

SHARAD SAHAKARI BANK LTD., MANCHAR

(A Tier 3, Non-Scheduled Urban Co-operative Bank)

BOARD-APPROVED POLICY DOCUMENT

SAFE DEPOSIT LOCKER POLICY

Financial Year 2026-27

Comprising:

Part A — Board Policy

Part B — Standard Operating Procedure (SOP)

Regulatory basis: RBI Master Direction — Reserve Bank of India (Urban Co-operative Banks

– Responsible Business Conduct) Directions, 2025, dated November 28, 2025

(RBI/DOR/2025-26/292; DOR.MCS.REC.No.211/01-01-037/2025-26), updated as on April 1, 2026

Document Control

Field	Detail
Policy Owner	Board of Directors, Sharad Sahakari Bank Ltd., Manchar
Prepared / Custodian	Administration Department
Policy Approval details	Policy reviewed in BoD Meeting dated 27/07/2026 vide Resolution No.27
Applicable to	All branches offering Safe Deposit Locker Policy
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Review Frequency	Annual, or earlier upon regulatory change
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Table of Contents

Part A — Board-Approved Policy

Part B — Standard Operating Procedure (SOP)

PART A — BOARD-APPROVED POLICY

A.1 Preamble and Objective

This Policy governs the Safe Deposit Locker and Safe Custody Article facility ("the Facility") offered by Sharad Sahakari Bank Ltd., Manchar ("the Bank") to its customers. It has been framed pursuant to the Reserve Bank of India (Urban Co-operative Banks – Responsible Business Conduct) Directions, 2025 dated November 28, 2025 (RBI/DOR/2025-26/292; DOR.MCS.REC.No.211/01-01-037/2025-26), updated as on April 1, 2026 ("the RBI Directions"), issued in exercise of powers conferred by Sections 21, 35A, 45ZC(3), 45ZE(4) and 56 of the Banking Regulation Act, 1949, read together with the directions of the Hon'ble Supreme Court in Amitabha Dasgupta vs United Bank of India (Judgment dated February 19, 2021, in CA No. 3966 of 2010).

The objective of this Policy is to ensure fair, transparent and secure conduct of the Safe Deposit Locker / Safe Custody Article business of the Bank, to clearly define the rights and responsibilities of the Bank and its customers, and to institutionalise robust internal controls, customer protection and grievance redressal mechanisms.

A.2 Applicability

This Policy applies to all branches of the Bank offering the Safe Deposit Locker and to all officers and staff involved in allotment, operation, custody, closure and claim settlement of lockers.

A.3 Customer Due Diligence and Eligibility for Allotment

1. Existing customers of the Bank who apply for the locker/safe custody facility and are fully compliant with Customer Due Diligence (CDD) requirements under the RBI (Urban Co-operative Banks – Know Your Customer) Directions, 2025 may be granted the Facility, subject to on-going compliance.
2. The locker agreement shall contain a clause prohibiting the hirer from keeping anything illegal or hazardous in the locker. Where the Bank suspects deposit of illegal or hazardous material, it shall be entitled to take such action as it deems fit.
3. Recent passport-size photographs of the locker-hirer(s) and of individual(s) authorised to operate the locker shall be obtained and preserved in the Bank's branch records.

A.4 Allotment of Lockers

1. The Bank shall maintain a branch-wise list of vacant lockers and a waitlist in the Core Banking System (CBS) ensuring transparency in allotment.
2. Receipt of every locker application shall be acknowledged, and a waitlist number shall be issued where a locker is not immediately available.
3. The Bank shall use a Board-approved Locker Agreement (based on the Indian Banks' Association Model Locker Agreement, suitably adapted), stamped as required by law, executed in duplicate — one copy for the Bank and one for the hirer. The agreement shall not contain unfair or onerous terms.

