



ESAF SMALL FINANCE BANK LTD

Safe Deposit Locker Policy – Version 1.2

Owner – Retail Liabilities

Table of Contents

SL No	Content	Page No
1	Safe Deposit Locker	3
2	Type of Lockers and Annual Rent	3
3	Fixed Deposit as Security for Lockers	4
4	Guidelines for Locker operations	4
5	Nomination Facility	4
6	Allotting lockers to illiterate customers	4
7	Loss of key by the customer	5
8	Addition/ deletion of the hirer(s)	5
9	Death of the hirer	5
10	Claim settlement Process	5-7
11	Stoppage of Locker Access	7
12	Settlement of claims in respect of missing persons	7-8
13	Locker Rent Recovery / Overdue	8
14	Break open of the locker	8-9
15	Attachment and recovery of contents in a Locker and the Articles in the safe custody of the bank by any Law Enforcement Authority	9
16	In operative Locker - Discharge of locker contents if the locker remains inoperative for a long period of time	9
17	Movement / Shifting of locker to another location	9
18	Compensation Policy & Liability for Banks	10
19	Insurance Policy	10
20	Customer Guidance	10
21	Confidentiality	10
22	Review of the Policy	10-11

1. Safe Deposit Locker

Locker facility is available in selected branches of Bank and the names of branches are available in the Bank website.

- Locker facility can be availed by existing customers of a bank who have made an application for locker facility and who are fully complied with KYC norms as updated from time to time.
- Customers who are not having any other banking relationship with the bank also can avail this facility of safe deposit locker / safe custody of article after complying with the KYC norms as updated from time to time.
- This facility can be hired by an individual singly or jointly with another individual(s), HUFs, firms, limited companies, associations, societies, trusts etc. KYC norms are applicable for locker hirers. Lockers cannot be allotted to minors either singly or jointly with others.
- 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.
- In order to facilitate the identification of Safe Deposit Lockers on the basis of locker keys, with a view to facilitate identification of lockers / locker ownership by law enforcement agencies in case of need, Bank shall arrange to emboss on all locker keys, an identification code which could indicate the bank and the branch providing the locker.

2. Type of Lockers and Annual Rent

- Presently bank have 10 types of locker units in different size and dimensions. Annual locker rent is fixed depending on the size of the locker and the centre at which the branch is located. Locker rent will be revised from time to time by the Bank.
- Rent for Locker is calculated pro-rata and collected in advance. When a new locker allotment takes place, rent is collected in advance for the period ending 31st March of the Financial Year and thereafter rent is collected for 12 months in advance on 1st April of every Financial Year.
- In the event of surrender of a locker by a customer, the proportionate amount of advance rent collected shall be refunded to the customer.

3. Fixed Deposit as Security for Lockers

- To ensure prompt payment of locker rent, Bank has the option at the time of allotment to obtain a Fixed Deposit which would cover 3 years rent and the charges for break open of locker in situations where the locker-hirer neither operates the locker nor pays the rent.

4. Guidelines for Locker operations

- Locker operations will be allowed only during Banks business hours after establishing the identity of the hirer and/or the persons duly authorized by him/her and recording of the authorization by the officials concerned of the bank. The bank shall 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 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.
- Banks will permit the locker hirer to operate the locker only with the key provided by the bank. There is no restriction for the customer to use an additional padlock of her /his own if there are such provisions in lockers.
- An email and SMS alert will be sent 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.

5. Nomination Facility

Nomination form will be taken from all individual(s) holding the lockers singly or jointly. A passport size photo of the nominee attested by the hirer (s) need to be submitted, at his/her option and the same will be preserved in the records. Acknowledgement of the nomination will be given to the locker hirer (s).

6. Allotting lockers to illiterate customers

- Safe deposit locker shall be allotted to illiterate customers in exceptional cases after verifying the need of the customer.
- The terms and conditions and details in the agreement will be explained to the customer in vernacular language which is known to the customer and need to be witnessed.
- His/her left-hand thumb impression shall be affixed on the documents (application form and agreement) in the presence of the Branch Manager.
- Whenever he/she operates the Locker his LTI (Left Thumb impression) will be obtained

7. Loss of key by the customer

- If customer loses the key of Safe deposit locker, the customer (locker hirer) shall notify the bank immediately. An undertaking shall be obtained from the customer that the key lost, if found in future, will be handed over to the bank.
- The cost for break open and replacement of locks, actual charges by the vendor to be borne by the hirer.

8. Addition/ deletion of the hirer(s)

- Bank may at the request of all the locker hirer/s allow addition or deletion of joint hirer or allow an individual hirer to add the name of another person as a joint hirer. However, such addition /deletion of locker hirer should not result in the total change of the original hirer.
- For addition of joint hirer KYC document of new hirer need to be provided to Bank and a fresh agreement to be executed by all the hirers. Mode of operations of the locker has to be clearly mentioned in this agreement.

9. Death of the hirer

- On report of the death of the hirer through any authentic source (accompanied by valid proof) or by any of the survivors in the joint locker (accompanied by valid proof), it will be recorded in the Bank records. Locker will be sealed and sticker will be pasted with note about the death of the hirer.

