

# THE DARUSSALAM CO-OPERATIVE URBAN BANK LTD HYDERABAD

## LOCKER POLICY (2025-26)

### INTRODUCTION

**Purpose & Scope:** This Locker Policy applies to all branches of the Darussalam Co-operative Urban Bank Ltd. offering safe deposit locker facilities. It covers allotment, operation, security, break-open, settlement of claims, and related procedures and supersedes earlier circulars on the subject.

The Reserve Bank of India has issued guidelines regarding providing Locker facility to the customers by the Bank in its Master Direction - 'Know Your Customer (KYC) Directions, 2025'. Taking into consideration various developments in the area of banking and technology, nature of consumer grievances and also the feedback received from banks and Indian Banks' Association (IBA), Reserve Bank of India ('the Reserve Bank') reviewed the guidelines/instructions issued on the above subject. These revised Guidelines of the RBI are incorporated here in this revised Locker Policy.

### I. Customer Due Diligence (CDD)

**1.1** The existing customers of the bank who have made an application for locker facility and who are fully compliant with the CDD criteria under the Master Direction – Know Your Customer (KYC) Directions, 2025 (as updated from time to time) may be given the facilities of safe deposit lockers subject to on-going compliance.

**1.2** Customers who are not having any other banking relationship with the bank may be given the facilities of safe deposit locker after complying with the CDD criteria under the Master Direction – Know Your Customer (KYC) Directions, 2025 (as updated from time to time) and subject to on-going compliance.

The due diligence shall be carried out for all the customers in whatever rights and capacities they may be hiring the locker. KYC/CDD for locker-hirers shall be reviewed at least once every 24 months or earlier as per extant Reserve Bank of India guidelines. Any exceptions shall be documented.

**1.3** The locker-hirer/s shall 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 shall have the right to take appropriate action against such customer as it deems fit and proper in the circumstances.

**1.4** 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 records pertaining to locker-hirer being maintained in the bank's branch.

## **II. Allotment of Lockers**

Bank shall maintain a branch wise list of vacant lockers as well as a waitlist in Core Banking System (CBS) for the purpose of allotting of lockers and ensure transparency in allotment of lockers. The branch shall acknowledge 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.

### **2.1 Locker Agreement**

**2.1.1** A copy of the revised Locker Agreement is enclosed. The Agreement has been adopted on the model locker agreement framed by IBA. The agreement is in conformity with the revised instructions and the directions of the Hon'ble Supreme Court in this regard. It has been ensured that any unfair terms or conditions are not incorporated in the locker agreement. Further, the terms of the contract are not more onerous than required in ordinary course of business to safeguard the interests of the Bank.

**2.1.2** At the time of allotment of the locker to a customer, the bank shall 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 shall be furnished to the locker-hirer to know his/her rights and responsibilities. Original Agreement shall be retained with the Bank's branch where the locker is situated.

**Customer declaration:** The locker-hirer shall furnish a written declaration confirming that the contents of the locker are lawful and do not violate any statute, regulatory prohibition or embargo. This declaration shall be preserved in branch records.

## 2.2 Locker Rent

2.2.1 The following are the Locker Rent charges prescribed by the Bank:

S No	Description	Rent (Exclusive Taxes)
1	C1A, C1A1, C2A, C2A2	8250/-
2	C1B, C1B1, C2B, C2B2	5250/-
3	C1C, C1C1, C2C, C2C2	4500/-
4	A1, A2, A3	3750/-
5	C1D, C1D1, C2D, C2D2	2650/-
6	C1E, C1E1, C2E2	2250/-
7	B1, B2	1900/-
8	C1F, C1F1, C2F2	1500/-
9	C1G1, C2G2	1150/-
10	C1, C2	950/-

2.2.2 To ensure prompt payment of locker rent, the branches are allowed to 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 the locker-hirer neither operates the locker nor pays the rent. The branches, however, shall not insist on such Term Deposits from the existing locker holders or those who have satisfactory operative account.

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

2.2.4 If there is any event such as merger / closure / shifting of branch warranting physical relocation of the lockers, the bank shall give public notice in two newspapers (including one local daily in vernacular language) in this regard and the customers 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, the bank will make efforts to intimate the customers suitably at the earliest.

### **III. Infrastructure and Security Standards**

#### **3.1 Security of the Strong Room/Vault**

**3.1.1** The Branch shall 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. The Bank shall 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. The bank shall conduct necessary engineering / safety verification regularly to identify the risks and carry out necessary rectification.

