of locker and articles seized and recovered by the Authority will be prepared in the presence of such Government Authorities, two independent witnesses and an officer of the bank and will be signed by all. A copy of the inventory may be forwarded to the

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customer to the address available in the bank's records or handed over to the customer against acknowledgement.

- iii. Bank will also record a video of the break-open process and the inventory assessment, wherever legally permissible, and preserve the video to produce as evidence in case of any dispute or Court or fraud case in future.

### **c. Discharge of locker contents by banks due to non-payment of locker rent**

- i. Bank will have the discretion to break open any locker following due procedure if the **rent has not been paid** by the customer for **three years in a row**. The bank will ensure to notify the existing locker-hirer prior to any changes in the allotment and give him/her reasonable opportunity to withdraw the articles deposited by him/her. A clause may be incorporated in the locker agreement to this effect.
- ii. Before breaking open the locker, the bank will 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 will 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 will be broken open in the presence of an officer of the bank and two independent witnesses. Further, bank will also record a video of the break open process 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. Bank will also ensure that the details of breaking open of locker are documented in CBS or any other computerized systems compliant with the Cyber Security Framework issued by RBI, apart from locker register. After breaking open of locker, the contents will be kept in sealed envelope with detailed inventory inside fireproof safe in a tamper-proof way until customer claims it. A record of access to the fireproof safe will invariably be maintained. While returning the contents of the locker, the bank will obtain acknowledgement of the customer on the inventory list to avoid any dispute in future.
- iii. Bank will ensure that the inventory prepared after breaking open of the locker and during settlement of claims, is in the appropriate forms as provided at **Annexure A** or as near thereto as circumstances require. Further, bank will 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.

**d. Discharge of locker contents if the locker remains inoperative for a long period of time**

- i. If the locker remains inoperative for a **period of seven years** and the locker-hirer cannot be located, even if rent is being paid regularly, the bank will be at liberty to transfer the contents of the locker to their nominees/legal heir or dispose of the articles in a transparent manner, as the case may be. Before breaking open the locker, the bank will follow the procedure as prescribed in paragraph herein above. Bank will ensure that the procedure to be followed by them for disposal of the articles left unclaimed for a reasonably long period of time as mentioned above is incorporated in their locker agreement.
- ii. Bank will 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. A clause may also be incorporated in the locker agreement to discharge the bank from liability in case the locker is not in operation and the locker is opened by the bank and contents are released as per law and as per the instructions issued by the Reserve Bank and the terms and conditions prescribed in the agreement.

**8. Compensation Policy / Liability for Bank**

- a. **Liability of bank** – Bank will care to exercise due diligence in maintaining and operating their locker or safety deposit systems. The duty of care includes ensuring proper functioning of the locker system, guarding against unauthorized access to the lockers and providing appropriate safeguards against theft and robbery. Further, bank will adhere to the Master Directions on Frauds for reporting requirements about the instances of robberies, dacoities, thefts and burglaries.
- b. The bank will 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. Banks will, however, exercise appropriate care to their locker systems to protect their premises from such catastrophes.
- c. It is the responsibility of bank to take all steps for the safety and security of the premises in which the safe deposit vaults are housed. It has the responsibility to ensure that incidents like fire, theft/ burglary/ robbery, dacoity, building collapse do not occur in the bank's premises due to its own shortcomings, negligence and by any act of omission/commission. As bank cannot claim that they bear no liability towards their customers for loss of contents of the locker, in instances where loss of contents of locker are due to incidents mentioned above

or attributable to fraud committed by its employee(s), the banks' liability will be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

### **9. Risk Management, Transparency and Customer Guidance**

- a. Banks will have a branch insurance policy to minimize the loss due to incidents like robbery, fire, natural calamities, loss during shifting/merger of branch, etc., affecting contents of lockers.
- b. Bank will clarify in their locker agreement that as they do not keep a record of the contents of the locker or of any articles removed therefrom 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 will under no circumstances offer, directly or indirectly, any insurance product to its locker hirers for insurance of locker contents.

#### **c. Customer guidance and publicity**

- i. Bank will display the model locker agreement with all the Terms & Conditions and the Standard Operating Procedures (SOPs) on various aspects at branches where locker facility is being provided by them for public viewing. Bank will ensure that the customers are made aware of the bank's terms and conditions to avail those facilities.
- ii. Bank will display updated information on all kinds of charges for safe deposit lockers and safe custody articles.
- iii. Bank will place on their websites, the instructions together with the policies / procedures put in place for giving access of the locker/safe custody article to the nominee(s) / survivor(s) / legal heir(s) of the deceased locker hirer/safe custody article. Further, a printed copy of the same will also be given to the nominee(s) / survivor(s) / legal heir(s).

(Vivek G Tengshe)  
Chief Executive Officer

28.02.2023

# The Jain Sahkari Bank Limited

## Annexure A

### Form of Inventory of Contents of Safety Locker Hired from Banking Company (Section 45ZE (4) of the Banking Regulation Act, 1949)

The following inventory of contents of Safety Locker No. \_\_\_\_\_ located in the Safe Deposit Vault of The Jain Sahakari Bank Ltd, \_\_\_\_\_ Branch at \_\_\_\_\_

\*hired by Shri/Smt. \_\_\_\_\_ (deceased) in his/her sole name.

\*hired by (i) Shri/Smt. \_\_\_\_\_ (deceased)  
(ii) Shri/Smt. \_\_\_\_\_ (survivor)  
(iii) Shri/Smt. \_\_\_\_\_ (survivor)

Jointly,  
was taken on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

Sr. No.	Description of Articles in Safety Locker	Other Identifying Particulars, if any

For the purpose of inventory, access to the locker was given to the Nominee/and the surviving hirers

- who produced the key to the locker.
- by breaking open the locker under his/her/their instructions.

The above inventory was taken in the presence of:

Shri/Smt. \_\_\_\_\_ (Nominee)  
Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (Signature)

**Or**

Shri/Smt. \_\_\_\_\_ (Nominee)  
Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (Signature)

**and**

Shri/Smt. \_\_\_\_\_ (Nominee)  
Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (Signature)

Shri/Smt. \_\_\_\_\_ (Nominee)  
Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (Signature)

Survivors of joint hirers.

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Witness(es) with name, address and signature:

I, Shri/Smt. \_\_\_\_\_ (Nominee)  
We, Shri/Smt. \_\_\_\_\_ (Nominee),  
Shri/Smt. \_\_\_\_\_ and  
Shri/Smt. \_\_\_\_\_ the survivors  
of the joint hirers, hereby acknowledge the receipt of the contents of the safety  
locker comprised in and set out in the above inventory together with a copy of  
the said inventory.

Shri/Smt. \_\_\_\_\_ (Nominee)

Signature  
Date \_\_\_\_\_ Place \_\_\_\_\_

Shri/Smt. \_\_\_\_\_ (Survivor)

Signature  
Date \_\_\_\_\_ Place \_\_\_\_\_

Shri/Smt. \_\_\_\_\_ (Survivor)

Signature  
Date \_\_\_\_\_ Place \_\_\_\_\_