4. At the time of allotment, the Bank may obtain a Term Deposit covering up to three years' locker rent plus break-open charges, solely to secure against non-payment of rent. Such Term Deposit shall not be insisted upon from existing locker-holders or customers with a satisfactory operative account, and shall never be bundled as a mandatory condition beyond what is permitted.
5. Where locker rent has been collected in advance and the locker is surrendered, the rent shall be recovered upto the quarter in which locker is surrendered. unexpired rent shall be refunded to the customer.
6. In the event of branch merger, closure or relocation necessitating physical shifting of lockers, the Bank shall issue public notice in two newspapers (including one local vernacular daily) and intimate affected customers at least two months in advance, along with the options available to them. In the case of unplanned shifting due to natural calamity or emergency, the Bank shall make best efforts to intimate customers at the earliest.

A.5 Infrastructure and Security Standards

1. The area housing the locker facility shall be properly secured against criminal break-in, with a single defined point of entry/exit to the vault/locker room, adequate protection against water and fire hazards, and regular engineering/safety verification.
2. The locker area shall remain adequately guarded at all times. Bank should cover entry/exit points and common operational areas under CCTV, preserving recordings for not less than 180 days. Where unauthorised access, theft or a security breach is alleged, CCTV recordings shall be preserved until police investigation and dispute resolution are complete.
3. Security procedures shall be documented and staff trained; Internal Audit shall verify compliance periodically.
4. Locker keys shall bear an embossed Bank/branch identification code; keys shall be periodically checked by the custodian. The Bank shall permit operation only with the key it provides, without prejudice to the hirer's right to use an additional personal padlock where the locker design permits.

A.6 Locker Operations and Internal Controls

1. Only the locker-hirer and/or persons duly authorised by the hirer shall be permitted to operate the locker, following identity verification. A record of every access (with check-in/check-out time and signature) shall be maintained in the Ingress-Egress Register for the Vault Room.
2. The Bank's officer who unlocks the first key shall not remain present while the hirer operates the locker, ensuring the hirer's privacy.
3. An email and SMS alert confirming date and time of locker operation, together with the grievance redressal mechanism for unauthorised access, shall be sent to the registered contact details before the end of the day.
4. On surrender of a locker, locks shall be interchanged. Keys of vacant lockers shall be kept in sealed envelopes; duplicate master keys shall be lodged with another branch under joint custody; surprise periodic verification of vacant lockers/keys shall be conducted by an officer unconnected with their custody.
5. The Locker Register and Locker Key Register shall be maintained in CBS with complete audit trail of all allotment changes.
6. A bank custodian 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. A 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.

A.7 Breaking Open of Lockers

The Bank may break open a locker, other than through normal access by the hirer's key, only in the following circumstances:

- On the hirer's request, where the key is lost, at the hirer's cost;

- On the order of a Court or competent Government enforcement authority seeking access/seizure;
- Where the Bank determines it must repossess the locker due to the hirer's non-cooperation or non-compliance with the agreement;
- For non-payment of locker rent continuously for three years, after due notice;
- Where the locker has remained inoperative for seven years and the hirer cannot be located, even though rent is being paid.

A.8 Compensation Policy / Liability of the Bank

1. The Bank owes a distinct duty of care to exercise due diligence in maintaining and operating its locker system, including ensuring proper functioning, guarding against unauthorised access, and providing safeguards against theft and robbery. The Bank shall comply with RBI's Master Directions on Fraud Risk Management for reporting of robberies, dacoities, thefts and burglaries.
2. The Bank shall not be liable for damage or loss of locker contents arising from natural calamities/Acts of God (earthquake, flood, lightning, thunderstorm) or from the sole fault or negligence of the customer, though the Bank shall exercise appropriate care to protect its premises from such events.
3. Where loss of locker contents arises from fire, theft, burglary, dacoity, robbery, building collapse, or fraud committed by the Bank's employee(s) — attributable to the Bank's own shortcomings, negligence, or acts of omission/commission — the Bank's liability shall be for an amount equivalent to one hundred (100) times the prevailing annual rent of the safe deposit locker.
4. The Bank shall maintain a branch insurance policy to minimise loss from robbery, fire, natural calamities and branch shifting/merger events affecting locker contents.
5. Since the Bank does not keep a record of the contents placed in or removed from a locker by the customer, it shall not be under any liability to insure locker contents against any risk, and shall not, directly or indirectly, offer any insurance product to locker-hirers for insurance of locker contents. This position shall be explicitly stated in the Locker Agreement.