**3.1.2** The area housing the lockers should remain adequately guarded at all times. The branches shall install Access Control System, if required as per their risk assessment, which would restrict any unauthorized entry and create digital record of access to locker room with time log. The branches may 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 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 branch shall preserve the CCTV recording till the police investigation is completed and the dispute is settled.

**3.1.3** The security procedures should be well-documented, and the staff concerned shall be properly trained in the procedure. The internal auditors shall verify and report the compliance to ensure that the procedures are strictly adhered to.

#### **3.2 Locker Standards**

**3.2.1** All the new mechanical lockers to be installed by the bank shall 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.

**3.2.2** The Bank shall 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 shall, regularly/periodically, check the keys maintained in the branch to ensure that they are in proper condition. The branches shall 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.

## **IV. Locker Operations**

### **4.1 Regular Operations by Customers**

**4.1.1** The locker-hirer and/or the persons duly authorized by him/ her only shall 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 branch shall maintain a record of all individuals, including the locker-hirers, who have accessed the lockers and the 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 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.

**4.1.2** The bank's officer authorizing the locker-hirer to access the locker, after unlocking the first key / password 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.

**4.1.3** The Bank shall 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.

### **4.2 Internal Controls by the Bank**

**4.2.1** There shall be a system of interchange of locks whenever the locker is surrendered by the hirer. The keys of vacant lockers shall be kept in sealed envelopes. The duplicate master keys shall be deposited with another branch of the bank. There shall be proper record of joint custody of master keys. The Bank shall conduct surprise periodic verification of surrendered/vacant

lockers and their keys by an officer of the branch who is not connected with their custody and proper record shall be maintained as a proof of such verification.

**Master key & key-movement controls:** Master keys shall be held under joint custody of two authorised officials. Any movement, transfer or access to master/duplicate keys must be recorded in the Key Movement Register with date, time, purpose and signatures of both custodians. Duplicate master keys stored offsite must be placed in secure vaults with access logs and periodic independent verification.

**4.2.2** The Bank shall 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 of India. The Locker Register shall be updated in case of any change in the allotment with complete audit trails.

**4.2.2.1 Staff vetting & training:** All staff with access to the vault, keys or locker records shall undergo background verification before appointment and periodic re-verification thereafter as per the Bank's HR policy. Mandatory annual training on locker SOPs and incident handling shall be provided to relevant staff.

**4.2.2.2 Incident response & escalation:** On detection or report of unauthorized access, theft, security breach or suspected fraud, the branch shall immediately isolate the area, preserve CCTV and access logs in tamper-proof storage, inform local police, notify the Bank's Head Office, and report to RBI as per applicable Master Directions. All steps and timings shall be recorded in an Incident Log and escalated to the Board Audit / Risk Committee.

**4.2.3** The branch manager / in-charge shall 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 shall 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. The branch 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. Further, 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.

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

This 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:

- (i) if the hirer loses the key and requests for breaking open the locker at her /his cost; or
- (ii) 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
- (iii) 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.

### **5.1 Discharge of locker contents at the request of customer**

**5.1.1** If the key to the locker, supplied by Bank is lost by the locker-hirer, the customer (locker hirer) shall 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 shall be communicated to the locker hirer.

**5.1.2** The opening of the locker must 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.

**5.1.3** The operation shall 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.

### **5.2 Attachment and recovery of contents in a Locker of the Bank by any Law Enforcement Authority**

**5.2.1** In case of attachment and recovery of the contents in a locker of a customer 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 Bank shall co-operate in execution and implementation of the orders.

**5.2.2** The Bank shall verify and satisfy itself with the orders and the connected documents received for attachment and recovery of the contents in a locker. The customer (locker-hirer) shall 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. An inventory of the contents of locker seized and recovered by the Authority shall be prepared in the presence of such Government Authorities, two independent witnesses and an officer of the Bank and shall be signed by all. A copy of the inventory may be forwarded to the customer to the address available in the Bank's records or handed over to the customer against acknowledgement.

**5.2.3** The branches shall 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.

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

**5.3.1** The Bank shall 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 shall ensure to notify the existing locker-hirer prior to any changes in the allotment and give him/her reasonable opportunity to withdraw the articles deposited by him/her.