10. Claim settlement Process

- Hirer's representative / nominee has to submit request to the Bank in writing about the death of the hirer along with the death certificate of the hirer for claim settlement.
- Bank shall take the following precautions before handling over the contents.
- Bank exercises 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. The genuineness of the documents will be ensured.
- Bank shall take diligent effort to find out if there is any order from a competent court restraining the bank branch from giving access to the locker of the deceased.
- Bank shall make it clear to the survivor(s)/ nominee(s) that access to locker is given to them only as a trustee of the legal heirs of the deceased locker hirer i.e. such access given to him/ her shall not affect the right or claim which any person may have against the survivor(s)/ nominee(s) to whom the access is given.
- While giving access to the survivor(s)/nominee(s) of the deceased locker hirer, Bank does not insist on production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominees(s).
- Bank is also guided by the provisions of Sections 45 ZC to 45 ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985 and the relevant provisions of Indian Contract Act and Indian Succession Act.
- In case the nominee(s)/ survivor(s)/ legal heir(s) wishes to continue with the locker, Bank may enter into a fresh contract with nominee(s)/ survivor(s)/ legal heir(s) and also adhere to KYC norms in respect of the nominee(s) / legal heir(s). Bank is not required to open sealed/closed packets found in locker while releasing those to the nominee and surviving locker hirer.

- For cases of settlement through WILL, only WILLS probated by a competent court will be accepted and the decision of the court will be final in case of any dispute.

“Either or survivor”/ “Anyone or survivor”/ “Former or survivor”/ “Latter or survivor”

- In case the locker is jointly hired and the mode of operation is “Either or survivor”/ “Anyone or survivor”/ “Former or survivor”/ “Latter or survivor”, the survivor will be permitted to operate the locker with necessary changes in the system.

With nomination

- The nominee will be allowed to access the locker and remove the contents on identification (such as Election ID Card, PAN Card, Passport etc.) and verification of proof of death of locker hirer. Before permitting the nominee to remove contents of the Safe Deposit Locker, the bank will prepare an inventory of the articles in the presence of nominee(s) and two independent witnesses.

Without nomination

- Legal heir(s) of the deceased locker hirer or a person mandated by the legal heir(s) will be allowed to access the locker and remove the contents on verification of proof of death of locker hirer. The legal heir(s) to remove contents of the Safe Deposit Locker the bank will prepare an inventory of the articles in the presence of legal heir(s) / mandate holder and two independent witnesses

Joint Account with or without nomination and Without survivorship mandate (operated jointly)

With Nomination

- In the event of the death of one (or more but not all) of the joint locker hirers the nominee(s) will be jointly allowed along with the surviving hirer(s) to access the locker and remove the contents on identification and verification of proof of death of the locker hirer(s)
- In the event of death of both / all joint locker hirers the nominee(s) will be allowed to access the locker and remove the contents on establishing his/her/their identity and verification of proof of the death of their hirers.

Before permitting surviving hirer(s) and / or nominee(s) to remove contents of the Safe Deposit Locker, the bank will prepare an inventory of the articles in their presence along with two independent witnesses.

Without Nomination

- In the event of death of one (or more but not all) of the locker hirers, the surviving hirer(s) and legal heir (s) of the deceased hirer (or person mandated by them) will be allowed to access the locker and remove the contents on verification of authority of legal hires and proof of death of the hirer.

In the event of death of both / all the joint locker hirers, all the legal heirs (or any one of them as mandated by all legal heirs) would be allowed to access the locker and remove the contents on verification of authority of legal heirs and proof of death of the locker hirers.

Before permitting surviving hirers and mandated legal heir(s) to remove contents of a Safe Deposit Locker, the bank will prepare an inventory of the articles in the presence of surviving hirers, mandated legal heir(s) and two independent witnesses.

Joint account with mandated "Either or Survivor" / "Former or Survivor" / "Anyone or Survivors" / "Latter or Survivor"- without nomination

- In the event of death of one (or more but not all) of the joint hirers, the surviving hirer(s) will be allowed to access the locker and remove the contents on verification of proof of death of the joint hirer(s).
- In the event of death of all the locker hirers, all the legal heirs of the deceased joint hirers (or any one of them as mandated by all legal heirs) would be allowed to access the locker and remove the contents on verification of the authority of legal heirs and proof of death of the locker hirers.

Before permitting the surviving hirers / legal heir(s) to remove contents of a Safe Deposit Locker, the bank would prepare an inventory of the articles in the presence of surviving hirers/legal heirs and two independent witnesses.

Legal representative claims the content of the locker

- Legal representative has to produce legal documents E.g. Letter of probate, letter of administration, etc., to the satisfaction of the Bank.

11. Stoppage of Locker Access

- If prohibitory order from a competent authority or a Court appointing a Receiver in respect of the Locker is received by the bank, access to the specified locker will be stopped immediately. This will be marked physically on the Locker as well as in the bank records.