A.9 Nomination Facility

1. The Bank shall offer the nomination facility for safe deposit lockers and articles kept in safe custody in accordance with Sections 45ZC to 45ZG of the Banking Regulation Act, 1949 (read with Section 56) and the Banking Companies (Nomination) Rules, 2025.
2. At the time of hiring a locker or depositing an article for safe custody, the customer shall be explicitly informed of the availability and benefits of nomination and offered the option to avail it.
3. Where the customer chooses not to nominate despite being informed, the Bank shall proceed without imposing restrictions, after obtaining a written declaration to that effect; if the customer refuses to give the declaration, the fact of refusal shall be recorded. No customer shall be denied or delayed the Facility solely for declining nomination.
4. In case of a minor nominee, the contents shall be handed over to the guardian named in the nomination form.
5. The Bank shall give wide publicity to the benefits of nomination, including through passbooks, cheque books, application forms and periodical awareness drives, and every locker/safe-custody application form shall provide space to record nomination details.

A.10 Settlement of Claims of Deceased Customers

The Bank shall settle claims relating to safe deposit lockers of deceased customers strictly in accordance with the procedures at Part B, distinguishing between (a) claims with a valid nomination or survivorship clause, and (b) claims without nomination or survivorship clause (which shall follow the Simplified Procedure, cases involving an undisputed Will, and cases involving contesting claims/disputes, as applicable). No Succession Certificate, Letter of Administration, Probate of Will or third-party surety shall be insisted upon in cases falling within the Simplified Procedure or with valid nomination/survivorship, except where discrepancies exist.

1. The Bank shall process a safe deposit locker and communicate a date for inventory within 15 calendar days of receipt of all required documents.

2. Where the Bank fails to adhere to this timeline, it shall pay compensation of ₹5,000 for each day of delay to the claimant(s), and shall communicate reasons for delay.
3. Standardised claim forms (Annexures V to XII of this Policy) shall be made available at all branches and on the Bank's website, together with the list of documents required and the procedure applicable to each scenario.

A.11 Customer Transparency and Publicity

1. The Bank shall display the Model Locker Agreement, applicable Terms & Conditions and the SOP on its website and/or branch notice boards, and shall display updated charges for locker and safe custody facilities on its website.
2. Instructions and procedures for giving access to nominee(s)/survivor(s)/legal heir(s) of a deceased hirer shall be placed on the website, with a printed copy also furnished to such claimants.

A.12 Governance

This Policy shall be approved by the Board of Directors and reviewed at least annually, or earlier upon any change in RBI Directions or applicable law. Any deviation from this Policy shall require specific Board approval, recorded with reasons.

PART B — STANDARD OPERATING PROCEDURE (SOP)

This SOP operationalises the Policy at Part A. It sets out branch-level, step-by-step procedures to be followed by designated officials.

B.1 SOP — Locker Allotment

1. Receive application in the prescribed form; check applicant's existing KYC/CDD status in CBS.
2. If CDD is incomplete, complete KYC per the Bank's KYC Directions-based procedure before proceeding.
3. Check vacant locker list in CBS; if unavailable, register the applicant on the branch waitlist and issue an acknowledgment with waitlist number.
4. On availability, obtain two passport-size photographs of hirer(s) and authorised operator(s); file in the locker folder.
5. Execute the Board-approved Locker Agreement on stamp paper of appropriate value (cost borne by hirer).
6. Record nomination details on the application/agreement; where declined, obtain written declaration of non-nomination (Locker Application Form – Nomination Section).
7. If a Term Deposit is being obtained to secure rent (only for new customers without a satisfactory operative relationship), open the TD for an amount covering three years' rent plus estimated break-open charges, and link it to the locker file. Do not insist on TD from existing/satisfactory account holders. "Satisfactory Operative account" means an account which is duly maintained and regularly operated by customer, is not in default or overdue, is not classified as NPA or otherwise irregular, and is free from any material restrictions or adverse status as per the Banks records and applicable regulatory guidelines.
8. Hand over locker key(s) against signature; update Locker Register and Locker Key Register in CBS with complete audit trail.
9. Provide a duplicate signed copy of the Agreement to the customer; retain the original at the branch.