**5.3.2 Non-payment break-open:** Before initiating break-open proceedings for non-payment of rent (after the defined grace period), the Bank will follow a structured notification sequence: (i) an initial reminder by SMS/email immediately after the first missed payment; (ii) a second reminder 30 days prior to initiating recovery/break-open actions; (iii) a final notice 15 days prior to break-open; and (iv) where the locker-hirer remains unreachable, a public notice in two newspapers (one English, one vernacular) giving 30 days for response. All notices will be recorded in CBS and in the locker register. The locker shall be broken open in the presence of an officer of the Bank and two independent witnesses. Further, Bank shall 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. After breaking open of locker, the contents shall be kept in sealed envelope with detailed inventory inside fireproof safe in a tamper-proof way until customer claims it. A record of access to the fireproof safe shall invariably be maintained. While returning the contents of the locker, the Bank shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future.

**5.3.3** The Bank shall ensure that the inventory prepared after breaking open of the locker and during settlement of claims, is in the appropriate forms as given in Annexure or as near thereto as circumstances require. Further, Bank shall not open sealed/closed packets found in locker while releasing them to the nominee(s) and surviving locker hirers / depositor of safe custody article, unless required by law.

#### **5.4 Discharge of locker contents if the locker remains inoperative for a long period of time**

**5.4.1** 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 shall 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 shall follow the procedure as prescribed in paragraph 5.3.2 and 5.3.3 above. The procedure to be followed for disposal of the articles left unclaimed for a reasonably long period of time has been incorporated in the locker agreement.

**5.4.2** It has been ensured by the Bank 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 has been 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.

### **VI. Compensation Policy / Liability for Bank**

The responsibility falls on the Bank for any loss or damage to the contents of the lockers due to its negligence as Bank owes a separate duty of care to exercise due diligence in maintaining and operating its locker. 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, the Bank shall adhere to the Master Directions on Frauds for reporting requirements about the instances of robberies, dacoities, thefts and burglaries.

### **6.1 Liability of Bank arising from natural calamities like earthquakes, flood, thunderstorm, lightning etc. or due to sole negligence of the customer**

The Bank shall not be liable for any damage and/or loss of contents of locker arising from natural calamities or Acts of God like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer. Bank shall, however, exercise appropriate care to the locker systems to protect the premises from such catastrophes.

### **6.2 Liability of Bank arising from events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of the Bank**

It is the responsibility of the 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 the Bank cannot claim that it bears 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 shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

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

### **7.1 Branch Insurance Policy**

The Bank should adopt 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.

### **7.2 Insurance of locker contents by the customer**

It has been clarified in the locker agreement that as the Bank do not keep a record of the contents of the locker or of any articles removed therefrom or placed therein by the customer, it would not be under any liability to insure the contents of the locker against any risk whatsoever. The Bank shall not offer, directly or indirectly, any insurance product to its locker hirers for insurance of locker contents.

### **7.3 Customer guidance and publicity**

**7.3.1** The Bank shall display the model locker agreement with all the Terms & Conditions and the Standard Operating Procedures (SOPs) on various aspects of its website where locker facility is being provided by them for public viewing. The Bank shall ensure that the customers are made aware of the Bank's terms and conditions to avail those facilities.

**7.3.2** The Bank shall display updated information on all kinds of charges for safe deposit lockers on its website.

**7.3.3** The Bank shall place on its website, the instructions together with the policies / procedures put in place for giving access of the locker to the nominee(s) / survivor(s) / legal heir(s) of the deceased locker hirer. Further, a printed copy of the same shall also be given to the nominee(s) / survivor(s) / legal heir(s).

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

### **8.1 Nomination Facility**

**8.1.1** The Bank shall offer nomination facility in case of safe deposit lockers in accordance with the provisions of section 45-ZC to 45-ZG of the Banking Regulation Act, 2025 (Read with section 56 of the Act) and Banking Companies (Nomination) Rules, 2025. 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.

**8.1.2** For the various Forms (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) shall be required to be attested by two witnesses. Signatures of the account holders need not be attested by witnesses.

**8.1.3** The branches shall 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.

**8.1.4** The branches shall devise a proper system of acknowledging the receipt of duly completed form of nomination, cancellation and / or variation of the nomination. Such acknowledgement shall be given to all the customers irrespective of whether the same is demanded by the customers or not.

## **8.2 Settlement of Claims in case of death of a Customer**

**8.2.1** The Bank shall follow the “**Nomination and settlement policy for Lockers**”.

**8.2.2 Time limit for settlement of claims:** The Bank shall settle the claims in respect of deceased locker hirers and shall release contents of the locker to survivor(s) / nominee(s), as the case may be, within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) with reference to nomination, to the bank's satisfaction.

**8.2.3 Compensation for delay in settlement of claims:** The Bank shall pay compensation to the claimant(s) at the rate of ₹5,000 for each day of delay, in cases where it doesn't adhere to the prescribed timeline.