12. Settlement of claims in respect of missing persons

- Legal Position - The settlement of claims in respect of missing persons shall be governed by the provisions of Section 107/108 of the Indian Evidence Act, 1872. Section 107 deals with presumption of continuance and Section 108 deals with presumption of death.
- As per the provisions of Section 108 of the said Act, presumption of death can be raised only after a lapse of seven years from the date of his/ her being reported missing. As such, nominee/ legal heirs have to raise an express presumption of death of the subscriber under Section 107/ 108 of the Indian Evidence Act before a

competent court. If the court presumes that he/ she is dead, then the claim in respect of a missing person can be settled as is done for any other explained above.

13. Locker Rent Recovery / Overdue

- Access to Locker will be denied post 30 days of rent overdue.
- Banks have the discretion to break open any locker following due procedure if the rent is not paid by the customer for three years in a row.
- Post rent overdue for three years in a row, Bank will send rent overdue intimation through letter, email and SMS alert to the registered email id and mobile phone number of the hirer (s). This intimation will be sent after 45 days of 3-year completion. If the rent remains unpaid even after sending the letter, SMS, Email, bank will issue a final letter giving notice that the Bank shall break open the Locker without further intimation to hirer, if the rent is not paid within 14 days from the date of the letter. This letter will be sent by Registered Post with Acknowledgement due.
- If the letter is returned undelivered or the locker hirer is not traceable, the bank shall issue public notice in two newspaper dailies (one in English and another in local language) giving reasonable time to the locker hirer or to any other person/s who has interest in the contents of locker to respond.
- Bank will make all the efforts to contact the hirer and if no recovery is forthcoming, Bank will proceed with break open of the locker.

14. Break open of the locker

- Bank will break open a locker either at the request of the hirer/s or for default of payment of rent or for other reason.
- When the break open of locker is done at the request of the hirer, the same shall take place in the presence of the hirer or his nominee and cost for replacement of lock, actual charges of the vendor to be borne by the hirer/ nominee.
- In case of break open due to default in payment, Branch will prepare the locker inventory got from the break open locker and the contents will be kept in sealed envelope with detailed inventory inside fireproof safe in a tamper-proof way until customer claims.
- The locker will be broken open in the presence of an officer of the bank and two independent witnesses.
- Banks 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.
- After breaking open the Locker Branch will send notice to the hirer advising him of the fact of breaking open the locker and articles found therein.
- Once the customer comes and clear the locker rent dues plus cost for replacement of locks, actual charges of the vendor, inventory got from the break open locker will be

released to hirer after obtaining acknowledgement of the customer on the inventory list.

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

- 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.
- The 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 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.
- Banks 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.

16. In operative Locker - Discharge of locker contents if the locker remains inoperative for a long period of time

Where the lockers have remained inoperative for more than three years for medium & low risk category or one year for a higher risk category, Branch will immediately contact the locker-hirer and advise him to either operate the locker or surrender it.

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 will follow the procedure as followed for break open of locker due to rent overdue.

17. Movement / Shifting of locker to another location.

Bank will notify all hirers (including all joint hirers) if there is any event such as merger / closure / shifting of branch warranting physical relocation of the lockers. The bank shall give public notice in two newspapers (including one local daily in vernacular language) in this regard and the customers shall be intimated at least two months in advance along with options for them to change or close the facility. In case of unplanned shifting due to natural calamities or any other such emergency situation, banks shall make efforts to intimate their customers suitably at the earliest.

18. Compensation Policy & Liability for Banks

Bank will take all steps for the safety and security of the premises in which the safe deposit vaults are housed. 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.

Bank is responsible 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. 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.

19. Insurance Policy

- Bank shall 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.
- Bank do not keep a record of the contents of the locker or of any articles removed therefrom or placed therein by the customer, so that the Bank will not be under any liability to insure the contents of the locker against any risk whatsoever. Bank shall under no circumstances offer, directly or indirectly, any insurance product to the locker hirers for insurance of locker contents.

20. Customer Guidance

- Bank shall display the model locker agreement with all the Terms & Conditions and the Standard Operating Procedures (SOPs) on various aspects on the website, for public viewing and to ensure that the customers are aware of the bank's terms and conditions to avail the facilities.
- Bank shall display updated information on all kinds of charges for safe deposit lockers and safe custody articles on the website.
- Bank shall place on the website, 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 shall also be given to the nominee(s) / survivor(s) / legal heir(s).

21. Confidentiality

Bank will ensure utmost secrecy of the Safe Deposit Lockers hired by the customer and shall not divulge any information about hiring of lockers, mode of operation etc. to anyone, except when the disclosure is required to be made with the clear consent of the hirer(s) or in compliance of the orders of a competent authority having statutory powers.

22. Review of the Policy:

One Year from the date of approval of this Policy. But in case of any amendment(s), clarification(s), circular(s), etc. issued by competent authorities of the bank on the basis of any amendments to the Laws & Rules of the Land, not being consistent with the provisions

laid down in this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail over the provisions of this Policy and this Policy shall stand amended accordingly. The Board has the power to replace this Policy entirely with a new Policy. Any guidelines issued by any Regulatory Authority which has the effect of changing any of the provisions of this policy will also become part of the policy from the date of issuance of such guidelines.