B.2 SOP — Day-to-Day Locker Operation

1. Verify identity of the person seeking access (hirer or authorised operator) against branch records/signature.
2. Record entry in the Ingress-Egress Register (name, date, check-in time) and obtain signature.
3. Unlock the Bank's key/first lock; the authorising officer shall then withdraw and not remain present while the customer operates the locker.
4. On completion, verify the locker is properly closed; record check-out time and obtain signature in the Register.
5. Trigger same-day email/SMS alert to the customer's registered contacts confirming date/time of operation and stating the grievance channel for unauthorised-access complaints.
6. At end of day, the custodian shall physically inspect the locker room to confirm all lockers are closed and no person remains inside.

B.3 SOP — Surrender and Vacant Locker Controls

1. On surrender, interchange the lock; place spare/vacant keys in a sealed, signed envelope.
2. Update the Locker Register to reflect vacancy; refund proportionate advance rent, if any, after surrender of locker.
3. Lodge duplicate master keys with another designated branch under joint custody.
4. Conduct surprise verification of vacant lockers/keys at least quarterly, by an officer not connected with custody; record findings.

B.4 SOP — Breaking Open of Lockers

B.4.1 On hirer's request (lost key)

1. Obtain written request from the hirer; obtain undertaking that the lost key, if later found, will be surrendered to the Bank.
2. Verify hirer's identity; record the fact of loss.

3. Engage an authorised technician; break open in the presence of the hirer and an authorised Bank official, ensuring adjoining lockers/contents of other hirers are not exposed.
4. Recover applicable charges for opening, lock replacement and new key from the hirer as per the published tariff.
5. Prepare inventory as per Annex III/XII and obtain hirer's acknowledgment.

B.4.2 On order of law-enforcement/competent authority

1. Verify the authenticity of the Court/competent authority order and connected documents before acting.
2. Intimate the customer by letter, email and SMS to registered contacts of the attachment/seizure action.
3. Prepare inventory of seized contents in the presence of the Authority, two independent witnesses and a Bank officer; all signatories shall sign the inventory.
4. Forward a copy of the inventory to the customer's recorded address, or hand it over against acknowledgment.
5. Video-record the break-open and inventory process wherever legally permissible, and preserve the recording as evidence.

B.4.3 For non-payment of rent (3 consecutive years)

1. Issue notice to the hirer by letter, email and SMS. If the letter is returned undelivered or the hirer is untraceable, publish notice in local newspaper allowing reasonable time to respond.
2. Break open in the presence of a Bank officer and two independent witnesses
3. Video-record the break-open and inventory process and preserve the recording.
4. Prepare inventory place contents in a sealed, tamper-evident envelope inside a fireproof safe pending the customer's claim.
5. Maintain a record of every access to the fireproof safe.
6. On eventual closure, obtain the customer's acknowledgment on the Inventory list.

7. Record the break-open event in CBS/compliant system as well as the Locker Register.

B.4.4 For lockers inoperative for seven years

1. Where the hirer cannot be located despite regular rent payment, follow the notice and break-open procedure at B.4.3 above before transferring contents to nominee(s)/legal heir(s) or disposing of the articles transparently, as applicable.

B.5 SOP — Claim Settlement on Death of Locker-Hirer / Safe Custody Depositor

B.5.1 Where nomination or survivorship clause exists

1. Obtain claim form (Annex V), death certificate of the hirer, and Officially Valid Document (OVD) of the nominee(s)/survivor(s).
2. Verify identity of nominee(s)/survivor(s) and death of the hirer; confirm no restraining order from any Court/Forum is on record.
3. Communicate in writing to the nominee(s)/survivor(s) that access/contents are being handed over solely as trustee(s) for the legal heirs, without prejudice to any third-party claim.
4. Fix a date/time for inventory; conduct it in the presence of the nominee(s)/survivor(s) or authorised representative, two independent witnesses (not employees/ex-employees of the Bank), the vault custodian, and another Bank employee not associated with locker operations.
5. Record the inventory hand over contents and obtain acknowledgment that the locker is empty and available for re-allotment.
6. Do not insist on Succession Certificate, Letter of Administration, Probate of Will or Bond of Indemnity unless a discrepancy exists in the nomination.
7. Complete the process and communicate the inventory date within 15 calendar days of receipt of all required documents; monitor for the ₹5,000-per-day-of-delay compensation trigger.

B.5.2 Where no nomination/survivorship clause exists — Simplified Procedure

1. Applicable where there is no dispute among legal heirs/claimants, no nomination, no survivorship mandate, and no Will.
2. Obtain: claim form (Annex VI), death certificate, OVD of claimant(s), Letter of Disclaimer/No Objection from non-claimant heirs (Annex VIII, where applicable), and a Legal Heir Certificate from a competent authority OR a Declaration/Affidavit (Annex IX) from an independent, disinterested person well known to the deceased's family.
3. Prepare inventory (Annex X/XI) as per B.5.1 above, in the presence of the same set of witnesses/officials.
4. Obtain Bond of Indemnity (Annex VII/XII) from claimant(s) — required only where settlement is being made without production of legal documents such as Probate/Succession Certificate/Letter of Administration/Court order.
5. Valuation of locker/article contents shall be carried out by an independent valuer and recorded in the Bond of Indemnity.

B.5.3 Cases involving a Will (no dispute)

1. Settle on the basis of Probate of Will / Letter of Administration, together with death certificate and claimant OVD; alternatively, at the Bank's discretion, act as per the Will without insisting on probate, provided there is no dispute and the Bank is satisfied of genuineness — in which case the Letter of Disclaimer (Annex VIII) and Legal Heir Certificate/Affidavit (Annex IX) shall additionally be obtained.

B.5.4 Contesting claims / disputes

1. Settle only on the basis of Probate of Will, Succession Certificate, Letter of Administration, or a Court order/decreed, together with death certificate and claimant OVD. No third-party surety shall be insisted upon.
2. Where a Court order restrains payment, withhold settlement until the restraint is lifted or superseded by a further order.

B.6 SOP — Standardisation, Online Lodgement and Turnaround

1. Make all standardised claim forms (Annex V–XII) available at every branch and on the Bank's website, along with the checklist of required documents.
2. Acknowledge every claim lodged at any branch; where documents are incomplete, communicate the deficiency list at the time of acknowledgment.
3. Where the Bank offers online lodgement, send acknowledgment/confirmation through the appropriate channel and enable status tracking; allow submission/verification of original documents at any branch.
4. Settle deposit-account claims within 15 calendar days of receipt of complete documentation; for locker/safe-custody claims, communicate the inventory date within 15 calendar days. Delay attributable to the Bank triggers compensation as per A.10.

B.7 SOP — Customer Communication and Records

1. Publish the Model Locker Agreement, Terms & Conditions, applicable charges and this SOP on the Bank's website and/or branch notice board.
2. Maintain all locker-related registers (Locker Register, Locker Key Register, Ingress-Egress Register, Vacant Locker Verification Register) in CBS or an equivalent Cyber-Security-Framework-compliant system with full audit trail, and retain records as per the Bank's Record Retention Policy and applicable law.




Chief Executive Officer